

# MVECA 2008

## USPS Calendar Year-end Closing Procedure

### Before the final pay of 2008:

1. \_\_\_\_\_ Determine action required (if any) to add warrant payments made as a fringe benefit. (See Reimbursement of Employee Expenses)
  - Include NC3 pay type for taxable fringe benefit that should be reported on the W2. NC3 pay types are taxed at the time they are paid. NC3 pay types will NOT be included in the total gross or total for the pay account but will be added to the taxable gross. There is a new field in the 001 DEDSCN, "Tax. Ben." Consult a tax advisor to determine taxable fringe benefits that should be paid using this non-cash pay type.
  
2. \_\_\_\_\_ Cost of Life Insurance Over \$50,000
  - Include **NC1 pay types** for any employee with board paid life insurance over \$50,000 using the USPSCN/UPDCAL\_CUR or UPDCAL\_FUT program **before their final pay of the year**. NOTE: Adding the NC1 paytype in UPDCAL\_CUR will eliminate balancing issues with INICAL.
  - Calculate the non cash earnings based on [IRS Pub. 15B](#) -cost of life insurance over \$50,000 (There are no changes to the table in TY2008)
  
3. \_\_\_\_\_ Run W2PROC. Balance to-date data and review/correct warnings and errors. Some errors may require an error adjustment to be processed through payroll.

### Before W2 Processing:

4. \_\_\_\_\_ Complete processing of last payroll for current year. Pay ALL of your accumulated deductions. Run PAYDED as a projection of all **non-zero deductions** to review DEDRPT for outstanding deduction amounts. Run PAYDED (actual) for all deductions that have an ACCUM. If the the ACCUM is a negative amount; determine the cause (i.e. voided check after final payroll). A refund from the deduction company may be needed.
  
5. \_\_\_\_\_ Check DEDNAM program to verify that all **annuities** are coded with the proper annuity type. Retirement records 590 and 591 should be coded as 401 (a). If you are unsure of the type of annuity, contact the annuity company. Section 125 annuities (excluding Adoption Assistance) should be coded as 'D' Section 125, treated as non-wages.
  
6. \_\_\_\_\_ Check W2 abbreviations on the **CITY DEDNAM** records. The W2 form will truncate the abbreviation to six characters even though the field in DEDNAM allows twelve characters. For example if you use YELLOW SPRINGS ONLY "YELLOW" will print.
  
7. \_\_\_\_\_ Cities that require magnetic reporting must have a **TAX ENTITY CODE** in DEDNAM. Cities using either Regional Income Tax Agency (RITA) or the Central Collection Agency (CCA) to report city tax information have an additional identification field. Verify the tax entity code and the appropriate RITA and/or CCA description are entered on the city USPSDAT/DEDNAM record. Contact RITA or CCA to obtain the entity codes or use the links below.

**RITA City Code List:** <http://www.rita.to/individual/pdf/2008/taxtable.pdf>

**CCA City Code List:** <http://www.ccatx.ci.cleveland.oh.us/forms/magmed2008.pdf> (See Appendix A)

8. \_\_\_\_\_ Run the DEDNAM program to verify that all **OSDI** deductions (800-8XX) have a valid OSDI district code set-up and the OSDI number is listed in the W2 Abbrev field for example:

W2 Abbrev: 2902CEDAR

This field is truncated on the W2. Visit

[http://www.tax.ohio.gov/divisions/tax\\_analysis/tax\\_data\\_series/school\\_district\\_data/documents/sdit\\_map\\_and\\_list.pdf](http://www.tax.ohio.gov/divisions/tax_analysis/tax_data_series/school_district_data/documents/sdit_map_and_list.pdf) for all district OSDI codes and income tax percentages.

## COMPLETE MONTH-END CLOSING

9. \_\_\_\_\_ Run the **RETIRE** program (SERS and STRS) selecting the "N" option – to not create a tape file at this time. This program generates a report of earnings, deposits, and days paid for each retirement system. If necessary, adjustments can be made using USPSCN/ATDSCN.
10. \_\_\_\_\_ Verify that the total contribution amounts listed on the report equal the total deduction checks for the withholding (STRS/SERS) plus any warrant checks written for pick-up on pick-up.
11. \_\_\_\_\_ Verify that the contributions by employee= gross pay X 10%. Allow for rounding (within a few cents).
12. \_\_\_\_\_ Review service credit days for employees on the report.
13. \_\_\_\_\_ Once satisfied that the data is correct, run RETIRE again selecting the "Y" option to create the submission tape file and to clear MTD totals. Run STRSMONTH.
14. \_\_\_\_\_ Balance the payroll account.
15. \_\_\_\_\_ Run the CHKSTA program to reconcile checks.
16. \_\_\_\_\_ Run the USPRPT/CHKSTS program to generate an outstanding check register.

