





HRP06 -Payroll and HR Month End, Quarter End and Year End Processes

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Session Objectives

Identify Payroll/HR Period End Processes

How to reconcile taxable wages and make adjustments





Agenda

- Review Month-End, Quarter-End, and Year-End Steps for Payroll and HR
- Reconciliation process to confirm taxable wages are correct
- Steps to make payroll adjustments





Period-End Reporting





Glazed eyes (No idea)



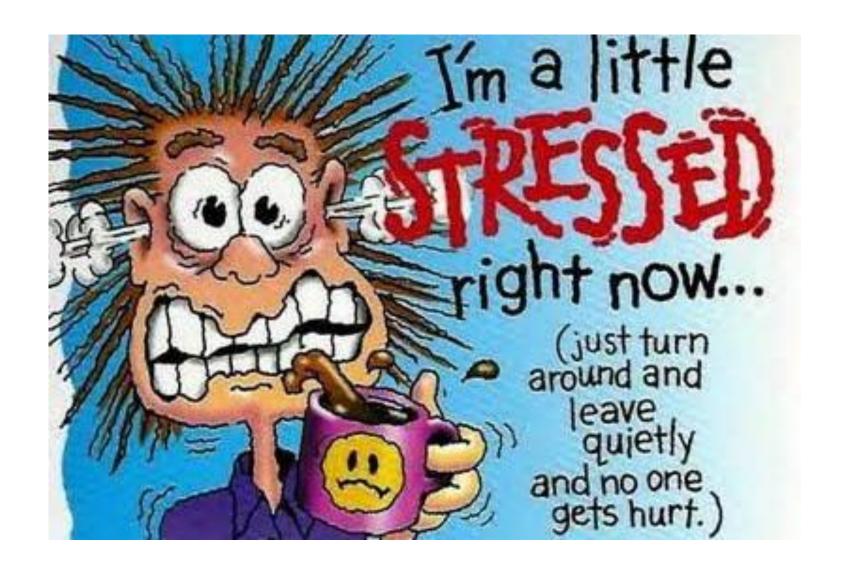






Woah. No way. Not touching that!





(Just a little bit stressed)



Cool as a cucumber



3 Keys to being ***COOL***

- ? COMPLETE PERIOD-END STEPS
- VERIFY TAXABLE WAGES ARE CORRECT
- PREPARED FOR YEAR-END





9 Month-End Processes





Month-End Processes

- Balance Payroll Deductions to General Ledger
 - *Use a Smartlist or Employee List by Deductions >HR & Payroll >Reports
 >Payroll >Employee Lists >List by Deduction
- Reconcile Benefit Invoices to Deductions
- Update reconciling items in Payroll Records
 - *Adjustments need to be made to Employee Deductions / Arrears if there are changes

Month-End Processes

- Review GL Tax liability accounts, ensure \$0 balance at month-end
 - *Review Tax Liability Accounts, Garnishment WH Accounts, Suspense Account
 - *Use 99999-99 Account in Payroll Posting Setup for ALL-ALL items to catch anything not properly coded

- Close Fiscal Period for payroll module
 - >Administration >Setup >Company >Fiscal Periods

Quarter-End Processes





Quarter-End Processes

- Complete Month-End procedures first
- Use Sherlene's spreadsheet to verify taxable wages are correct, comparing to GP 941(see later slides)
- Reconcile SUTA Taxable Wages
 - *SUTA wages will need to reconcile to different amounts, depending on the state. It might be Total Gross Wages, or FICA Wages or Federal Wages that should be the same as SUTA wages
 - *SEMCIL uses a Smartlist showing Gross Comp and compares to the Paycode Summary to ensure all employees are accounted for

Quarter-End Processes

- Verify taxes paid and taxes reported match
- Complete and file 941, State return(s), State UI
 - Use Fillable or On-lines forms, or consider using Greenshades or Aatrix to file tax returns

