



**OPEN SYSTEMS®**  
**Accounting Software**  
**Employee Utilization Report**

**Date:** November 4, 2014  
**To:** Software Maintenance Plan Subscribers  
**Products:** Payroll for OSAS® versions 8.0 and 7.61

The Affordable Care Act (ACA) health insurance mandate affects employers in different ways depending on the number of full-time employees a company has on its payroll. Included in this count are full-time and full-time equivalent (FTE) employees. OSAS includes an Employee Utilization Report, a convenient tool to assist you in determining how many full-time equivalent employees you have.

**Note:** This report is only a tool which represents data collected from Payroll processing. Some pertinent data may not be available for the report, so you should carefully review and verify the accuracy of the report contents before making decisions regarding your reporting requirements. Federal requirements and guidelines are subject to change at any time. Always check the current federal information available to determine your compliance status.

The Employee Utilization Report includes details of salaried, full-time, and FTE employees. Each of these categories has a detail section displaying count or hour data for each month of the year. A summary page at the end of the report shows the totals from each detail section, as well as the full-time equivalencies for each month.

### **FTE Calculations**

Because the ACA only considers the number of full-time employees, the Full-Time Equivalency calculation is a way to translate the number of part-time employees into an equivalent number of full-time employees.

Federal guidelines define full-time employees as those who work at least 130 hours per month (approximately 30 hours per week). A part-time employee is one who works less than 30 hours per week (or 120 hours per month).

**Note:** Because this report uses historical data which often does not include hours for salaried employees, for the purposes of this report, all employees receiving a check while classified as salaried in any month are also considered full-time employees in that month. The government regulations provide alternative methods for accounting for salaried employees, so you should consult these regulations and/or your tax professional for further guidance.

On the Employee Utilization Report, the hours for which an employee was paid, as recorded in the Time Ticket History file, are used to determine the employee's full-time or part-time status. Part-time employees are included in the calculation as full-time equivalent employees based on the hours for which they were paid.

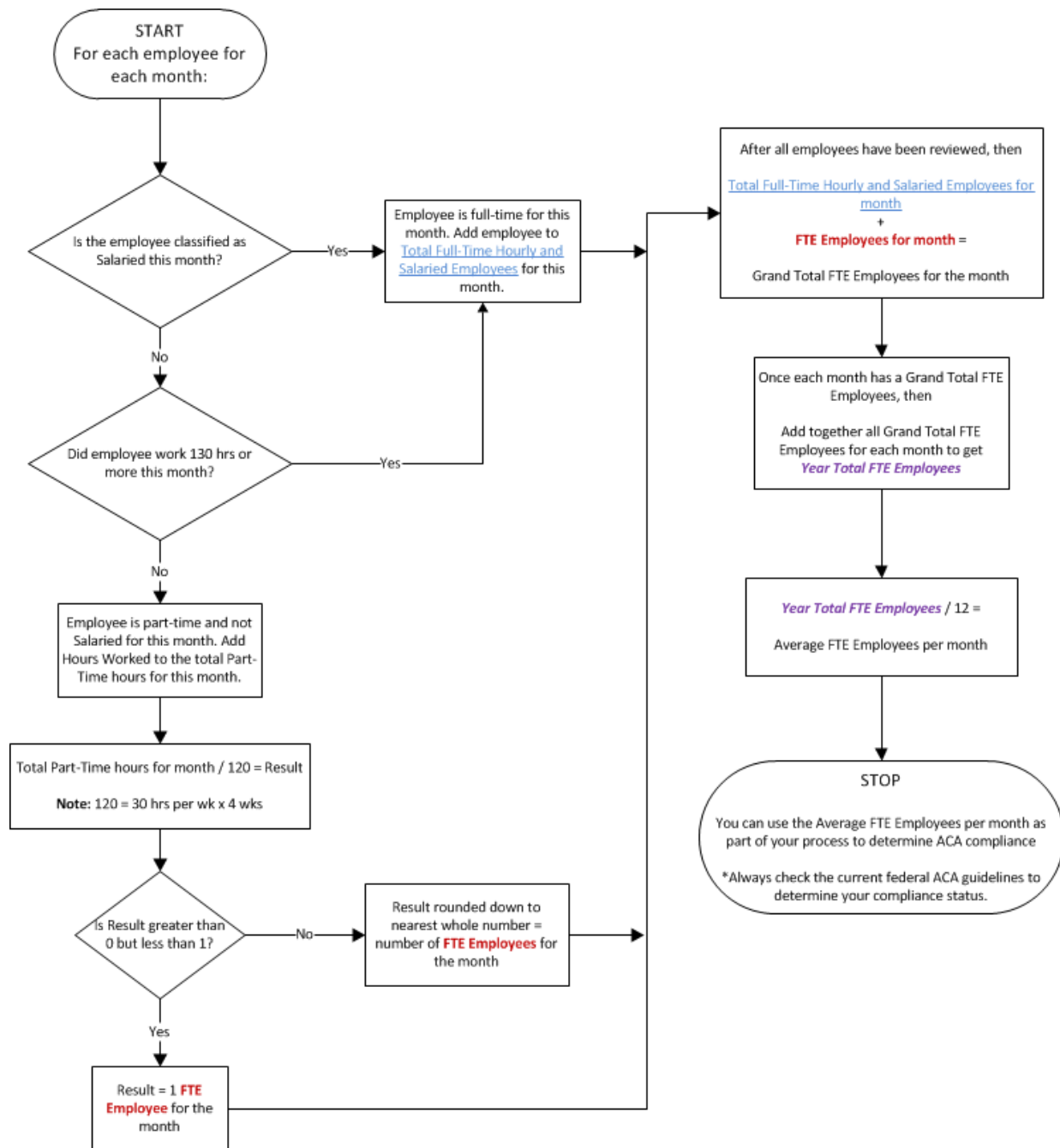
The FTE calculations used in the report are based on the ACA provisions explained [in this resource from the Internal Revenue Service](#). The number of FTE employees is determined by totaling all the hours worked by part-time employees in a month (up to a maximum of 120 hours for any part-time employee), dividing those hours by 120 (the equivalent of 30 hours times four weeks), and rounding down to the nearest whole number. If the result of this calculation is less than one but greater than zero, the number of FTE employees is one.