## COMPLETE QUARTER-END CLOSING

17. \_\_\_\_\_ Run the demand option (**N**) of QRTRPT (Menu>QRTRPT). The report shows quarter, fiscal, and annual totals. Check all totals for accuracy. **Do not zero out totals at this time.**
18. \_\_\_\_\_ Deduction totals should equal the total of all deduction checks written for the period(s) being checked. To check deductions run either the SUMYTD program MENU>SUMYTD to generate a report of all deductions and the CYTD totals or the YTDDED program MENU>YTDDED to generate a report of one specific deduction and the CYTD total. Gross amounts *should equal* the total of all payroll clearance checks issued during the particular period(s) being checked.
19. \_\_\_\_\_ Run the program ODJFSRPT and **generate the report only**. Check all totals carefully for accuracy. If necessary, adjustments can be made using USPSCN/ATDSCN.
20. \_\_\_\_\_ When all data is correct, run the ODJFSRPT program again, this time indicating that you want to create a tape file for submission to ODJFS and that you want to close ODJFS for the quarter.
21. \_\_\_\_\_ Once satisfied with all totals, generate all desired reports. PayrollCD automatically creates the following reports quarterly:

ABS101	EMPMST
AUDRPT	ERNREG
BENRPT	ERNSUM
CHKSTS	ODJFSRPT
	QRTRPT

## W2 PROCESSING

22. \_\_\_\_\_ If not using the DPCARE deduction type, manually enter the **dependent care** amounts into the federal tax deduction record (001).
23. \_\_\_\_\_ Calculate **leased vehicle** value; manually enter amount in the federal tax deduction record.

24. \_\_\_\_\_ If notified by an annuity company that life insurance was purchased from an amount withheld as an annuity: a) increase the taxable gross on the 001, 002, and OSDI for the amount identified as insurance and decrease the YTD annuity amount by the amount identified as insurance. Check with the city tax departments as to whether or not to adjust city tax deduction records.
25. \_\_\_\_\_ Add non-taxable Third Party Pay to Federal Deduction record. See Third Party Sick Pay.
26. \_\_\_\_\_ Run the program W2PROC. This program generates W2ERR.TXT, W2REPT.TXT and W2FORM.TXT. Review the W2 report text file, (W2REPT.TXT) for accuracy.
27. \_\_\_\_\_ Complete and balance the W2REPT Reconciliation Worksheet for the quarter.
28. \_\_\_\_\_ Additional checks and balances if necessary: Balance deduction totals and gross amounts on W2REPT.TXT with DEDRPT.TXT and PAYRPT.TXT for each pay of the quarter. NOTE: W2PROC handles pick up on pick up differently than PAYRPT. These figures may not balance. See Affects of Specific Situations on W2 Reporting.
29. \_\_\_\_\_ A W2ERR.TXT will be created if you have any errors. Fatal errors MUST be cleared up prior to creating your final W2's and creating a tape file. All warnings must be researched thoroughly and make adjustments/corrections if needed. W2PROC can be generated as many times as necessary. See W2PROC Errors and Warnings.
30. \_\_\_\_\_ A report called W2BREAK.TXT shows where the W2 forms could be separated for possible distribution. The report lists each sort field and its starting control number. This report does not apply to Name or SSN sort options.
31. \_\_\_\_\_ Run W2PROC and create a tape file.

**IMPORTANT!!! IMPORTANT!!! IMPORTANT!!!**

**Make sure you answer “Y” when it asks if you want to create the tape file on the final run of W2’s. VERIFY the district Federal and State identification numbers. It is critical that these numbers are correct.**

This generates the following additional files:

- W2TAPE.SEQ –DA Site transmits to federal and state taxing entities
- W2FORM.DAT – DA Site uses for laser printed W2s.
- W2CCA.SEQ & W2RITA.SEQ – DA Site transmits to RITA or CCA
- W2CITY.DAT – DA Site uses for other city submissions

32. \_\_\_\_\_ Once the **tape file** has been created; open a CA Unicenter ServiceDesk ticket letting us know your W2's are ready to print.

**CALENDAR YEAR END CLOSING**

33. \_\_\_\_\_ Other Suggested Reports:

- \_\_\_YTDRPT - Earnings and benefit statements, all employees
- \_\_\_NAMID - Name/SSN report, in name sequence
- \_\_\_WAGOBL - **BOTH** options WAGEMP and WAGACT (Auditor request)
- \_\_\_BENOBL – **BOTH** options BENEMP and BENACT Benefit obligation (Auditor request)

VERY IMPORTANT STEP BELOW!!!!

34. \_\_\_\_\_ Create a backup copy of your files from the menu prompt: **PAY\_CYEBCK**

35. \_\_\_\_\_ Run CALENDARCD. The following Calendar Year End reports are placed on the web. Additional reports that you wish to archive should be burned to CD.

AUDRPT	ERNREG	YTDRPT
BENRPT	W2ERR	
CHKSTS	W2FORM	
EMPMST	W2REPT	

**\*\*\*\*\*DO NOT GO TO THE NEXT STEP (QRTRPT) UNTIL YOU VERIFY THAT THE REPORTS CAN BE VIEWED IN THEIR ENTIRETY ON THE WEB\*\*\*\*\***

36. \_\_\_\_\_ Run the QRTRPT program and zero out all data for the quarter and calendar year (Option Y). (This will also clear your dependent care amounts if applicable.)

37. \_\_\_\_\_ To insure the data cleared correctly, run the QRTRPT program again and verify that the year to date and quarter to date totals on the report are zero.

**BEGIN PAYROLL PROCESSING FOR 2009 CALENDAR YEAR.**