Year-End Processes



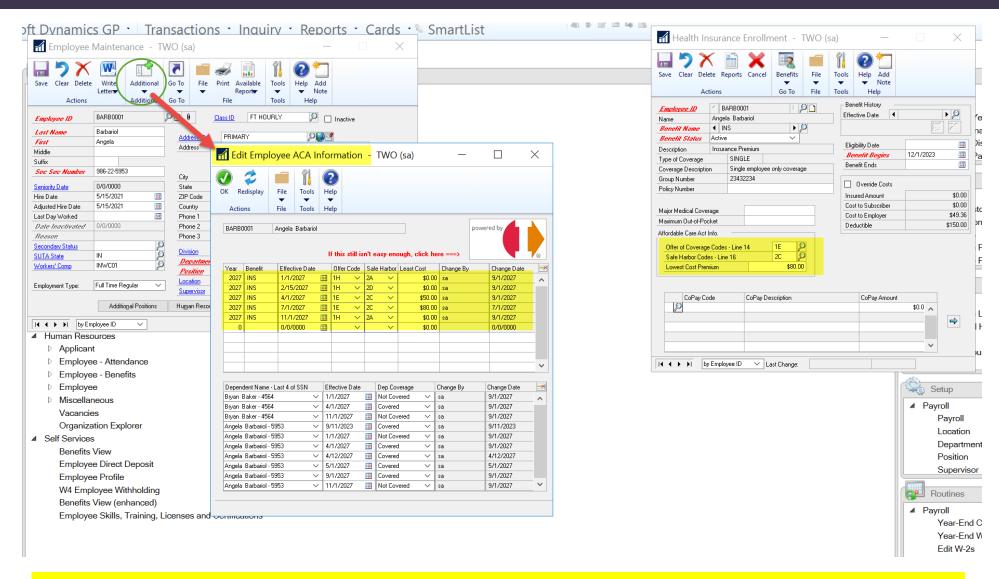


- Order pre-printed forms, if required (4-up W2)
- Plan for electronic filing required/desired files
 - Direct Website upload or Greenshades / Aatrix
- Update SSA website password & other state sites
 - http://www.ssa.gov/bso/bsowelcome.htm
- Plan for installing Year-End update, if required

Plan for installing Year-End update, if required

- IMPORTANT re: YE Update GP2015, 2016, 2018, October release. (IF ON GP2015, plan to upgrade soon)
- Confirm with your partner that all your 3rd party products are compatible before installing the YE Update
- Plan for all users out of GP.
- All machines and servers where GP is installed locally need to be updated
- Can be installed as soon as all products are compatible. Recommend planning with lead time before the next payroll
- Make a fresh copy of live database into test and run a sample payroll in test company after the update, prior to live payroll

- Include non-cash taxable benefits on last payroll, if possible (or throughout the year).
 - Otherwise PR Manual Ck Adjustments will be done in January.
- Verify Federal EIN, State, SUTA/FUTA Employer IDs
 - >HR & Payroll >Setup >Tax IDs
 - >HR & Payroll >Setup >Unemployment Tax
- Prep / Review ACA data
 - GP HR (plus Integrity Data's free ACA edit window), or external ACA solution (most commonly seen are Integrity Data or Greenshades)

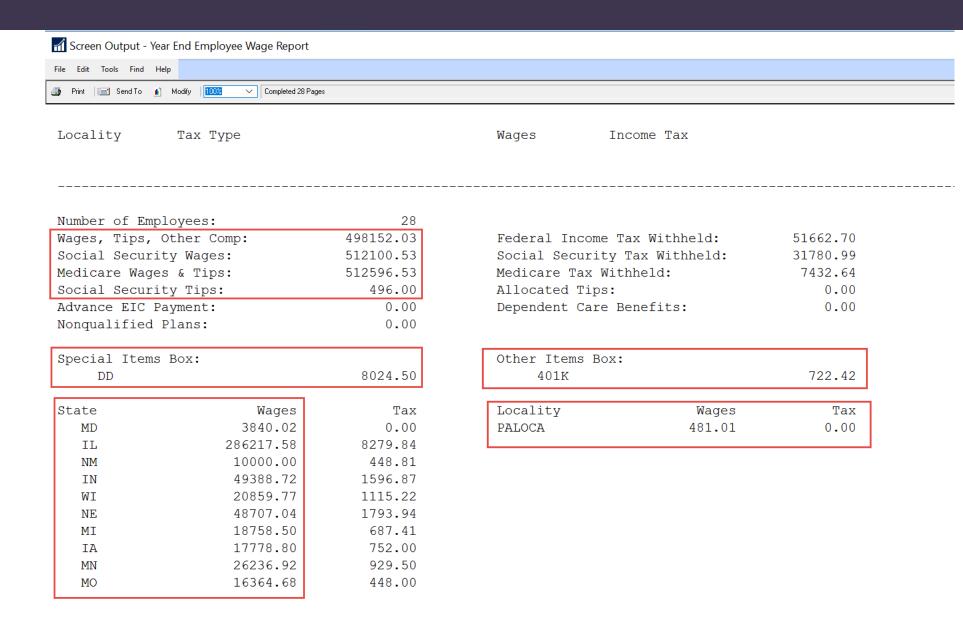


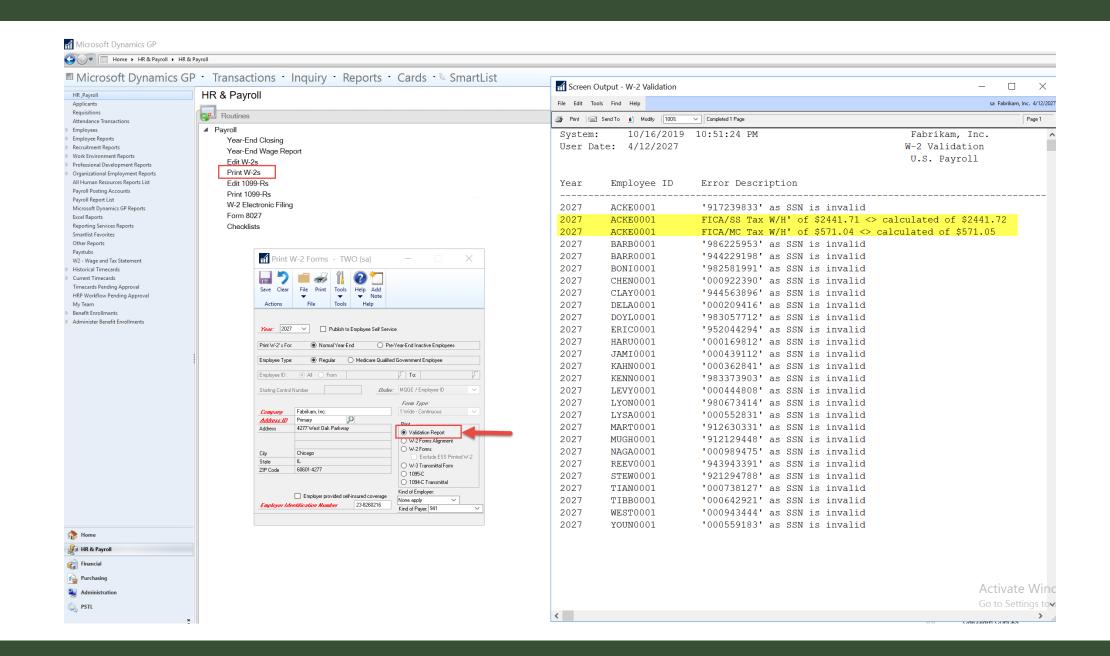
If using GP HR Benefits for ACA, Integrity Data's free ACA Editing window is AWESOME!!!

