Salary Accrual and Allocation Adjustment Policy and Procedures

This policy and the related procedures apply to all positions assigned to funds included in the permanent budget level (PBL). They provide for pooling of turnover costs, leave payouts and periodic increments (PID's) for most types of positions, while providing flexibility for deans to manage salary allocations for those instructional positions where staffing options are most variable.

A. Accruals

Definition: An accrual is the difference between the allocation and the expense for a position. A positive accrual represents an allocation greater than expense, a negative accrual represents an expense greater than allocation. "Accruals" refers to positive accruals except where noted.

1. Areas retain all accruals from faculty and graduate assistant positions in WSU programs 05 (libraries) and 06 (instruction).
2. Ordinarily, accruals from new positions created with funds allocated from central sources will be captured centrally until the position is first filled.
3. Accruals resulting from transfers to grants (Programs 11A-14Y) are returned to the area.
4. Accruals resulting from employees on approved professional leave or approved leave without pay of more than 10 working days are returned to areas.
5. Negative accruals, including those from temporary positions, interact with area reserves.
6. Accruals produced when employees appointed to a permanent position are temporarily assigned to a University service appointment (Ombudsman, Senate Executive Secretary, etc.) are returned to areas.
7. Sick leave and annual leave payouts are paid from a central pool for PBL funded positions, except for areas that manage their own salary accrual pools (e.g. WSU Extension, Agricultural Research, etc.) and faculty and graduate assistant positions funded in WSU programs 05 and 06. For abolished positions, areas will pay for sick and annual leave payouts net of any accruals captured centrally after the position was last vacated.
8. Accruals for vacant classified, A\P and non-instructional faculty positions will be captured centrally for the first four months. Subsequent accruals will be returned to the area upon request. These requests will be honored at any time during the fiscal year. Accruals will be returned from the beginning of the fifth month of vacancy, or July 1st, whichever is later.
9. Accruals from phased retirement agreements will be retained by areas for those positions that normally accrue to central, if the accruals are requested in advance. Upon full retirement, vacancy accruals will be collected centrally up to the equivalent of four months of the full-time position value. Areas may then request subsequent accruals. If the position is abolished, the area will pay the difference between the leave payouts and any central accruals collected after vacancy.
10. Accruals from all other positions revert to a central pool.
B. Allocation Adjustments

Definition: Allocation adjustments are changes in the allocation for positions assigned to funds included in the permanent budget level (PBL).

1. Allocation adjustments interact with area reserves, unless funding is specifically provided from central sources (e.g., a legislatively authorized salary increase).

2. Classified staff transactions that result in a change to funded FTE shall be calculated at the mid-step of the position.

3. Reclassifications between classified job classes are calculated at the lowest step (generally step "A").

4. Periodic Increments (PID's) and Staff Turnover adjustments interact with a central reserve account.

All parts of the institution will adhere to the WSU Accruals and Allocation Adjustment Policy. Because of the unique budget systems of WSU Extension and Agricultural Research, these units have been temporarily exempted from certain portions of the policy.

The policy applies to each campus independently. Any funds captured centrally from the budgets of WSU Spokane, WSU Tri-Cities, or WSU Vancouver will be expended for the benefit of the branch generating those funds. Similarly, leave buyouts and individual campus expenses will be paid by the appropriate campus pool.

Approved by Executive Council on March 24, 2005
WSU ACCRUAL AND ALLOCATION ADJUSTMENT PROCEDURES

The following procedures are to be applied in conjunction with the WSU Accrual and Allocation Adjustment Policy. The term “classified staff” in these procedures is used for both civil service and collective bargaining unit employees and positions.

A. Accrual Interaction
Area accruals interact with the relative area reserve account (99XX-XXXX). An area may choose to have accruals transferred to a departmental reserve account (XXXX-8889). To exercise this option the area can contact the Budget Office.

B. Leave Without Pay (LWOP) and Family Medical Leave (FML)

1. Classified Staff: Personnel policies require that leaves without pay of more than ten working days be approved by Human Resource Services (HRS) except Family Medical Leave, which is approved by the employing official and verified by HRS (See Policies and Procedures Manual sections 60.57.8). HRS will provide copies of any such approvals or verifications to the Budget Office which will use these documents to initiate the return of any related accruals.

