



CHIEF FINANCIAL OFFICER
STATE OF FLORIDA

QUALITY ASSURANCE REVIEW FINDINGS REPORT NO.: **2025 QAR-02**

December 24-hour Annual Leave Payouts

The Bureau of State Payrolls (BOSP), Post Audit Subsection has completed a review of 2024's December 24-hour Annual Leave (AL) Payouts to eligible career service employees.

Purpose

The objective of the review was to ensure payments made to career service employees were accurate and in accordance with *Florida Administrative Code* (F.A.C.) 60L-34.0041(4)(b) and section 110.219(7), Florida Statute (F.S.), as well as the instructions set forth by the Department of Management Services (DMS).

Scope

All agencies that processed December 24-hour Annual Leave payments during the period beginning December 1, 2024, through December 31, 2024.

Background

According to the above referenced Rule 60L-34.0041(4)(b), F.A.C., and section 110.219(7), F.S., each December an eligible permanent career service employee shall be entitled to, subject to available funds as determined by the agency, a payout of up to 24 hours of unused annual leave. Each of the following criteria provided by the DMS Division of Human Resource Management (HRM) must be used by the agency to confirm eligibility for this payment:

- The employee must have attained permanent status in their current position with the State of Florida, as defined in Rule 60L-33.003(4), F.A.C. to be eligible for payment.
- The employee must have an annual leave balance of at least 24 hours after payout of the requested hours.
- The cumulative payout shall not exceed the lifetime maximum allowed (240 hours) as described in Rule 60L-34.0041(6)(a), F.A.C.

Agencies must submit these payments with earnings code 9108 (Annual Leave), and an appointment status code "CS", on a payroll warrant dated in December. The payments may be submitted via People First or via the On-Demand Payroll System.

For more background information, the most recent DMS policy guidelines for this process can be found here [24-Hour Annual Leave Payout \[Rev. August 2024\]](#).

Methodology

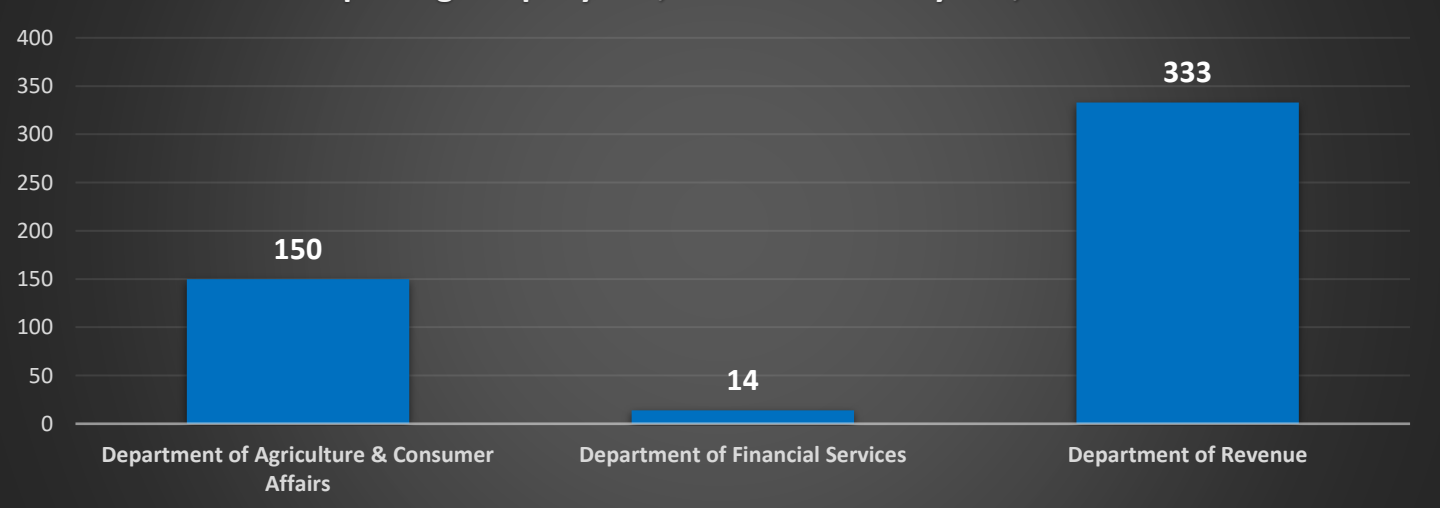
The leave payout data for 2024 was obtained from the salary detail tables within the information warehouse which details all instances in which agencies used the annual leave payout earnings code (9108), with the special appointment status code of “CS” to indicate payouts to employees. All 497 identified payments to employees were selected for testing.