- Set up new year pay period dates, if using
 - HR Attendance
 - Time Matrix
- Set up new fiscal periods
 - >Administration >Setup >Company >Fiscal Periods

Year-End Processes

- •Use Sherlene's spreadsheet process to verify taxable wages are correct, comparing to GP Year-End Wage report
 - >HR & Payroll >Routines >Payroll >Year End Close (use this to remove YE also)
 - >HR & Payroll >Routines >Payroll >Year End Wage Report
- Verify totals are correct on bottom of YE Wage report for W2 boxes and labels
 - https://www.irs.gov/pub/irs-pdf/iw2w3.pdf





BIG NOTE #1 – you can remove and redo Payroll YE close!!!!

- ***Edit FICASS Max to the rate for the year you are closing
 - >Administration >Setup >Payroll Tax >FICASS





BIG NOTE #2 – you CAN process payroll for the new year before the year-end close processes are complete!!!!

(....enjoy your holidays!)



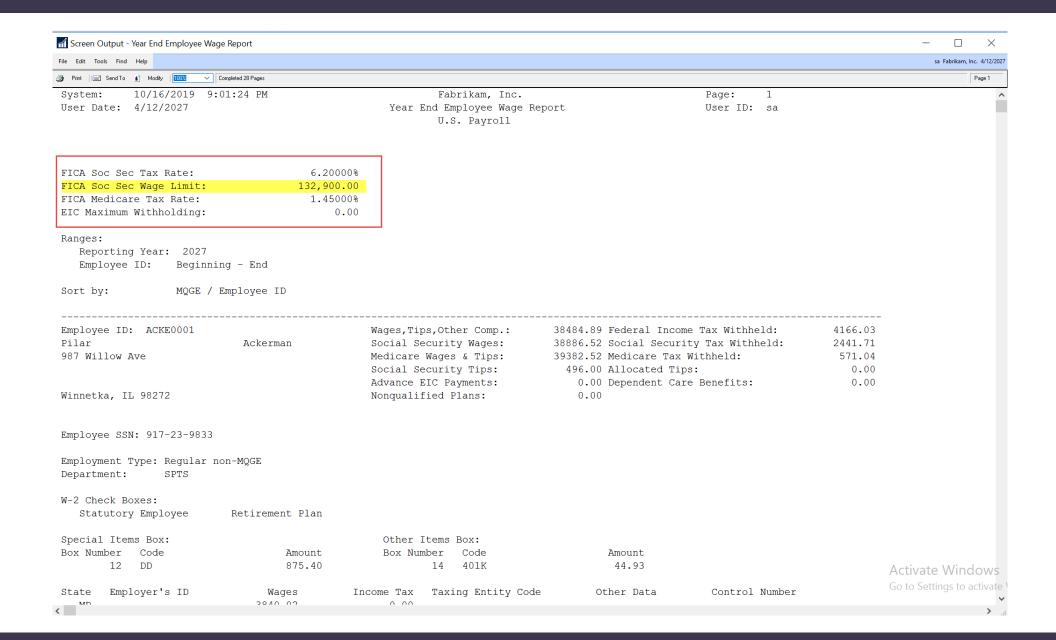


BIG NOTE #3 – If processing payroll for new year while still in December, change GP User Date during Build/ Calculate/Print/Post Payroll