2. Administrative Professional and (non- Program 05 and 06) Faculty Employees: Approval for leave without pay for AP and Faculty employees is granted at the area level. To request return of accruals, the area needs to submit a memo to the Budget Office prior to the leave period. The memo should include the employee name and position number, the leave dates and a brief explanation of the leave granted.

C. Vacant Positions
To reduce the loss of vacant position accruals, temporary replacements can be appointed to vacant positions, subject to WSU employment rules. The temporary appointee must perform the duties for which the position was allocated.

Accruals from vacant positions will not be returned to pay for time-slip replacements.

Accruals for vacant classified, AP and non-instructional faculty positions will be captured centrally for the first four months. Subsequent vacancy accruals will be returned to the area upon request.

D. Exceptions to Accrual Policy
Accruals which flow to central reserves are pooled and used for the benefit of all areas to fund PID's, turnover transactions, leave payouts, fringe benefit overruns, etc. As such, exceptions to the policy are generally not permitted. However, if unusual circumstances exist, an area may request a policy exception. To make such a request, a detailed memo should be sent to the Budget Director explaining the circumstances and desired action. The area will be notified as to the approval or rejection of the request.
E. Allocation Adjustments

Position changes that affect the amount allocated to operating accounts for the current fiscal year generate allocation adjustments. Generally, position changes that generate allocation adjustments also generate base adjustments. Base adjustments reflect the amount needed for a full fiscal year to fund the change.

Allocation and base adjustments that interact with area reserves do not change an area's total current year funding or PBL; they shift the allocation dollars between the position's operating accounts and the area reserves. If an area wishes to fund the change from a different account, they may submit a Journal Voucher request to effect the change. Allocation and base adjustments that interact with central reserves do change an area's total current year funding and PBL. Centrally funded base adjustments (and any requested changes to permanent funding levels within an area) are periodically reconciled with Position Control and the new base reported to areas.

1. Classified Staff transactions that result in a change to funded FTE are calculated and interact with area reserves at the mid-step (usually step "F") of the position. Any step adjustments needed to bring the position value to or from the mid-step interact with central reserves. These changes include:

   - Creating new positions
   - Abolishing positions
   - Changing a position to or from temporary status
   - Moving to or from PBL funds
   - Basis of service changes
   - Increases or decreases in allocation percent
   - Moving a position from one area to another

2. Reclassifications between classified job classes are calculated from range to range at the lowest step (usually step "A").

Example: A position is reclassified from range 28H to 31G (5% increase per WSU Policy). Values used are from the Department of Personnel General Service Salary Schedule, effective 9/1/06.

| Beginning position value (28H) | $2,252 |
| Adjustment to lowest step (28A) | $1,915 > Change of -$337/month interacts with central reserve |
| Reclassify to new range (31A) | $2,053 > Change of $138/month interacts with area reserve |
| Adjustment to new step (31G) | $2,358 > Change of $305/month interacts with central reserve |

Note: In many cases the charge to the area will exceed the initial increase in salary (in the example, the area charge is $138/month, but the actual salary increase is only $106/month). This additional charge helps offset future periodic increment costs which are funded from central reserves.
Reclassifications from classified to AP or faculty job classes are calculated from the step of the current or most recent incumbent to the new salary. Reclassifications to classified status from AP or faculty are calculated from the current salary to the mid-step of the new classified range.

3. Periodic Increments and Staff Turnover Adjustments for Classified Staff are generated automatically by the WSU HEPPS system and are triggered by changes in an employee's appointment. These changes interact with central reserve accounts. Accelerated movement up the steps within a range for purposes of retention, etc., will be charged to the area reserve.

**F. Retroactive Actions**
Retroactive transactions of any kind are discouraged by WSU. Position and Expense Assignment Actions with effective dates more than 30 working days prior to the date received by the Budget Office may be rejected. Retroactive actions may not be used to circumvent the Accrual and Allocation Adjustment Policy. The Budget Office will make adjustments as necessary to apply the policy to retroactive transactions.

*Effective as of December 4, 2006*