

# Accounting Journal and Labor Distribution

## Introduction

For questions related to linking to the SDW or how to create a query, please refer to the QRGs on our finance website [here](#).

**Accounting Journal:** As we transition to the unified **Vantage** platform, legacy **CA PAY (Cost Allocation for Payroll Expenses)** transactions will be replaced by **PREXP (Payroll Expenditure)** transactions within the Vantage Financial accounting journal.

### 1. New Transaction Numbering Convention

To provide a consistent look and feel across the state, all payroll expenditure transactions will use a centralized "Department" code and a date-based prefix on the transaction.

- **Department: PAY** (This will be the department code for all agencies).
- **Transaction ID Prefix: CCYYMMDD** (The date of the payroll event).

***Example:** A payroll transaction for **March 27, 2026**, will appear in the accounting journal as:*

**Tran Code:** PREXP | **Dept:** PAY | **ID:** 20260327XXXXXX

### 2. Accounting Logic & The Clearing Fund

The PREXP transaction automates the "Budget vs. Liability" process in one step:

- **The Debit:** Your agency's specific budget strings are debited for the **Total Cost** (Gross Salary + Fringe). This ensures your budget is impacted immediately during payroll week.
- **The Credit:** The offset is recorded as an **accrued liability** in a centralized **Payroll Clearing Fund**. This fund holds the obligation until the cash is disbursed.

The Labor Distribution table will contain budgetary data at the detailed level (down to employee, hours worked, etc.) while the accounting journal will be populated with summarized data from the PREXP transactions.

### 3. Timing and Data

- Detailed Information by Employee: This data populates the Labor Distribution Table in the State Data Warehouse, which is updated nightly.
- Vantage Financial: The PREXP transactions post to Vantage on Wednesday of payroll week.
- Accounting Journal Datawarehouse Updates: The PREXPs will typically populate in the Accounting Journal within the Datawarehouse by the Thursday (no later than Friday) of payroll week unless specifically communicated by State Finance.



## **Step 2: Access the Labor Distribution Table**

In the State Data Warehouse, run a query on the **Labor Distribution Table** for the same pay period date.

## **Step 3: Match the Totals**

The Labor Distribution Table will show you the "Who" and "What" (Employee ID, Position, Hours, and Earnings Type).

- **Sum of Labor Distribution Lines = Total Debit on PREXP.**
- This confirms that the raw data from the **Payroll Expense** and **Fringe Journals** was correctly calculated before posting to the GL.

## Frequently Asked Questions

### Q: What if a PREXP hits a "Default" or "Inferred" accounting string?

**A:** If an employee's labor distribution data contains an invalid or expired accounting string, the system may post the expense to an agency default string to ensure the payroll cycle completes.

- **Action:** Review the Labor Distribution Table to identify the specific employee/position with the error.
- **Correction:** Correct the employee's default Labor Distribution Profile (LDPR) in the Vantage Payroll for future cycles and process an IDT (Internal Department Transfer) in Vantage Financial to move the current expense to the correct string.

### Q: Does the PREXP include Fringe Benefits, or are those separate?

**A:** The **PREXP is all-inclusive**. It pulls data from both the **Payroll Expense Journal** (Salaries/Wages) and the **Payroll Fringe Journal**. When you view the lines of a PREXP, you will see different Object Codes representing both gross pay and the various employer-paid benefits.

### Q: Why is the timing different between Advantage and the Warehouse?

**A:** Advantage Financial (Wednesday): This is the live production environment where the "checkbook" is updated.

- **State Data Warehouse (Thursday/Friday):** The Warehouse is a "read-only" copy of the data. It requires an overnight refresh (ETL process) to pull the Wednesday transactions from Advantage into the Warehouse reporting tables.

### Q: At what level does a PREXP summarize, and when does it break into a new transaction?

**A:** The system follows a specific hierarchy to determine how payroll data is grouped and when a new PREXP document is created.

#### 1. The Document Break (Primary)

A new, unique PREXP transaction is generated primarily by **Fund** and **Department**.

- If your agency uses multiple Funds, you will receive at least one PREXP per Fund.

#### 2. The Line Limit Break (Technical)

There is a system-enforced limit of 999 lines per transaction.

- If your agency has highly granular accounting (using many different Units, Programs, Functions, or Activities) and the summary exceeds 999 unique accounting strings, the system will "break" and start a **second PREXP document** for that same Fund/Department.
- **Large Agencies Take Note:** You may see multiple PREXPs for a single pay cycle if your distribution is diverse enough to exceed this line count.

### 3. The Line Summary (Detail Level)

Within each document, the payroll data is summarized by the Full Accounting String.

- One line is generated for every unique combination of *Organization, Appropriation Unit, Program, Activity, Function, and Object Code*.
- This roll-up is what keeps your General Ledger clean while still providing budget-level accuracy.

#### Example Scenario:

If your agency has 100 employees split across two Funds:

- **Fund 1XX0:** 60 employees.
- **Fund 1XX1:** 40 employees.

You will see **two separate PREXP transactions** (e.g., PAY-20260704XXXX01 and PAY-20260704XXXX02) unless a break into a new transaction is required when 999 accounting lines are met. Within each of those documents, the 60 or 40 employees will be "rolled up" into lines based on their specific budget coding.