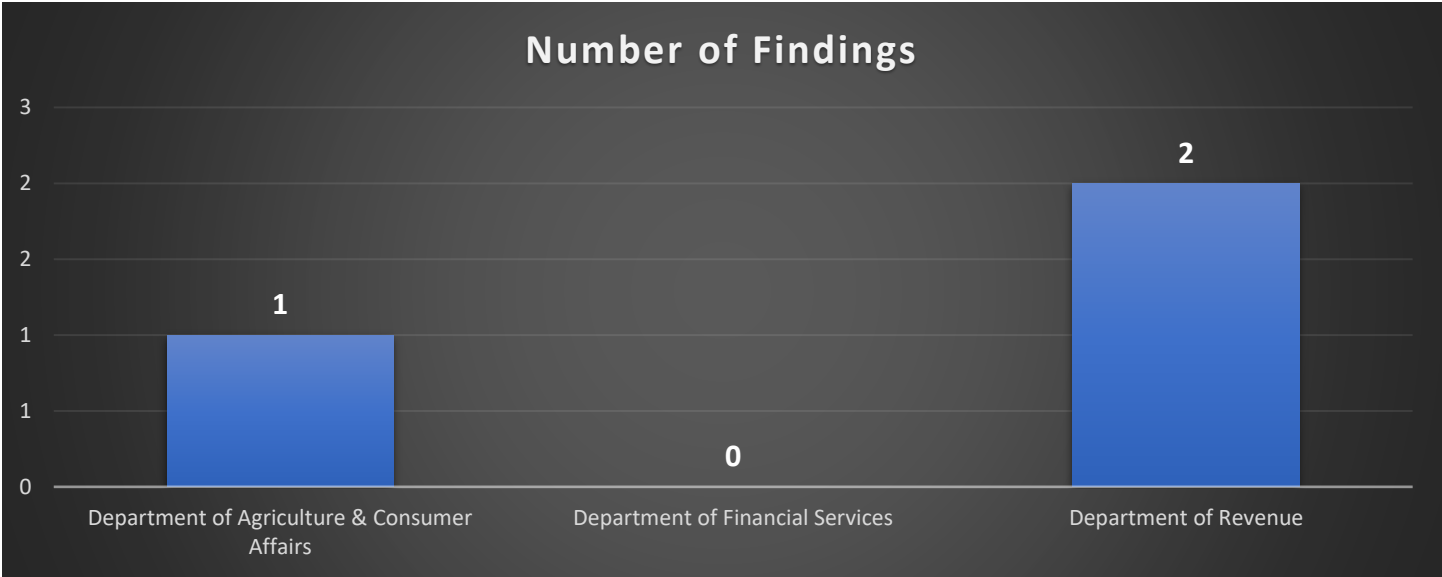
- Payment calculations and the payout amounts for each employee were examined to ensure employees were paid accurate amounts, at the correct hourly rate of pay.
- Annual Leave balances were verified for each employee to ensure each was in accordance with the guidelines prior to and after payments were processed.
- Each employee’s Annual Leave history was reviewed for frequency of payments to ensure the employee had not been paid for more than 240 lifetime hours.
- The employee’s length of service was verified to be at least 12 months of continuous service.
- Job status verification was also performed to ensure each payee was in permanent status, a requirement of eligibility.

