



State of Arizona Accounting Manual

Topic 55 Payroll and Personnel Issued 04/17/17
Section 50 Donations of Annual Leave between Employees Page 1 of 3

INTRODUCTION

Annual leave may be donated from one employee to another if both the donor and recipient meet certain conditions, which are outlined below. In this, as in other sections of SAAM, it may be necessary to consult the Glossary, SAAM 9505, for the definitions of terms used herein.

POLICIES

1. Intra-agency transfers of donated leave are between employees of the same agency; interagency transfers of donated leave are between employees of different agencies. Both intra-agency and interagency transfers of accrued annual leave are permitted. However, the required qualifications of the donor and the recipient as well as the methods of effecting the transfer differ depending upon whether the transfer is intra-agency or interagency.
2. Eligibility requirements of all recipients:
 - 2.1. Before using donated annual leave, the recipient must have exhausted all available employee sick leave, compensatory leave, and annual leave balances.
 - 2.1.1. Note that family sick leave is part of, not an addition to, employee sick leave.
 - 2.2. The recipient must have a certification from a licensed health care practitioner to the effect that:
 - 2.2.1. The employee is unable to work due to:
 - 2.2.1.1. A seriously incapacitating and extended illness or injury, or,
 - 2.2.1.2. A seriously incapacitating and extended disability that is caused by pregnancy or childbirth.
 - 2.3. The recipient needs to care for a member of the recipient's immediate family who has:
 - 2.3.1. A seriously incapacitating and extended illness or injury, or
 - 2.3.2. A seriously incapacitating and extended disability that is cause by pregnancy or childbirth.

State of Arizona Accounting Manual

Topic 55 Payroll and Personnel Issued 04/07/17
Section 50 Donations of Annual Leave between Employees Page 2 of 3

3. Eligibility requirements of donors depend upon whether the donor and recipient are employed by the same agency or whether they are members of the same family. An employee may donate annual leave to another employee who has exhausted all available leave balances if:
 - 3.1. The donor is employed in the same agency as the recipient.
 - 3.2. The donor and recipient are members of the same family, but employed by different agencies.
4. If both donor and recipient are employed by the same agency, the transfer of hours is an intra-agency transfer that can be accomplished fairly easily since both the donor's and the recipient's payroll files are available to the employing agency.
5. If the donor and recipient are employed by separate agencies, the transfer of hours is an interagency transfer that requires the communication of information related to the transfer between the payroll departments of the different agencies.
 - 5.1. To effect a transfer of hours between agencies, agency payroll offices should use a Form GAO-209, "Employee Interagency Annual Leave Contribution and Restoration" or its equivalent. A copy of this form is available on the GAO Website at <https://gao.az.gov/publications/forms>.
 - 5.1.1. The donating employee provides the necessary information about himself, the number of annual leave hours to be donated, and his relationship to the recipient.
 - 5.1.2. The Payroll Department of the donor's agency computes the dollar value of the donation and forwards the information to the Payroll Department that employs the recipient.
 - 5.1.3. The Payroll Department of the recipient computes the hours to be credited to the recipient's donated leave account based upon the dollar value of the contribution.
6. Donations of annual leave require an adjustment of hours be made in proportion to the respective hourly rates of pay of the donor and the recipient. To calculate and appropriately record the hours transferred:
 - 6.1. To determine the number of hours the recipient obtains, multiply the actual number of hours donated by the donor's hourly rate of pay, and divide the result by the recipient's hourly rate of pay.

Example 1: The Donor's rate of pay is \$30 an hour; the Recipient's rate of pay is \$20 an hour. The Donor chooses to donate 8 hours of pay to the Recipient. The monetary amount of the donation is \$240 (\$30 x 8). This amount is equal to 12 hours of donated leave to the Recipient (\$240 / \$20).

State of Arizona Accounting Manual

Topic 55 Payroll and Personnel Issued 04/07/17
Section 50 Donations of Annual Leave between Employees Page 3 of 3

- 6.2. In the recipient's records, the hours calculated above are added to the recipient's donated leave account.
- 6.3. In the donor's records, the hours donated are the actual number of hours the donor has indicated he wishes to donate and are subtracted from the donor's annual leave balance.
- 6.4. If the donor and recipient are employed by the same agency, and the agency uses HRIS to track leave, HRIS will automatically make the appropriate calculation.
- 6.5. If the donor and the recipient are employed by different agencies or if one or both of the agencies do not track leave on HRIS, the calculation must be made manually.
7. Donated leave that is not used must be returned to donors in proportion to their contributions.
 - 7.1. For intra-agency transfers, this is fairly easily accomplished, since both the donor's and the recipient's payroll records are available to the agency.
 - 7.2. For inter-agency transfers, the recipient's agency should use the bottom portion of the GAO-209 or its equivalent to notify the donor's agency of the return of unused donor hours (computed the reverse of the calculation discussed above).

Example 2: The Recipient in Example 1 used only 9 of the 12 hours that were obtained from the Donor; the unused 3 hours must be returned. The Recipient's rate of pay is \$20 an hour, so the monetary amount of the donation to be returned is \$60 ($\20×3). The Donor's rate of pay is \$30 an hour, so the number of hours to be recorded as returned is 2 ($\$60 / \30).
 - 7.3. The returned hours must be removed from the recipient's donated leave balance and added back to the donor's annual leave balance.
8. Recipients are limited to accepting and using no more than six (6) consecutive months (calculated from the perspective of the recipient) of donated leave per occurrence or, if the leave is intermittent, one thousand forty (1040) hours. If the recipient has filed for long-term disability by the end of the fifth month of the employee's leave, he may continue to use donated annual for up to sixty (60) additional days or until long-term benefit payments begin, whichever is sooner.