- >Microsoft Dynamics GP
- >User Date

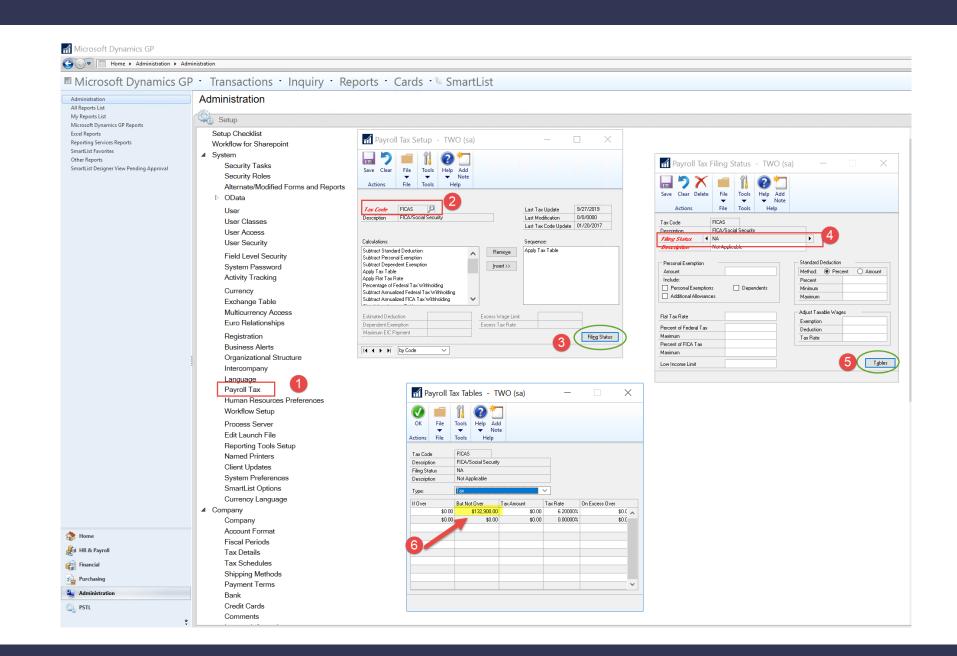






Year-End Processes

- Print W2 Validation Report, fix issues
- Remove & Re-do Year-End Close until all issues are corrected (and ACA information is ready if using GP HR for ACA reporting)
 - Avoid Edit W2 window if possible since there is no audit trail here
- Complete Quarter-End processes for 4th Quarter
 - Change GP User Date back to previous year to print 941 for previous year
- Complete Month-End procedures



Year-End Processes

- Print or publish W2s, ACA reports
- Electronic file W2s, State WH & UI, ACA reports, if required / desired
 - Verify with Accuwage: http://www.ssa.gov/employer/accuwage/index.html
- Process Year-end PTO balance changes

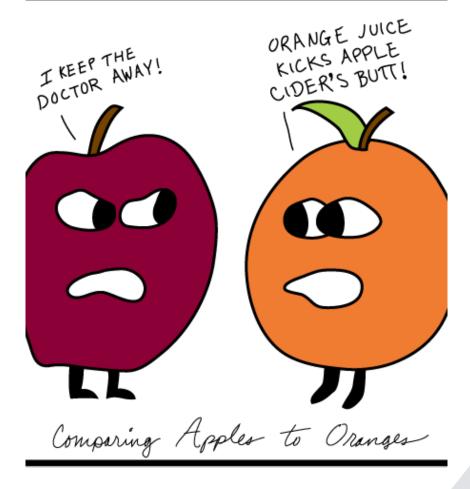
NEW YEAR Processes

- Update Payroll tax tables (Be aware of W4 change)
- Update SUTA/FUTA tax rates b4 post Period End
 - >HR & Payroll >Setup >Payroll >Unemployment Tax
- Adjust Year Maximums for Deductions (Retirement)
- Adjust Benefit/Deduction PP Rates, if applicable
 - USE ROLLDOWNS TO INACTIVE CODES ALSO, have a backup first.

Verify Taxable Wages

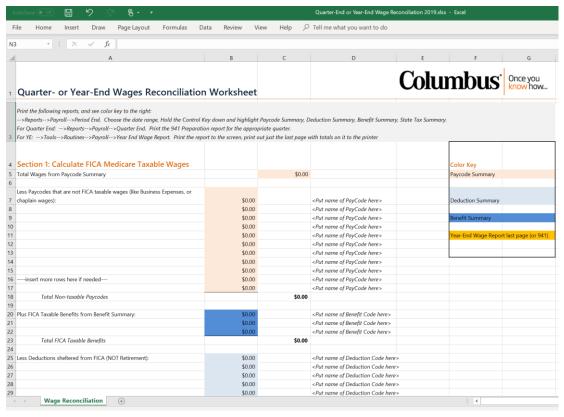






Who is Right?

Quarter-End or Year-End Reconciliation Spreadsheet



Access and Download Here

Reconcile Taxable Wages

Reports to use:

```
>Reports >Payroll >Quarter-End >941 OR >Routines >Payroll >YE Wage Report
```

VS

> Reports > Payroll > Period-End
Paycode Summary

Benefit Summary

Deduction Summary

State Tax Summary

FUTA Summary

SUTA Summary

Workers' Compensation Summary

Compare FICA-Medicare Wages to Calculation:

In General—

Taxable Paycodes from Paycode Summary

PLUS Taxable Benefits from Benefits Summary

LESS Tax-Sheltered Deductions (not retirement) from **Deductions Summary**

Equals FICA Medicare Wages from 941 or YE Wage Report

• (Be familiar with what your Payroll Codes look like at the setup level. Which Tax boxes are marked?)

Compare Federal Taxable Wages to FICA-Medicare Wages:

In General—

Calculated FICA-Medicare Wages

LESS Retirement Deductions (not Roth) from **Deductions Summary**

Equals Wages, Tips, and Other Compensation from 941 or YE Wage Report

Compare State Taxable Wages to Federal Wages

Generally these should match. There could be exceptions, based on the State(s)

Compare FUTA / SUTA / Workers' Comp Wages to Gross

Depends on Setup

Reconcile Taxable Wages (continued)

Something doesn't match?

