

# Accruals on Actuals

## Workforce Go! HCM General Ledger Integration Allocation Features

Allocating payroll expenses, including earnings, deductions, tax, and paid time off, to the proper cost centers where each employee worked is critically important to all aspects of a financial management. Since labor costs are collectively an organizations highest expense, it is essential to properly distribute all expenses to the appropriate functional area.

Workforce Go HCM's industry leading bidirectional integration with Sage Intacct or Acumatica ERP automates the allocation of hours worked and time off in real time across multiple dimensions/cost centers and reporting periods assisting organizations with reporting requirements and demonstrate accountability.

### Benefits:



Quickly and easily allocate expenses to determine actual costs per program



Build more accurate budgets



Provides data for future forecasting of expenses and future funding requirements

While most payroll solutions provide time allocations capabilities, the importance for organizations remains in how those labor costs are allocated back to financials from payroll through journal entries. The industry standard when pay periods cross reporting periods is to allocate labor costs by percentage of time spent in each reporting period but this does not meet the demand to have labor costs allocated by actual time within each reporting period.



# The Solution

## WORKFORCE GO! HCM GENERAL LEDGER INTEGRATION - ACCRUALS ON ACTUALS

### Wage Accruals on Actuals

Wage Accruals on Actuals occurs when part of the wages paid on a current period covers wages earned in a prior period. With Workforce Go! HCM's General Ledger Integration capabilities, wages will accrue the prior period back from the specific days on the timesheet to include costing objects (Dimensions/Cost Center).

Example:

- Pay date on 04/09 for pay period 03/28 - 04/03
- From Timesheets – Accrue 03/28 - 03/31
- 03/31 Accrued Journal Entry
  - *Debit Accrued Wage Expense*
  - *Credit Accrued Wage Payable*
- 04/09 Reverse Accrued Journal Entry
- 04/09 Payroll Journal Entry

### PTO Accruals on Actuals

PTO Accruals on Actuals occur when part of the PTO earned on a current period covers PTO earned in a prior period. Using Workforce Go! HCM's General Ledger Integration capabilities, the PTO will accrue the prior period earned with its related costing objects (Dimensions/Cost Center).

Example:

- Pay date on 04/09 for pay period 03/28 - 04/03
- Accrue 03/28 - 03/31 for each employee PTO earned amount by Cost Center
- 03/31 Accrued Journal Entry
  - *Debit Accrued Wage Expense*
  - *Credit Accrued Wage Payable*
- 04/09 Reverse Accrued Journal Entry
- 04/09 Payroll Journal Entry

### Wage Accrual on Actuals Calculations

1. Workforce Go! HCM calculates the Fully Weighted Burden (FWB) rate per employee for the pay date.
2. Workforce Go! HCM applies burden rate to the hours charged on the timesheets
3. Workforce Go! HCM accrues by the cost objects (Dimension/Cost Centers) in the prior period times the FWB rate

This allows management of these accruals for both Exempt (Salary) and Non-Exempt (Hourly) employees. FWB rates are based on actual labor costs and not estimates.



## PTO Accruals on Actuals Calculations

1. Workforce Go! HCM calculates the Fully Weighted Burden (FWB) rate per employee for the pay date.
2. Workforce Go! HCM applies burden rate to the PTO hours earned for the pay period
3. Workforce Go! HCM accrues by the cost objects (Dimension/Cost Centers) in the prior period times the FWB rate

This allows management of these accruals for both Exempt (Salary) and Non-Exempt (Hourly) employees. FWB rates are based on actual labor costs and not estimates.

## The Results

### Workforce Go! HCM Payroll – Journal Transactions

Multiple journal entries from Workforce Go! HCM

- The first entry is recorded to the last day of the prior period. This will accrue wages and PTO
- The second entry is recorded to the pay date. This will reverse the accrued wages and PTO
- The third entry is recorded to the pay date. This will be the standard journal entry for the pay date.