



PAYROLL ACCRUALS

Wages and benefits for time worked prior to July 1st that are unpaid as of June 30th need to be accrued. This section will cover the manual process of accruing payroll and information on accruing 9910 (payroll holding) account balances. Sample entries are included in this section to use for reference

Payroll Accrual Samples

- A.** June time paid in July: District enters timesheet with June (or prior months) date. July payroll is confirmed and processed. All prior year payroll is compiled into a journal entry with source "PAC" and posted as of June 30 with period 998.

June 30 PAC – Accrual Entry

Account	Resource	Goal	Function	Object	Debit	Credit
Payroll Expenditures	XXXX	XXXX	XXXX	1000-3999	\$15,000	
Current Liabilities				9510		\$15,000

The payroll account entry will reverse on July 1st.

July 1 PAC Reversal – Accrual Reversal

Account	Resource	Goal	Function	Object	Debit	Credit
Current Liabilities				9510	\$15,000	
Payroll Expenditures	XXXX	XXXX	XXXX	1000-3999		\$15,000

Note: The current liability is now cleared. Negative amounts are reflected in the payroll expenditure accounts for June payroll accruals.

An accrual report will be provided to each district. The accrual process is only run for the month of July. Prior year payroll expenditures made in August and September will need to be accrued manually by each district.

July payroll will run with the normal monthly process. All payroll expenditures will debit objects 1000-3999, including prior year amounts. The prior year amounts will net to zero with the July 1 PAC reversal entry above.

Retro payments will need to be accrued manually by each district.

July 31 PAY – July Payroll

Account	Resource	Goal	Function	Object	Debit	Credit
Payroll Expenditures	XXXX	XXXX	XXXX	1000-3999	\$120,000	
Payroll Suspense	XXXX			9910-000		\$105,000
FICA	XXXX			9910-331		\$5,000
Medicare	XXXX			9910-332		\$4,000
H&W	XXXX			9910-340		\$3,000
W/C	XXXX			9910-360		\$2,000
Other Benefits	XXXX			9910-390		\$1,000

- B.** Payroll Benefits Accruals – STRS & PERS: District enters journal entry with June 30 date and period 998 for outstanding STRS and PERS amounts.

June 30 Accrual – Outstanding STRS & PERS

Account	Resource	Goal	Function	Object	Debit	Credit
STRS Suspense	XXXX			9910-311	\$2,000	
PERS Suspense	XXXX			9910-321	\$1,000	
Current Liabilities	XXXX			9510		\$3,000

The payroll benefits account entry should be reverse on July 1st

July 1 Accrual Reversal – Outstanding STRS & PERS

Account	Resource	Goal	Function	Object	Debit	Credit
Current Liabilities	XXXX			9510	\$3,000	
STRS Suspense	XXXX			9910-311		\$2,000
PERS Suspense	XXXX			9910-321		\$1,000

Note: Accrue the estimate and the final transfers for STRS and PERS. If there is a difference between the payroll posting and the cash transfers, increase or decrease the appropriate 31XX or 32XX accounts. Any other STRS or PERS transfers for adjustments should also be accrued using the appropriate expenditure accounts.

- C.** Payroll Benefit Accruals – SUI: District enters journal entry with June 30 date and period 998 for outstanding SUI amounts. Although, SUI charges accrue at every payroll, the cash transfer is generally completed within two weeks following the end of each quarter.

June 30 Accrual – SUI

Account	Resource	Goal	Function	Object	Debit	Credit
SUI Suspense	XXXX			9910-350	\$2,000	
Current Liabilities	XXXX			9510		\$2,000

The payroll benefits account entry should be reverse on July 1st

July 1 Accrual Reversal – SUI

Account	Resource	Goal	Function	Object	Debit	Credit
SUI Suspense	XXXX			9910-350		\$2,000
Current Liabilities	XXXX			9510	\$2,000	

Note: If there is a difference between the payroll posting and the cash transfers, increase or decrease the appropriate 35XX accounts.