



State of North Carolina

Office of the State Controller

DAVID T. MCCOY
STATE CONTROLLER

June 25, 2009

MEMORANDUM

TO: Fiscal Officers
HR Directors

FROM: David McCoy

SUBJECT: Year-End Compensated Absences Report

The OSC BEACON team has simplified the process for finalizing the year-end compensated absences report. The June 30, 2009, vacation and bonus leave balances in the state's new human resources and payroll system will be utilized in this process and must be up-to-date. **To meet this requirement, all BEACON-impacted agencies must ensure that employee time data through June 30 is recorded, released and approved by no later than July 24.**

Between June 30 and July 24, agency leave administrators can validate and make any necessary adjustments to the vacation and bonus leave quotas. Agencies that have been following the OSC BEACON recommendation of having employees enter time weekly and managers approve time weekly should have to make few, if any, adjustments to vacation and bonus leave quotas.

Following the July 24 cut-off date agency leave balances will be converted by budget code and account/center into liability dollars and made available to each agency on or about August 1 through the compensated absences report. The report will include calculated fringe benefits. Dollar amounts shown on the report will be based on each employee's salary as of June 30 divided by 2080 hours (number of hours in a work year) multiplied by vacation/bonus leave balance hours. The report will be run by OSC and distributed to agency fiscal officers. The initial report will be issued in text format with PDF formats for the final version.

As in past years, the report is to be used as the source document in preparation for the year-end CAFR (Comprehensive Annual Financial Report) package and for related audit reviews. Questions or comments should be directed to the BEST Shared Services Center by phone at (919) 707-0707 or by email at best@osc.nc.gov.

Note: This information applies only to BEACON agencies. Universities will follow the same procedures as they have in the past.