The calculated numbers of FTE employees for each month are then added to the number of salaried and full-time hourly employees for each month. The monthly totals are then summed and divided by 12, resulting in the average number of FTE employees per month, which you can use to help determine your ACA compliance status.

**Note:** Always check the current federal ACA guidelines to determine your compliance status.

## Calculation Flowchart

The following flowchart illustrates the calculation used by the Employee Utilization Report:



## Report Sections - Details

The Employee Utilization Report has three detail sections. These sections detail how the information for each employee was used to calculate full-time equivalencies. Printing the detail section of the report makes it easier for you to review the report for accuracy and to make any adjustments to the summary totals before you use the information to help you determine your level of compliance. The detail section contains the following information:

<b>Salaried Employees</b>	This section will display an “X” in any month in which the employee was issued a pay check and was classified as “Salaried”. The section totals will show the number of salaried employees for each month.
<b>Full-Time Hourly Employees</b>	This section will display an “X” in any month in which an hourly employee was paid for 130 hours or more. The section totals will show the number of employees with full-time hours in each month.
<b>Part-Time Hourly Employees</b>	This section will show the number of hours worked in any month in which the employee has time ticket totals less than 130 hours, up to a maximum of 120 hours. The section totals will include the collective number of hours worked by the employees, as well as the number of FTE employees.

An employee may appear in more than one section of the detailed report if his or her hourly or salaried status changed during the year, or if an hourly employee transitions from full-time to part-time or vice-versa.

## Report Sections – Summary

Regardless of whether you choose to print the detail section of the report, the Employee Utilization Report will print a summary page with the following information:

<b>Number of Salaried Employees</b>	This line shows the total number of salaried employees for each month.
<b>Number of Full-Time Hourly Employees</b>	This line shows the total number of full-time hourly employees for each month.
<b>Total Part-Time Hours</b>	This line shows the total number of part-time hours (up to 120 per employee) for each month.
<b>Full-Time Equivalent (FTE) Employees</b>	This line shows the number of Full-Time Equivalent employees for each month.
<b>Grand Total Monthly FTE Employees</b>	This is the sum of the salaried employee totals, the full-time employee totals, and the Full-Time Equivalent employee totals for each month.
<b>Average Monthly FTE Employees</b>	This is the monthly number of FTE employees averaged over the entire year.

