Budgeting for Biweekly pay in FY 2016

This year KBC budgets for 270 work days, calculated based on payroll pay periods 1-14, inclusive, 6/18/15-6/29/16.

<table>
<thead>
<tr>
<th>TBO FY 2016</th>
<th>KBC FY 2016</th>
<th>GL FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>260 days</td>
<td>270 days</td>
<td>261 days</td>
</tr>
<tr>
<td>26 pay periods</td>
<td>27 pay periods</td>
<td>July 1, 2015-June 30, 2016</td>
</tr>
</tbody>
</table>

Why 270 days for KBC?

- 270 days represents 27 pay periods at 10 days each.
- KBC calculates totals in the cost allocation lines based on pay periods, not days, because KBC is matching the new pay rate to the correct pay periods to be loaded into Workday.
- The highlighted dates above show the start and end dates for the pay periods in FY 2016. The extra pay period comes from the following:
  - Pay period 14 ending on 7/1/15 is included in the FY 2016 budget in KBC.
  - Pay period 14 ending on 6/29/16 is also included in the budget for FY 2016 in KBC.

How many days in TBO?

- Most centers will plan in TBO for 260 days= 26 pay periods.
- Some centers may plan for the extra day in TBO, or 261 days, if needed, to bring their budget closer to performance targets.
- Whichever method you choose for TBO, 260 or 261 days, you must remember to make the corresponding adjustment in KBC to balance your wages budget and fringe benefits budget.

How many days will be charged (actual expenses) to FY 2016?

- 261 days are the estimated work days that will be charged to FY 2016 through the general ledger.
• The last day in FY 2016, 6/30/16, will be included in the KBC budget for FY 2017 at a different pay rate.

How do you balance with the extra 10 days budgeted in KBC?
• 9 days, or 90% of the pay period 14 ending July 1, 2015 will be charged to FY 2015 even though it is included in the FY 2016 KBC budget.
• The 10th extra day, June 30, 2016, which will be budgeted in KBC for FY 2017, because it will be the start of the new pay period at the new pay rate, but it will be charged back to FY 2016. You will need to allow for this extra day (leap year) in your budget performance if you do not include it in your budget target.
• Enter a credit to object code 12870 for either 9 or 10 days, plus fringes, depending upon what you entered in TBO. The credit must be sufficient to balance your TBO wages and fringes to your KBC wages and fringes.
  o 270 days (KBC) – 9 days = 261 days (TBO).
  o 270 days (KBC) – 10 days = 260 days (TBO).

What happened in prior years and will this happen again?
• We budgeted at the new rate in KBC FY 2015 for wages from 6/19/14 to 6/17/15, representing 26 pay periods, or 260 days. No difference between TBO days and KBC days used for budgeting.
• We budgeted in BDS for FY 2014. At that time, we expected an extra 8 days of pay and we used object code 12870 for a credit entry, if needed, to balance between BDS and TBO. In July 2014, approximately 80% of the biweekly pay period 14 was transferred from FY 2015 to FY 2014, to cover the 8 days from 6/19/14-6/30/14.
• Note that this most likely will happen each fiscal year. In the FY 2017 budget, we will have one day, 6/30/16, that will be part of the FY 2017 budget, but be charged to FY 2016.

Examples –calculate your credit to 12870:

<p>| Credit for 10 days (1 pay period) based on one person |</p>
<table>
<thead>
<tr>
<th>Hourly rate</th>
<th>Total hours</th>
<th>Total pay 1 pay period</th>
<th>Fringes @33.5%</th>
<th>Total credit to 12870</th>
</tr>
</thead>
<tbody>
<tr>
<td>$15.00</td>
<td>75 per pay period</td>
<td>75 X $15= $1,125</td>
<td>$376.88</td>
<td>-1501.88</td>
</tr>
<tr>
<td>$15.00</td>
<td>80 per pay period</td>
<td>80 X $15= $1,200</td>
<td>$402.00</td>
<td>-1602.00</td>
</tr>
</tbody>
</table>

<p>| Credit for 10 days based on totals for all wages and fringes |</p>
<table>
<thead>
<tr>
<th>Total hours for 270 days</th>
<th>A: Calculate total wages for 270 days</th>
<th>Calculate fringes – add to A total wages</th>
<th>B: Calculate total wages for 260 days</th>
<th>Calculate fringes – add to B total wages</th>
<th>Total credit to 12870</th>
</tr>
</thead>
<tbody>
<tr>
<td>2025 (7.5 hours/day)</td>
<td>2025 X hourly rate = total budget</td>
<td>Total wages X .335</td>
<td>1950 X hourly rate = total budget</td>
<td>Total wages X .335</td>
<td>B-A totals = credit</td>
</tr>
<tr>
<td>2160 (8 hours/day)</td>
<td>2160 X hourly rate = total budget</td>
<td>Total wages X .335</td>
<td>2080 X hourly rate = total budget</td>
<td>Total wages X .335</td>
<td>B-A totals = credit</td>
</tr>
</tbody>
</table>
Credit for 9 days

Do the same as you did for 10 days, but reduce the total hours used in your calculation by 7.5 or 8 to represent one day.

Example:

- Reduce the per person total hours by 7.5 or 8 hours to 67.5 hours or 72 hours for the 9 days.
- For column B totals above, use 261 days, or 1957.5 and 2088 total hours.
- Fringe calculations are the same.

Adding object code 12870 in KBC

Unless you budgeted that object code in FY 2015’s budget, you will not see a base budget in your account listed for object code 12870.

- **You will need to add the object code line in order to allocate budget.**
- When entering your budget in KBC’s budget edoc, enter the object code in the blank line and enter add. You may need to add the line first before allocating an amount.
- You can also use the GL budget upload to add object codes. Be sure to use the proper sign for a credit budget for either method.
- You may choose to accumulate the budget for this object code and allocate it to a specific account for your control and monitoring rather than allocate it to numerous accounts.