

MEMORANDUM FROM THE

# ULSTER COUNTY OFFICE OF THE COMPTROLLER

March S. Gallagher, Esq.  
Comptroller



Charles Dinstuhl, CPA  
Deputy Comptroller

## MEMORANDUM

To: County Executive Jen Metzger  
Commissioner of Finance Roseann Daw

Cc: Deputy County Executive Jamie Capuano  
Ways and Means Chair John Gavaris  
Financial Deputy Clerk of the Legislature Amber Feaster  
Deputy Finance Commissioner Max Cordella  
Deputy Finance Commissioner Chris Jaros

From: Comptroller March Gallagher

Date: March 7, 2025

Re: Inconsistent Journal Entries for Year End Payroll Expenditures

It has come to the attention of the Comptroller that inconsistent journal entries have been recorded for the payroll dated 1/17/2025. This payroll disbursement was made for wages earned during the 14-day period from 12/29/2024 through 1/11/2025. We analyzed journal entries 2025-00000278 and 2024-00006568 which together record payroll "warrant 2503". The departments included in the journal entries are the Clerk of the Legislature, the Public Defender, the County Attorney, and the County Clerk.

### **Background:**

Initially the County Department of Finance proposed a journal entry that took the entire payroll warrant and recorded 20% as a 2024 expenditure and 80% as a 2025 expenditure. While using a percentage for accruals is an acceptable accounting method, it is not exact and can cause budgetary issues. Additionally, the accrual does not account for 3% management raises effective January 1<sup>st</sup> or weekend hours worked, as not all departments paid under this payroll worked only Monday through Friday. The Public Defender's office has employees who work weekends, meaning that the true split by days for that department was 21.43% belonging to 2024 and 78.57% belonging to 2025. Further, the public defender often has on call employees, so the only way to record the payroll correctly is to review the timecards and other on call records to place the expenditures in the correct periods.

When the journal entry was entered to the County's general ledger, an error appeared preventing the Department of Finance from finalizing it. The journal entry amount for the payroll accrual caused the annual payroll expenditures of the Clerk of the Legislature to exceed the 2024 budgeted amount. The difference in the accrual for the actual payroll compared to the percentage split for the Clerk of the Legislature's department was \$117 less in 2024, and staff from the Department of Finance made the argument that this amount was immaterial. Staff from the Department of Finance requested that the staff of the Clerk of the Legislature prepare a 2024 budgetary adjustment, rather than recording the journal entry for the actual accrual amount, to allow the incorrect 20%/80% split entry to be recorded. However the staff at the Clerk of the Legislature refused the budgetary amendment and requested the actual accrual amount be recorded.

**Finding:**

Ultimately, our review of the accounting for this payroll warrant found that the journal entry was adjusted solely to correct the accounts of the Clerk of the Legislature. The Clerk of the Legislature was recorded using exact pay earned in each period, while all other departments had payroll allocated along the original 20%/80% split. This discrepancy is the reason for this memo.

**Recommendation:**

We recommend that going forward, Department of Finance record all payroll expenditures in the period in which they are earned and avoid using estimates where exact information is available. We understand that this is difficult, as the County currently uses three separate timekeeping systems for employees, and exact hours for all employees of the County are not tracked in a single database. To avoid time spent on calculating accruals, we propose that the Department of Finance consider issuing two separate payroll disbursements in future years, one for the amount earned in each year. This split payroll will also expedite the calculations necessary for determining retroactive payments associated with collective bargaining.