- Verify entries and formulas on the Reconciliation Spreadsheet
- Familiar number? Is it the amount of a deduction or pay or any totals on any of the Summary reports?





Detect errors – something doesn't match

- If both FICA and Federal Taxable Wages are off, most likely a code other than retirement
 - Users miss saying "Yes" to "Use Defaults" when assigning new codes
- If just Federal Taxable Wages are off, could be from a retirement deduction
- Tax Flag changes made at the Setup level of Deductions & Benefit codes do not roll down to inactive codes or codes with transaction history (Note-new rolldown options in GP2018R2)





Reconcile Taxable Wages (continued)

Something doesn't match?

- State Wages <> Federal Taxable Wages
 - Were tax flags unmarked on paycodes and then marked again, rather than using W-4 settings to adjust withholding?
 - A payroll transaction didn't have the State Tax Withholding state filled in appropriately.
- A payroll adjustment was keyed incorrectly any manual check entries are suspect
- System issue



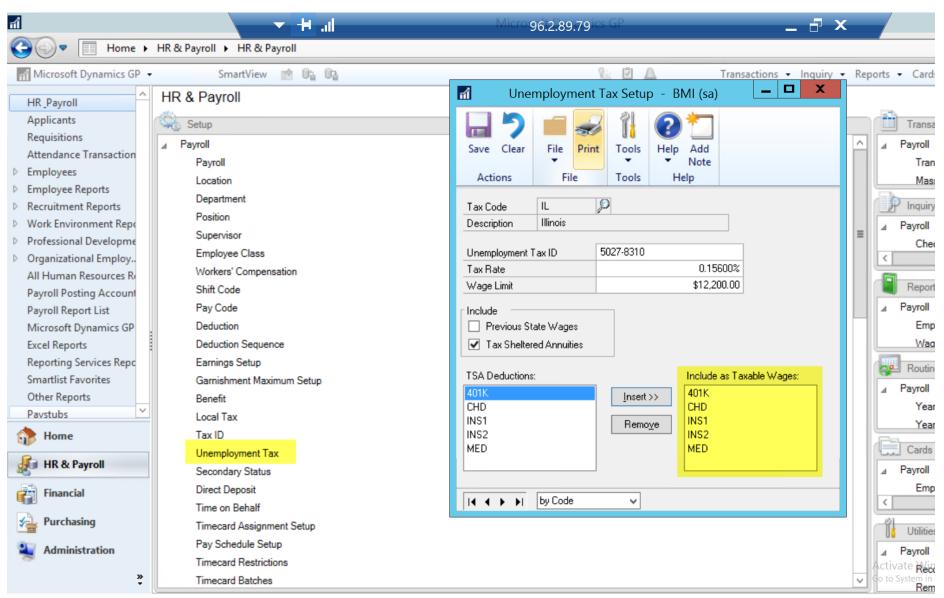
Reconcile Taxable Wages (continued)

Something doesn't match?

- SUTA/FUTA/Workers' Comp Wages are off
 - A payroll transaction in history didn't have the SUTA state or Workers' Comp Code filled in appropriately.
 - A paycode is not marked as Subject to SUTA/FUTA/Workers' Comp appropriately
 - The Unemployment Tax Setup window does not properly reflect TSA codes as included in Wages
 - >HR & Payroll >Setup >Payroll >Unemployment Tax







10/3/2016 BMI Sample sa



Reconcile Taxable Wages (continued)

Hints about reconciling

- PAYROLL SUMMARY report in >Reports >Payroll >Period End is not always accurate, does not use the same tables that the W-2 numbers come from
 - Same for >Cards >Payroll >Summary
- Safer to reconcile against 941 or YE Wage report these amounts come from calculations from the same tables as W2s use





Reconcile Taxable Wages (continued)

Hints about reconciling:

- FICA-Social Security wages may be lower than FICA-Medicare wages, because of employees who have reached the FICA-Social Security maximum.
- The principal of this reconciliation process is that the employee maintenance level would be expected to be consistent with the setup level







Isolate which Employee Records are off

Smartlists or SQL Scripts – Look for Tax Flags Inconsistencies

Smartlists or SQL Scripts – Search for dollar amount in Payroll Transaction History UPR30300

Employee-by-Employee Reconciliation

- Year-End Close Print W2 Reconciliation report
- SmartList Builder Payroll Reconciliation object
- Christina Phillips / Steve Endow blog: https://dynamicsgpland.blogspot.com/2016/09/another-one-to-share-reconciling.html





Adjustments Adjustments





SOS (Consider contacting your GP Partner)





...Ever seen a mess like this?!?!

Adjust Tax Flags

- Paycodes change in Employee Pay Code Maintenance, or use SQL Scripts
- Deductions or Benefits SQL Scripts, cannot change in user interface when there is transaction history
- Access and download Fix PR Tax Flags.pdf file SQL scripts here
- IMPORTANT Isolate who and what is off before blindly updating ALL records.
 HAVE A BACKUP.