## Installing the Report for Version 7.6

Follow these instructions to install this report:

1. Backup your programs and data files.  
**Note:** If your programs are modified please contact the developer before you apply the updates.
2. Download and unzip the update to a local drive on your application server.
3. Use the Resource Manager **Directories** function to point the **Install** directory to the directory in which the update is located.
4. Select all of the check boxes at the bottom of the Resource Manager **Install Applications** screen to unzip, merge, and install the update correctly.

## Installing the Report for Version 8.0

Follow these instructions to install this report:

1. Back up your programs and data files.  
**Note:** If your programs are modified please contact the developer before you apply the updates.
2. Run the **Install Maintenance Updates** function from the Resource Manager **Installation and Configuration** menu. Follow the usual process to find, download, and install the update.

## Generating the Report

1. Select Employee Utilization Report from the Personnel Reports menu.  
  
**Note:** The first time you open the Employee Utilization Report screen, you may see a verification dialog notifying you of a one-time conversion of the Payroll history files. Use the **Proceed (OK)** command to continue. A second confirmation dialog box may appear. Use the **Proceed (OK)** command to confirm the process and continue.
2. Enter the starting month and year for the report.
3. Select **Detail** to print the detailed sections of the report. Select **Summary** to print only the summary page of the report.
4. Select **Active** to include only active employees in the report, **Inactive** to include only inactive employees, or **Both** to include active and inactive employees on the report.
5. Mark the **Include Seasonal Employees?** check box to include employees who are classified as seasonal employees.
6. Select the output device. See the [Resource Manager Guide](#) for more information. After the report is produced, the **Personnel Reports** menu appears.

**Sample Report:**

This is a sample of the report. The dashed line indicates a page break. The full report prints in detail, while only the final page prints when printing in summary.

Builders Supply													Page 1 of 2		
Employee Utilization Report															
Emp ID	Name	St	Tp	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
				2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013	2013
Salaried Employees															
BOU001	Linda C Bourne	A	S	X	X	X							X		
GER001	Timothy G Gerard	A	S	X	X	X							X		
JEN001	Kathy M Jenkins	A	S	X	X	X							X		
LUK001	Gregg Lukas	A	S	X	X	X							X		
Number of Salaried Employees				4	4	4	0	0	0	0	0	0	4	0	0
Full-Time Hourly Employees (Hours at or Exceeding 130/Month)															
JON001	Maria K Jonchim	A	H		X	X									
ROS001	Lucinda A Rossini	A	H	X	X	X									
STO001	Albert W Stockard	A	H	X	X	X									
Number of Full-Time Hourly Employees				2	3	3	0	0	0	0	0	0	0	0	0
Part-Time Hourly Employees (Hours Less Than 130/Month, Maximum 120)															
JON001	Maria K Jonchim	A	H	120.000	.000	.000	48.000	.000	.000	.000	.000	.000	.000	.000	40.000
ROS001	Lucinda A Rossini	A	H	.000	.000	.000	48.000	.000	.000	.000	.000	.000	.000	.000	40.000
STO001	Albert W Stockard	A	H	.000	.000	.000	48.000	.000	.000	.000	.000	.000	.000	.000	40.000
Total Part-Time Hours				120	0	0	144	0	0	0	0	0	0	0	120
Full-Time Equivalent (FTE) Employees				1	0	0	1	0	0	0	0	0	0	0	1
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													Page 2 of 2		
Full-Time Employee Totals															
Number of Salaried Employees				4	4	4	0	0	0	0	0	0	4	0	0
Number of Full-Time Hourly Employees				2	3	3	0	0	0	0	0	0	0	0	0
Part-Time Employee Totals															
Total Part-Time Hours				120	0	0	144	0	0	0	0	0	0	0	120
Full-Time Equivalent (FTE) Employees				1	0	0	1	0	0	0	0	0	0	0	1
Grand Total Monthly FTE Employees				7	7	7	1	0	0	0	0	0	4	0	1
Average Monthly FTE Employees				2.3											