Accruals, Allocation Adjustments and Reserve Accounts
March 25, 2011
Rick Grunewald
Budget Office

Recording date of this workshop is March 25, 2011.
Some of the rules and procedures discussed in this workshop are subject to change.
Please check university resources before relying exclusively on this recorded presentation.

Course Objectives
• Define and discuss permanent positions
• Define “Accrual”
• Discuss accrual scenarios from the WSU Accruals Policy
• Recognize and describe the uses of the different reserve and control account budgets
Course Objectives, cont.

• Understand reserve account structure
• Explain the effect of temporary position “No allocation” accruals to the departmental budget statement
• Define “Allocation Adjustment”
• Explain the “mid-step” allocation adjustment policy

Course Objectives, cont.

• Cite which adjustments post to Balances and which don’t
• Calculate differences in Allocation and Base adjustments for mid-year position changes
• Identify how to retrieve accrual and allocation data from DEPPS, Balances and the Financial Data Warehouse

Permanent Positions

• Carry a permanent allocation of funds on one or more account(s). Salaries are expended on these accounts from the permanent dollars on that position. If salary expenditures are not made, the allocation for that time period accrues to the area reserve, or a central reserve, according to the accruals policy.
Temporary Positions

- No permanent allocations are made to these positions. Expenditures post to the operating account and draw allocations from the area reserve (state-funded).

Permanent Position Funding

Area Reserve

Position Gets Funding from Reserve

Area Reserve

Perm Position

$\ldots$
Payday

Area Reserve $$

Temporary Position

$ Employee

The salary is expended on the departmental operating account but the funding comes from the area reserve.

WSU Accrual and Allocation Adjustment Policy and Procedures

• Go to Budget Office web page, click on Budget Policies

Accrual

• An accrual is the difference between the allocation and the expense on a position.
Accrual Scenario #1

- Faculty member goes on professional leave for academic year.
- Paid at 75%
- Position is allocated at 100%

What are the accruals and where do they go?
Area Reserve Budget: 99XX

• Main area reserve account.
• All area-funded position transactions interact with this reserve.

Accrual Scenario #2

• Temporary Position # 101111 paying faculty member at $3,000 per pay period

What are the accruals and where do they go?
3/15/2011

NO ALLOC – (TEMP POSITION) – Scenario #2

DEPPS System Accrual Detail

<table>
<thead>
<tr>
<th>Position</th>
<th>101111</th>
<th>Accruals as of: 07/01/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Pay Cycle Type</td>
<td>Retro</td>
</tr>
<tr>
<td>Pay Cycle Type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REG 37</td>
<td>0.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>REG 37</td>
<td>0.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>REG 37</td>
<td>0.00</td>
<td>3,000.00</td>
</tr>
<tr>
<td>REG 37</td>
<td>0.00</td>
<td>3,000.00</td>
</tr>
</tbody>
</table>

Accluar Scenario #3

• Permanent AP position #33352 is vacant
• Position is allocated at $5,000/month

What are the accruals and where do they go?

NO EXPENSE – Scenario #3

DEPPS System Accrual Detail

<table>
<thead>
<tr>
<th>Position</th>
<th>033352</th>
<th>Accruals as of: 07/01/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Pay Cycle Type</td>
<td>Retro</td>
</tr>
<tr>
<td>Pay Cycle Type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REG 01</td>
<td>2,500.00</td>
<td>0.00</td>
</tr>
<tr>
<td>REG 01</td>
<td>2,500.00</td>
<td>0.00</td>
</tr>
<tr>
<td>REG 01</td>
<td>2,500.00</td>
<td>0.00</td>
</tr>
<tr>
<td>REG 01</td>
<td>2,500.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Central Accrual Reserve Budget: 93XX

- Central accruals come to this budget
- Centrally-paid Annual/Sick Leave payouts are funded from this budget

Reserve Account Structure

- “Built” from operating account
- Fund/Subfund/Program same as operating acct.
- First two digits of budget determined by kind of transaction (central or area?)
- Last two digits of budget are area number of operating account
- First two digits of project are same as operating program
- Last two digits of project are numerical value of operating subprogram

Reserve Account Example

- Example: Area accrual due to temporary expense on sponsored program
  - Operating account
    - 001-01-06C-2222-3541, area 29
  - Reserve account
    - 001-01-06C-9929-0603
Allocation Adjustment

- An allocation adjustment is a change in the allocation for a position assigned to funds included in the permanent budget level (PBL)*

*PBL Funds: 001, 143, 148-02, 148-05, 148-06

Monthly allocation increasing by $2,400
4.5 months times $2,400 = $10,800

$10,800 shows on budget statement detail in January

Reclass Example

Step 1: Reclass
Step Change takes from Step H to Step A. Central collects.