- How to do this depends on what needs to change
- Generally will need Manual Check Transaction Beginning Balance type to fix taxable wages
 - Does not affect Bank Rec
 - Does not affect GL / manually enter the journal entry, if applicable

May involve adjusting Employee and Employer Share of FICA-Medicare Taxes and FICA-SS Taxes If not material amounts, may consider adjusting this from/to Federal Withholding (This is not legal advice!!)

Be aware of whether employee is already over the FICASS maximum for the year before making adjustments.

Employee must be Active and codes to be adjusted must be Active in order to enter / post an adjustment transaction

Don't forget to inactivate again after adjustment is posted

Keep up with the reconciliations throughout the year (quarterly, at a minimum)

less chance of needing to do adjustments for inactive employees

less chance of penalties

IMPORTANT*** Change GP User Date so the year matches the year of the Adjustment transaction date

Enter transactions in a batch

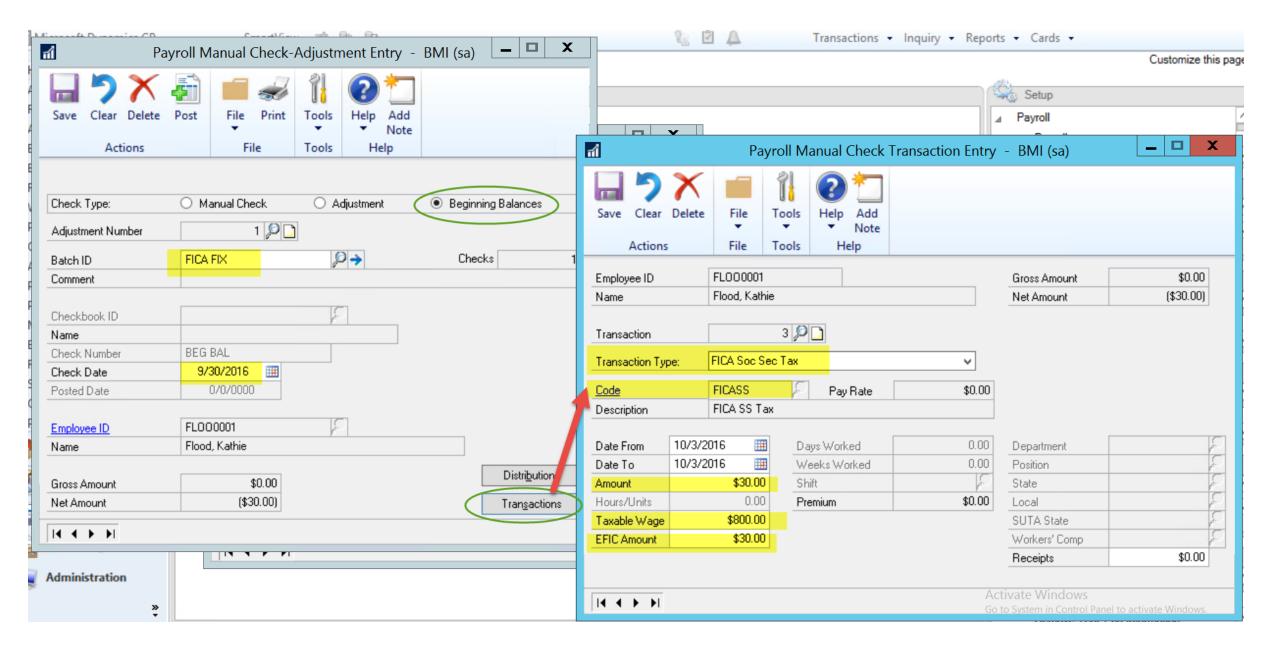
*****Taxable Wages field is important****

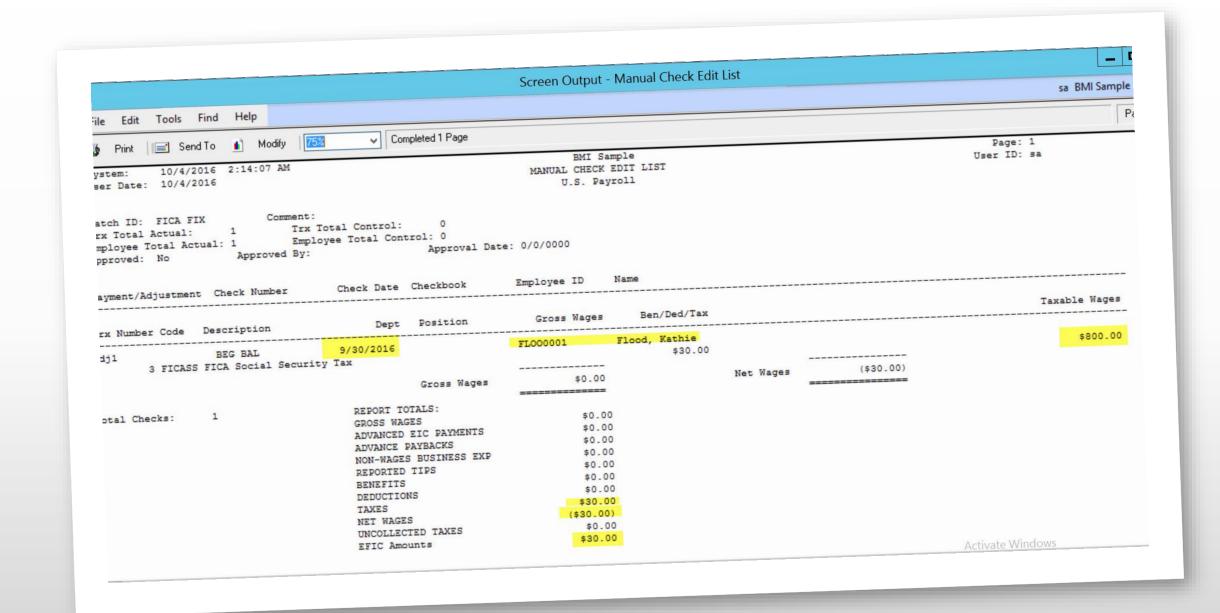
Amount field is for Amount of Tax Withholding (on Tax Transaction Types)