Break Level	Trigger	Search by....
Document Level	Change in <b>Fund</b> or <b>Department</b>	A new PREXP ID is created.
Document Level	Exceeding <b>999 Lines</b>	A second PREXP ID is created for the same Fund/Dept.
Line Level	Change in <b>Accounting String</b>	A new line is added to the existing PREXP.
Data Warehouse	Individual <b>Employee/Position</b>	Detailed records in the <b>Labor Distribution Table</b> .

**Topic: The Event Accounting Matrix (EVAM) & Leave Allocation**

**The Concept: Tailored Leave Distribution**

For agencies opting into EVAM (leave allocation), leave is not simply charged to default coding. Instead, the system uses a bi-weekly allocation methodology. This ensures that leave costs follow the work, distributing the expense across the various funding sources (coding strings) where the employee earned their wages during that specific two-week period.

**Why This Matters**

- **Federal Compliance:** This method aligns with federal reasonableness standards, ensuring that costs are proportionate to the benefit provided to each program.
- **Precision:** It eliminates "funding spikes" where one program unfairly bears the entire cost of an employee's vacation just because they were assigned to that program during the week they took off.

**Post-Pay Period Corrections**

**The Situation:** An employee's timecard is corrected after the pay period has closed. Perhaps 8 hours of "Regular Time" was changed to "Sick Leave" on a project funded by a federal grant.

**The Accounting Logic:** When this correction occurs, EVAM performs a **reversal and reapplication** sequence. In the Accounting Journal, you will see:

1. **The Reversal:** A credit to the original coding string (pulling the money back).
2. **The Reapplication:** A debit to the new coding string (placing the money correctly).
3. **The Result:** A **Net Zero** impact on the employee's actual take-home pay, but a significant "behind-the-scenes" shift in fringe benefit and leave allocations. In this scenario, you will see an adjustment date on labor distribution.

**Summary Table: EVAM Strategy**

Feature	Impact	Management Requirement
<b>Bi-weekly Leave Allocation</b>	Proportional leave costs across programs.	System-automated based on bi-weekly time.
<b>Audit/Historical Detail</b>	"Net Zero" pay impact; shift in funding.	"Net Zero" pay impact; shift in funding.

**EVAM Limitations**

While EVAM is powerful, it is a bi-weekly tool. Any agency requiring reporting or allocation granularity beyond this two-week window (e.g., daily cost-matching for specific federal grants) must manage those calculations outside of the payroll accounting process (e.g. with other cost allocation setup in Vantage Financial).

For those agencies that have opted in to using Leave Allocation in Vantage, leave is allocated based on all pay events tied to Object Code 5101 (Regular Pay). Most regular pay will be associated with the two primary time-based pay events: TW (Telework) and WORK (In-office work). There are some other pay events that post to Object Code 5101 that are also considered in Leave Allocation such as Differential Pay, Meeting Pay, Hazard Duty Pay, etc. Leave Allocation calculates the percentage split for each accounting distribution and then applies those percentage to each leave event.

## Topic: FLSA Non-Exempt Comp Time

### The Mechanism: The Custom Script & Real-Time Allocation

For **FLSA Non-Exempt** employees electing to accrue Comp Leave, Vantage uses a custom script to ensure the budget impact happens at the moment the labor is performed and will record an expense immediately.

- **The Accrual Rule:** When an employee earns Comp Time, the Base Hour and the Premium Half-Hour (the 1.5x factor) post to the budget coding strings based on the hours worked during that pay period.
- **Proportional Distribution:** If an employee worked 60% on Program A and 40% on Program B, the cost of the accrued comp time is split exactly 60/40 between those two programs.
- **The Default Exception:** The "Agency Default Budget" is only used if the employee is specifically coded to that default for their regular time.

### The Comp Leave Additive

To hedge against future pay increases for employees, a default 7% Additive is applied at the time of accrual. Agencies have the ability to modify this default percentage in accordance with [FIACCT 17-02\\_10](#).

Comp Time is earned for non-exempt employees based on a 40 hour week. However, the for the purposes of allocating Comp Earned (Object Code 5140) and Comp Earned Additive (Object Code 5199), the expense will be allocated based on how the employee has charged time across the full 80 hour pay period. Essentially, the accounting distribution split for regular pay in the 80 hours will apply to Comp Earned and Comp Earned Additive.

### When an Employee Uses Comp Leave

When the FLSA non-exempt employee eventually uses those hours (takes time off), the "wage" portion is satisfied by the Comp Pool. However, the "Fringe" benefits follow a different path:

- **Fringe Benefits (Health, Retirement, etc.):** These are not part of the 7% additive. Instead, they are expensed to the agency budget at the time of comp leave usage.
- **The Logic:** This ensures that fringe benefits are paid at the actual current rates, which often change annually.

### Quick Reference: Accrual vs. Usage

Action	Where it Hits (Expense)	Where it Sits (Liability)
<b>Accruing Comp Time</b>	Actual coding on timesheet	Comp Pool (Base and Premium Hours Earned + 7% Buffer)
<b>Using Comp Time</b>	N/A (Wages paid from Pool)	Comp Pool Decreases
<b>Fringe on Compe Leave Usage</b>	Fringe is typically allocated based on regular pay (coding for worked hours). If an employee uses Comp Leave for the entire pay period, fringe will be coded to the employee's default budget.	N/A

**Key Takeaway for Budget Officers:** You will see the expense to your specific program budget the moment the comp leave is earned, even if the employee doesn't use the leave for months.