2024 December 24-Hour Annual Leave Payouts

OLO	Agency	Participating Employees	Payouts Processed	# of Findings	% of Findings	Payroll Type
4200	Department of Agriculture & Consumer Services	150	150	1	0.70%	Bi-Weekly
4300	Department of Financial Services	14	14	0	0.00%	Monthly
7300	Department of Revenue	333	333	2	0.60%	Monthly
Totals:		497	497	3	0.61%	

Participating Employees, 24-hour AL Payout, Dec. 2024





Conclusions

Department of Agriculture and Consumer Services – FDACS (OLO 4200)

BOSP Post Audit discovered that of the 150 Department of Agriculture and Consumer Services employees reviewed, one had a 24-hour AL payout payment processed separately as an On-Demand payment. At the time of this review, a required manual adjustment of the employee’s annual leave balance had not been made within People First. The agency did note in their response that the leave adjustment had been processed later in January to reduce the 24 hours of leave from the employee’s People First annual leave balance.

Employee's PF Annual Leave Balance is incorrect					
PEOPLE FIRST ID	WARRANT DATE	WARRANT NUMBER	GROSS AMOUNT PAID	HOURS PAID	AUDITER COMMENTS
XXXX654	12/17/2024	1494110	\$653.76	24	Paid out in PYRL, no record in PF, AL adjustment needed

AGENCY RESPONSE: All guidelines were followed. Hours were deducted in January via the PF system.

Department of Financial Services – DFS (OLO 4300)

BOSP Post Audit team reviewed the 14 Department of Financial Services employees that received a 24-hour AL payout. There were no findings for these employees.

Department of Revenue – DOR (OLO 7300)

The BOSP Post Audit team found that of 333 Department of Revenue employees reviewed, two were found to have had a payout while in a probationary job status and were ineligible to receive the 24-Hour Annual Leave payout. For one employee, the payout processing date for the supplemental payment was 12/3/24, which took place the day after the employee’s promotion appointment of 12/2/24 took effect. This created an underpayment to the employee.

Employees on probationary status at the time of payout

PEOPLE FIRST ID	WARRANT DATE	WARRANT NUMBER	GROSS AMOUNT PAID	HOURS PAID	AUDITER COMMENTS
XXXX871	12/23/2024	1530323	\$515.28	24	Probation: 09/01/24 - 08/31/2025
XXXX052	12/9/2024	1406908	\$731.76	24	Probation: 12/02/24 - 12/01/2025

AGENCY RESPONSE:

EE #XXXX871: The agency has confirmed that the employee was in probationary status at the time the leave payout was processed. Appropriate action will be taken to recoup the overpayment from the employee.

EE #XXXX052: No error. Per DMS Policy Guidance HRM#2024-003, "2. To be eligible to receive payments, the Career Service employee must: a. Continue to have permanent status in their current position during the time the payout is processed. . ." The leave payout was processed by DMS/People First via mass load on 11/27/2024 (see attached email from Nikki Turlington). The employee had permanent status in her position (#73002155; Tax Auditor III) from 04/17/2024 – 12/01/2024 which was during the time the payout was processed.

Recommendations

Agencies should ensure that all December 24-hour AL Payouts are accurate and in compliance with Rule 60L-34.0041(4)(b), F.A.C., and section 110.219(7), F.S., as well as the instructions set forth by the DMS Policy Guidelines.

Prior to processing an Annual Leave payout, agencies should verify the employee's pay information for accuracy, and that each employee has met the required criteria to receive the payout, including the following, to be eligible for this type of payment:

- Verify that the employee has attained permanent status at the time the payout is processed.
- Verify that the employee will have an annual leave balance of at least 24 hours after payout of the requested hours.
- Verify that the employee has not been paid the lifetime maximum of 240 hours and that the current request will not allow them to exceed the allowable 240 lifetime hours.

Several issues can arise if an employee receives a promotion or demotion. It can change their permanent status to probationary in which they may not be eligible to receive an Annual Leave payout. It can also affect their pay rate; thus, agencies should be aware of criteria and review and make changes/updates as necessary up until the pay date of the AL payout to ensure all leave payouts are accurate and eligible.

- On-Demand payments processed through PYRL will not update the AL balance in PF, an adjustment will be needed in PF to reduce the AL by the payout amount.
- We recommend the use of supplemental payroll payments in lieu of On-Demand payments to ensure the AL balances reflect accurately.
- Create a desktop procedure to check AL balances for accuracy after payout.