Don't miss the EFIC Amount field (Employer Share) for FICA-SS and FICA-MED

Review the Batch Edit List carefully before posting

Post the batch





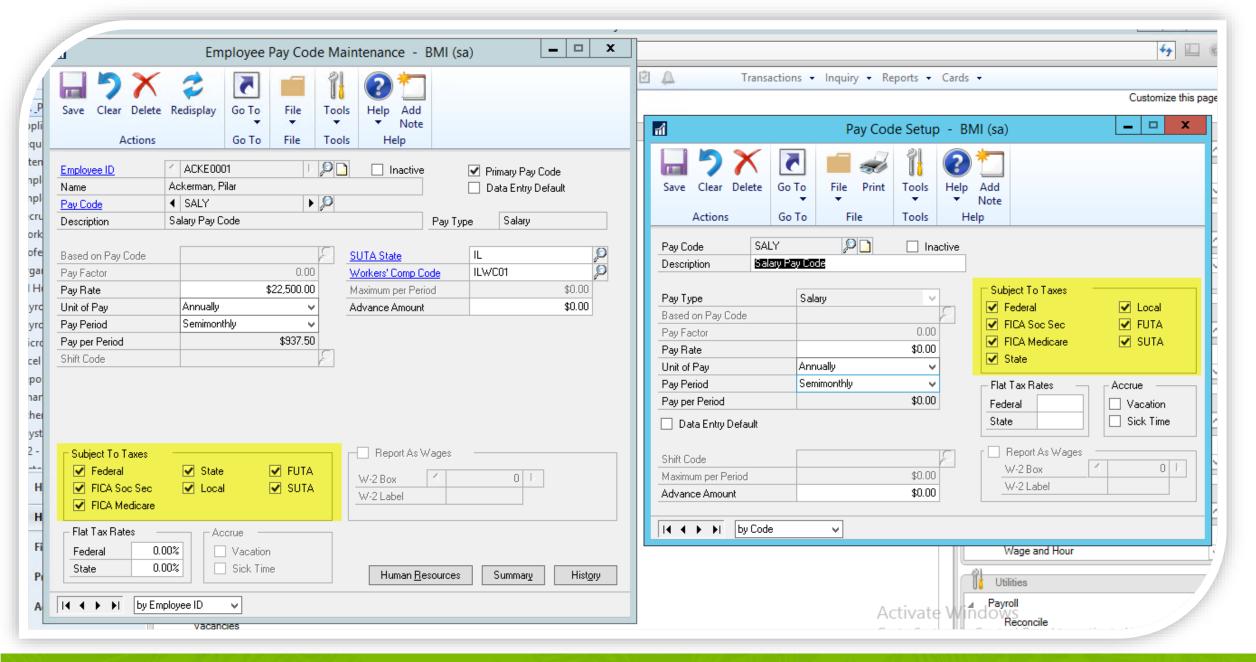
BONUS: Error Prevention Tips

Verify / Monitor Tax Flags - Paycodes, Deductions, and Benefits

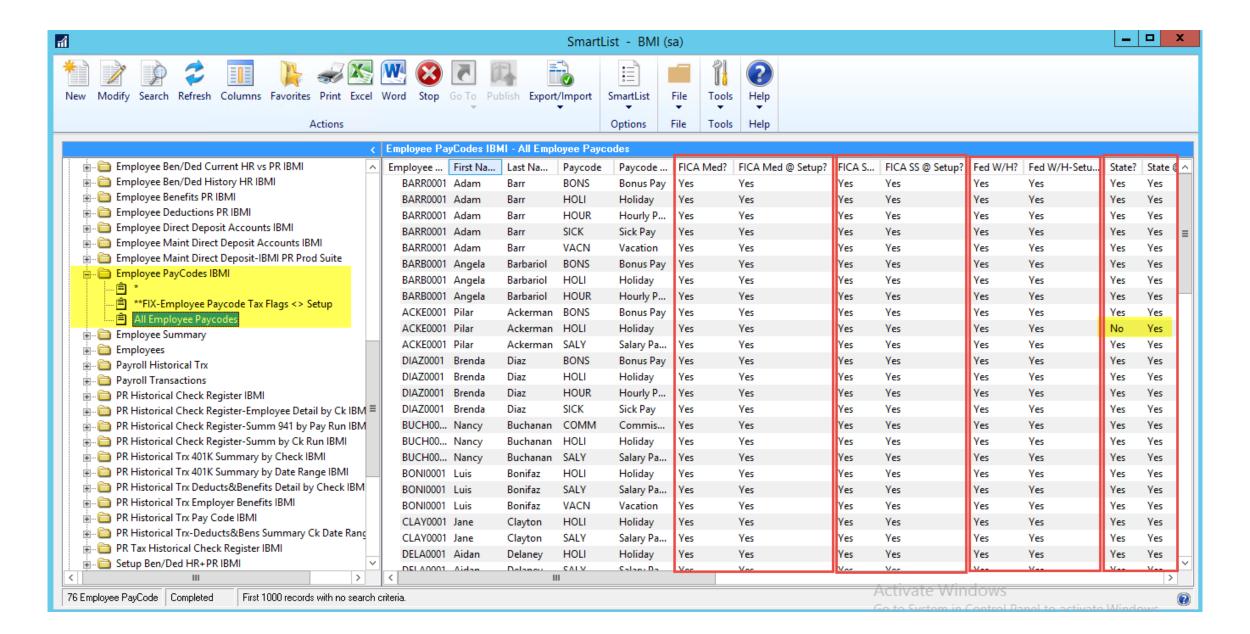
- Smartlists with Reminders
