85.34   Payroll and Other Related Activities

85.34.10   Payroll
July 1, 2023

85.34.10.a

Amounts owed to employees for work, labor, or services performed are to be recorded as expenditures/expenses in the accounting period (month) that the duties are performed. The expenditures/expenses are recorded in the operating account and the liability for the payroll and related benefits is recorded in the appropriate payroll revolving accounts.

85.34.10.b

Account 035 "State Payroll Revolving Account" was created in the State Treasury for the purpose of disbursing salaries and other payroll related liabilities.

85.34.10.c

In the operating account, the entry to charge payroll debits GL Code 6510 "Cash Expenditures/Expenses" with the appropriate subobject within Object A for actual salaries and Object B for related fringe benefits. The liability for the payroll and related fringe benefits is recorded in the following GL Codes:

- 5124 - Accrued Salaries and Fringe Benefits Payable,
- 5180 - Paid Family and Medical Leave Deductions Payable,
- 5181 - Employee Insurance Deductions Payable,
- 5183 - Long-Term Services and Supports Deductions Payable,
- 5187 - Industrial Insurance and Medical Aid Deductions Payable,
- 5189 - Garnishment Deductions Payable, and
- 5199 - Other Liabilities.

Refer to Subsection 85.42.40 for illustrative entries.

85.34.10.d

Prepare reconciliations of all payroll revolving accounts on a timely basis to ensure balances within these accounts are correct. These accounts include Accounts 035 and 790 "College Clearing Account," and any other authorized account used for payroll related disbursements.

85.34.10.e

Section 25.20 contains administrative procedures to be followed when processing payroll.

85.34.20   Shared leave
July 1, 2018

85.34.20.a

The Shared Leave Program enables a state employee to donate annual, sick, and personal holiday leave to another state employee who:

- Is suffering from or has a relative or household member suffering from an extraordinary or severe illness, injury, impairment, or physical or mental condition;

- Has been called to service in the uniformed service;

- Is a current member of the uniformed services or is a veteran as defined in RCW 41.04.005, and is attending medical appointments or treatments for a service connected injury or disability;

- Is a spouse of a current member of the uniformed services or a veteran as defined under RCW 41.04.005, who is attending medical appointments or treatments for a service connected injury or disability and requires assistance with attending appointments or treatments;

- Is a victim of domestic violence, sexual assault or stalking, or

- Has needed skills to assist in responding to an emergency declared anywhere in the U.S.A. by the federal or any state government, and the employee is volunteering with a governmental agency or nonprofit organization to provide humanitarian relief in the devastated area, and the governmental agency or nonprofit organization accepts the employee's offer of volunteer services;

- Is a victim of domestic violence, sexual assault or stalking;

- Needs the time for parental leave; or

- Is sick or temporarily disabled because of pregnancy disability.

Refer to RCW 41.04.650 through 41.04.670 and SAAM Subsection 25.40.10. After approval from agency head or authorized designee, transfer of leave between employees is to be recorded in the accounting and payroll systems in such a way as to allow for statewide reporting of shared leave activity.

85.34.20.b

For shared leave transfers between employees within an agency and within the same account, no transfer of cash is involved. The entry is to debit GL Code 6510 "Cash Expenditures/Expenses" with Subobject BT "Shared Leave Provided - Sick Leave," BU "Shared Leave Provided - Personal Holiday," and BV "Shared Leave Provided - Vacation Leave," as applicable, and to credit the same general ledger code with Subobject BW "Shared Leave Received." Refer to Subsection 85.42.50.a for an illustrative entry.

85.34.20.c

Shared leave donations between accounts and/or agencies require transfer of cash from one account and/or agency to the other. In the donor's agency and account, the entry is to debit GL Code 6510 "Cash Expenditures/Expenses" with Subobject BT, BU, and BV, as applicable, and to credit the appropriate cash GL code. In the donee's agency and account, the entry is to debit the appropriate cash GL code and to credit GL Code 6510 "Cash Expenditures/Expenses" with Subobject BW. Refer to Subsection 85.42.50.b for illustrative entries.

85.34.20.d

Statute requires that unused shared leave be returned on a pro-rata basis to the various donors. Additionally, if an employee donates multiple types of leave, any reversion is to be returned proportionate to the original donation. When shared leave is returned, the original entries recording shared leave transfers are reversed for the value of the unused shared leave. Amounts are assumed to be immaterial and should be recorded as a recovery of current expenditures. Refer to Subsections 85.42.50.d and e for illustrative entries.

85.34.20.e

Refer to Section 25.40 for administrative procedures relating to shared leave.

85.34.30   Amounts due deceased employees
May 1, 1999

85.34.30.a

In the event of an employee's death, amounts owed to the deceased employee are to be recorded in GL Code 5145 "Due To Deceased Employees' Estates." Refer to Subsection 85.42.60.a for an illustrative entry. Administrative procedures in Section 25.70 are to be followed prior to release of the payment.

85.34.30.b

Upon release of the warrant or check, the agency is to liquidate the appropriate amount of the liability recorded in GL Code 5145 " Due To Deceased Employees' Estates." Refer to Subsection 85.42.60.b for an illustrative entry.

85.34.30.c

In all instances, the supporting documentation is to be retained by the agency as evidence for release of the warrant or check. In addition, agencies are to require claimants to acknowledge receipt of payment in writing.

85.34.40   Salary overpayment recoveries
June 1, 2004

85.34.40.a

When a salary or wage overpayment occurs, the total amount of the expenditure recovery includes the gross pay overpayment and associated employer costs related to the overpayment. These costs may include social security, Medicare, medical aid, retirement, and the employer's share for health insurance.

85.34.40.b

If the employee is continuing on payroll, process the recovery of the gross salary overpayment as a reduction to gross pay through the payroll system. Refer to Section 25.80. In most cases, this process will automatically adjust all the reductions for gross pay and the related employer costs.

85.34.40.c

If the employee has been terminated from the payroll system and no future salary payments are anticipated, a manual recovery of both the employee overpayment and employer costs is necessary. The steps are as follows:

1. Recover from the employee the over paid net pay plus any deductions that cannot be recovered by the agency from the applicable vendors. Each deduction recovery will depend on the vendor involved and if the deduction actually has been distributed.

2. Follow Internal Revenue Service procedures for recovery of income tax withholding, social security, and Medicare for both the employee and applicable employer shares.

3. Deposit current appropriation expenditure recoveries of net pay and deductions, or employer costs, to the account(s) where the employee was charged, crediting GL Code 6510 "Cash Expenditures" using the same Object A, B, or N series charged for the wage overpayment. Refer to Subsection 85.42.70.a for an illustrative entry.

4. Decrease the full time equivalents (FTEs) for the number of hours associated with the overpayment if excess paid hours caused all or a part of the overpayment. Refer to Subsection 85.42.70.b for an illustrative entry.

85.34.40.d

Refer to Subsection 85.20.30 regarding the coding of receipts for recovery of salary and benefit expenditures charged against a prior appropriation.