

# Recording Cash Recognition Awards

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### Change Log

Change Date	Changed By	Description
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## I. Purpose

This document provides guidance regarding recoding cash and cash-equivalent performance recognition awards in the Human Resource Management System (HRMS).

The Office of Financial Management is obligated to provide the governor and legislature a report of all bonuses and performance based incentives on an annual basis (see RCW 41.06.133(4)) and the data is compiled from records recorded in HRMS. The following HRMS wage type codes are used to identify performance recognition awards:

Wage Type Code	Wage Type Text
1024	WSP Trooper of the year
1025	WSP Cert Teach of the Yr
1048	WSP Auto Theft of the YR
1146	Cash Recognition
1151	EMS Performance Comp

Most performance based incentives and bonuses are added to employees' wages and included in their payroll earnings. Some agencies, however, process recognition awards through the Agency Financial Reporting System (AFRS) to present the cash or cash-equivalent award to the employee during a recognition event. Cash or cash-equivalent awards processed outside of the HRMS which are considered taxable must also be recorded in HRMS for accurate reporting.

Guidance in this document is applicable to cash and cash equivalent awards processed through either HRMS and/or AFRS. It also provides steps for reducing the payable in Account 035 and decreasing the salary expenditure after the wage types have processed through payroll when necessary.

## II. Recording the Award in HRMS

All cash and cash-equivalent awards considered taxable and/or reportable compensation for employees must be recorded in HRMS using Wage type [1146 Cash Recognition](#). This wage type is used for payments that are considered to be non-reportable compensation by the Department of Retirements Systems (DRS), such as cash awards given to retirees and longevity awards for service year milestones.

Performance recognition awards, which are granted for services rendered, are no longer allowable.

For more information about DRS reportable and non-reportable compensation, refer to the [PERS Reportable Compensation Table](#) (WAC 415-108-443).

- Using transaction **PA30**, add a one-time additional payment to infotype **0015 Additional Payments** to record the amount of the award received by the employee:

Field Name	Information to Record
Wage Type	1146 Cash Recognition
Amount	Dollar amount of the award
Date of Origin	The first or the last day of the pay period the deduction will be processed.

If the employee will receive the payment with their payroll earnings, **no further action is necessary**. If the employee will receive a payment processed through AFRS, proceed to Part III – Additional Steps for Paying Awards through AFRS.

### III. Additional Steps when Paying Awards through AFRS

When an agency processes an employee’s cash or cash-equivalent award through AFRS, it is necessary for the agency to also create a one-time deduction in the employee’s payroll records to offset the award recorded in Part II. The agency should also reduce the payable in Account 035 and decrease the salary expenditure with a journal voucher.

- Using transaction **PA30**, add a one-time deduction to infotype **0015 Additional Payments** to offset the record created in Part II (so the employee doesn’t receive the same award twice.)

Field Name	Information to Record
Wage Type	3100 Agency Reimbursement
Amount	Dollar amount of the award
Date of Origin	The first or the last day of the pay period the deduction will be processed. (This should be the same date used in Part 1 – Recording the Award in HRMS).

- To reduce the payable in Account 035, **General Ledger 5199** to a zero balance and decrease the salary expenditure, move the money via JV:

Account	AFRS Tran Code	DR	CR
035 State Payroll Revolving Account	025	5199v	7140
Operating account (same as what was charged in HRMS)	670	7140	6510

Notes:

**Do not send the original JV to the Office of the State Treasurer.** These AFRS tran codes automatically create the cash/in-process entries for you.

When the award payment was processed through AFRS, the operating account and subobject NZ – Other Grants and Benefits was charged. When decreasing the salary expenditure, **be sure to use the same account coding that processed in AFRS through the payroll process.** The account, expenditure authority index, program index, subobject, and sub subobject must match exactly. Other coding elements that may have been used could be project, organization index, or allocation code.

If you pay the award directly in HRMS using wage type (Part II) and you do **not** create a payment in AFRS, [Part III – Additional Steps for Paying Awards through AFRS](#) is not necessary.

For technical assistance processing the **PA30** action, please refer to the HRMS Online Quick Reference user procedures: [Additional Payment Deduction – Create](#) and [One Time Deduction \(www.hr.wa.gov\)](#)