



LOUISIANA TECHNICAL COMMUNITY COLLEGE

Policy No. 5.017

## Northwest Louisiana Technical Community College

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### ***Compensated Absences Liability***

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Original Adoption: October 16, 2019

Effective Date: October 16, 2019

Last Revision: January 1, 2023

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Northwest Louisiana Technical Community College annual leave benefit, exclusive of sick leave, meets the definition of Compensated Absences as defined in GASB as any unused vacation balance is payable to the employee upon termination or retirement from the institution. Therefore, the liability is calculated only on vacation balances.

According to GASB, the Compensated Absence liability is measured using the pay or salary rates in effect at the balance sheet date. It also requires additional amounts to be accrued for certain salary-related payments associated with the payment of Compensated Absences, including employer provided benefits.

Approved:

Dr. Jayda Spillers

Chancellor