



# OREGON DEPARTMENT OF FISH & WILDLIFE PROCEDURE

## Administrative Services Division

<b>Title: Paid Leave Cost Allocation</b>	<b>ASD_271_01PR</b>
<b>Supersedes:</b> N/A	
<b>Applicability:</b> All ODFW employees	
<b>Reference:</b> <a href="#">2 C.F.R. § 200.4 2019</a> , <a href="#">OAR 166-300(28)</a> , Statewide OAM Policies <a href="#">10.40.00 (2012)</a> and <a href="#">15.05.00 (2017)</a>	
<b>Effective Date:</b> September 1, 2021	<b>Approved:</b>

### I. PURPOSE

All indirect and overhead costs incurred by ODFW must be allocated in accordance with ODFW’s Cost Allocation Policy. The purpose of this procedure is to provide clarification on acceptable methods to apply ODFW’s Cost Allocation Policy for costs associated with employee paid leave (e.g. vacation leave, holiday leave, etc.).

### II. PROCEDURE

#### 1. Selection of cost allocation methodology:

<b>Cost Code Manager</b>	<b>1</b>	Establishes an understanding of how time is spent by the employee with paid leave time. Determines a leave cost allocation methodology that conforms with ODFW’s Cost Allocation Policy. Acceptable methodologies for paid leave include: <ul style="list-style-type: none"> <li>A. <u>System Calculated Approach</u>: using payroll-system-calculated cost allocation ratios that are calculated and applied based on monthly basis using employee specific cost code utilization as the allocation base.</li> <li>B. <u>Fixed Ratio Approach</u>: using fixed cost allocation ratios that are refreshed/updated on a reoccurring basis (e.g. an analysis may be performed every 6 months and allocation ratios are updated based on the analysis). The allocation base is could vary and is determined by the cost code manager.</li> </ul>
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#### 2. Applying the System Calculated Approach:

<b>Cost Code Manager</b>	<b>1</b>	Communicates cost allocation approach to employee.
<b>Employee</b>	<b>2</b>	On the timesheet (ePayroll, Excel or Workday), enter the paid leave code (e.g. VA). In the cost code field, enter “PRO”. The PRO code will tell the payroll to allocate this leave amongst all cost codes that were charged in month on a pro rata basis. For example, if 75% of your month’s time was charged to grant A and 25% of your month’s time was charged to grant B, the payroll system would charge paid leave costs at a rate of 75% to grant A and 25% to grant B.

### 3. Applying the Fixed Ratio Approach:

<p><b>Cost Code Manager</b></p>	<p><b>1</b></p>	<p>Determine appropriate allocation ratios for staff to use for leave allocation. Document the associated analysis that lead to the determination. Ensure that this analysis is retained in accordance with applicable records retention requirements.</p> <p>Communicates cost allocation approach to employee</p>
<p><b>Employee</b></p>	<p><b>2</b></p>	<p>On the timesheet (ePayroll, Excel or Workday), enter the paid leave code (e.g. VA). In the cost code field, enter the cost code by PCA that should be charged. In the event multiple cost codes and/or PCAs need to be charged, specify how many hours need to be charged to each individual cost code/PCA on the timesheet.</p> <p>For example, if 75% of the vacation leave needed to be charged to grant A and 25% needed to be charged to grant B for 8 hours of vacation leave, please charge 6 hours (75%) to grant A and 2 hours to grant B (25).</p> <p>To ensure timely and accurate processing of timesheets, please do not write allocation ratios next to a single line of leave entry (e.g. 8 hours – 75% to grant A and 25% to grant B).</p>
<p><b>Cost Code Manager</b></p>	<p><b>3</b></p>	<p>Ensure that the allocation ratios are reviewed on a regular basis to ensure paid leave is allocated in an accurate, equitable and consistent manner.</p>