Step 2: Position
Reclass takes from old A to Step A at the new Range. Area pays.

Step 3: Reclass Step
Change takes to Step G at new Range. Central pays.
Reclass Example-Base Screen

<table>
<thead>
<tr>
<th>Position</th>
<th>Cycles</th>
<th>Type</th>
<th>Pay Earn</th>
<th>Change</th>
<th>Prev Alloc</th>
<th>Adj.</th>
<th>Adjusted</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>071</td>
<td>REG</td>
<td>7/1</td>
<td>2008</td>
<td>1300</td>
<td>28,440.00</td>
<td>28,440.00</td>
<td>9949-0007-5227-0001</td>
<td></td>
</tr>
<tr>
<td>071</td>
<td>REG</td>
<td>3/1</td>
<td>2008</td>
<td>1300</td>
<td>28,440.00</td>
<td>(4,248.00)</td>
<td>24,192.00</td>
<td>9949-0007-5227-0001</td>
</tr>
<tr>
<td>071</td>
<td>REG</td>
<td>9/1</td>
<td>2008</td>
<td>1300</td>
<td>25,932.00</td>
<td>1,740.00</td>
<td>27,672.00</td>
<td>9945-0007-5227-0001</td>
</tr>
<tr>
<td>071</td>
<td>REG</td>
<td>9/1</td>
<td>2008</td>
<td>1300</td>
<td>25,932.00</td>
<td>3,852.00</td>
<td>29,784.00</td>
<td>9240-0007-5227-0001</td>
</tr>
</tbody>
</table>

Reclass Example-Allocation Screen

<table>
<thead>
<tr>
<th>Position</th>
<th>Cycles</th>
<th>Type</th>
<th>Pay Earn</th>
<th>Change</th>
<th>Prev Alloc</th>
<th>Adj.</th>
<th>Adjusted</th>
<th>Adjusted</th>
</tr>
</thead>
<tbody>
<tr>
<td>071</td>
<td>REG</td>
<td>7/1</td>
<td>2008</td>
<td>1300</td>
<td>28,440.00</td>
<td>28,440.00</td>
<td>9849-0007-5227-0001</td>
<td></td>
</tr>
<tr>
<td>081</td>
<td>REG</td>
<td>9/1</td>
<td>2008</td>
<td>1300</td>
<td>26,440.00</td>
<td>(1,540.00)</td>
<td>24,900.00</td>
<td>9949-0007-5227-0001</td>
</tr>
<tr>
<td>081</td>
<td>REG</td>
<td>9/1</td>
<td>2008</td>
<td>1300</td>
<td>26,440.00</td>
<td>1,210.00</td>
<td>27,650.00</td>
<td>9240-0007-5227-0001</td>
</tr>
</tbody>
</table>

Tracking Accruals and Allocation Adjustments

- DEPPS Downloads
- BALANCES Downloads
- Financial Data Warehouse (Business Objects)
DEPPS Downloads

- Accrual Reporting Download Set
- Allocation Reporting Download Set

Type DDL at the command line and select desired download from page two of the General Download Sets. Some formatting will be required.

BALANCES Download

- Press PF4=Download Menu
- Select Report 17 under Account Detail
- Select a desired report
- You can upload a list of reserve accounts using report 03, “Selection from your PC file”. This will bring the account detail for your uploaded list for the dates you specify under Selection Criteria.
- Have your reserve accounts saved as a .txt file to use for our upload
Financial Data Warehouse

- Build your own reports or use a predesigned report from Corporate Documents:
  - Area Reserve Allocation Activity by Account

Questions

Thank you for attending this training today!
WSU employees attending this session via videoconferencing and who wish to have it documented on their training history must notify Human Resource Services within three days of the session date:

hrstraining@wsu.edu