

- What is the Leave Balance Method?
 - It is a process to value a person's annual leave, leave loading and long service leave balance at the end of the month.
- Why was the Leave Balance Method introduced?
 - To accurately record actual salary paid to employees for leave taken and the value of leave balances throughout the year.
- How is this reported through Financial reports.
 - The process posts the full value of the leave balance at the end of each month and reverses the value of the previous month's leave balance at the same time. The net difference is the leave movement.
 - A new range of expense account codes are used to record leave movement and leave paid expenses.
- Does this affect the staff member's ability to access leave?
 - No. The balance method has no impact on the ability to access leave.
- What is included on the Leave Balance value?
 - Leave balance values are only adjusted when the leave has been paid, i.e. up to the last pay period of the month. Bookings for past, current or future periods are not included until they are paid.
 - When leave is taken the value of the balance is reduced and credited to the leave expense movement.
- How are pay rate increases applied?
 - A pay rate rise will increase the leave balance value at the end of the month process. After reversing the previous months' value, the movement will consist of the accrual and the additional value added by the pay rate increase.
- Are on-costs included?
 - Yes. On-costs are applied to leave balance values, when the leave is paid on-costs are included the same as ordinary salary and wages.
- How are changes to on-cost rates applied?
 - A change to the on-cost rate is represented by a change in the value expense and provision.
- What happens when staff change cost collectors?
 - When staff transfer from one cost collector to another, the prior expense remains with the original cost collector. Prior month's value is retained by the old cost collector and the new cost collector is charged for increase in balance values from the beginning of the month.

- What happens to balance values when staff terminate employment?
 - The cost collector will retain expense up to date of termination. Leave balance values are transferred to an overhead account at the end of the month in which staff member's terminate employment. The termination payment is made from the overhead account.