- SQL Scripts
- You may have cases where there exceptions to the rule where employee tax flags should match the setup. (Recommend setting up separate codes if they should have separate tax settings, where possible.)





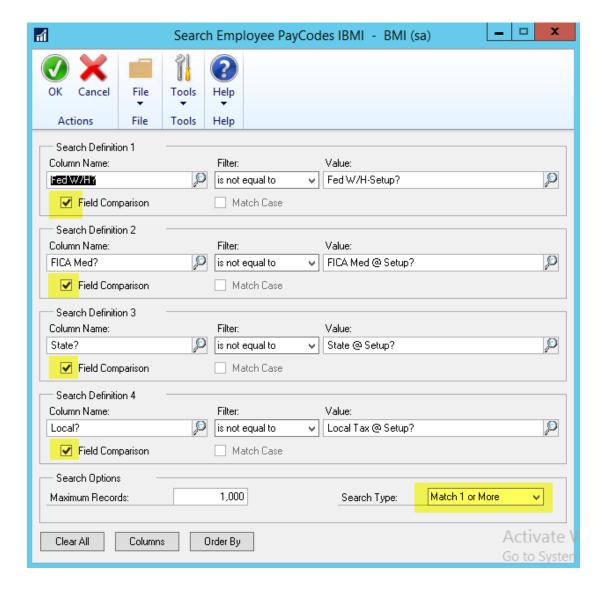








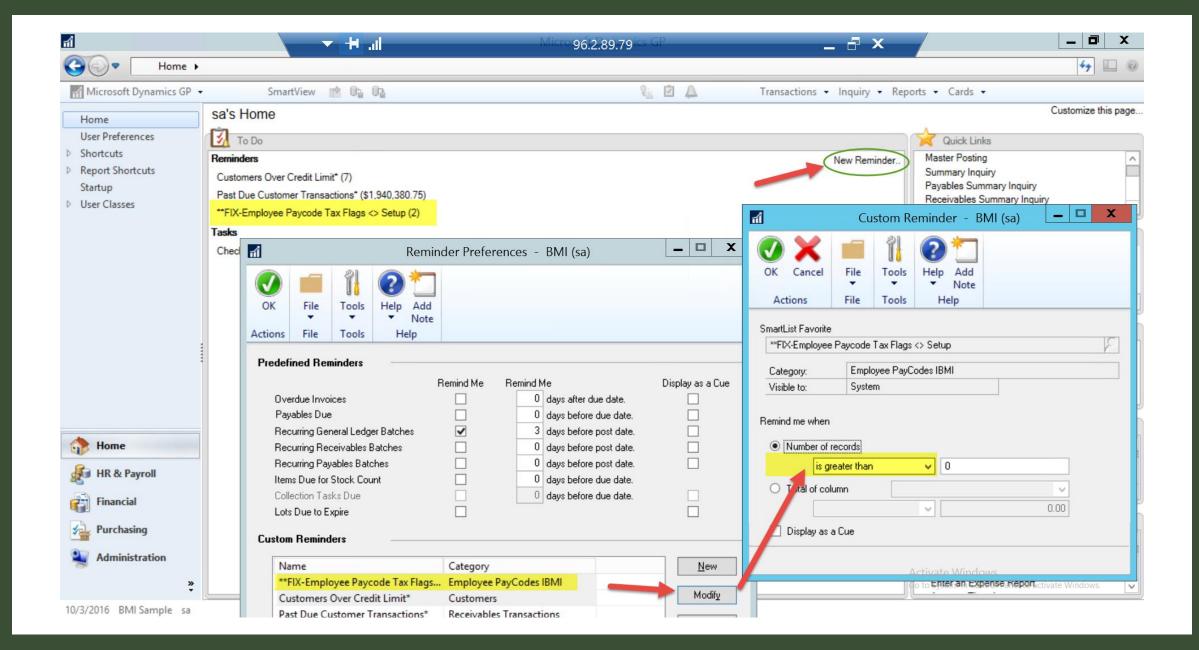




Save as Favorite, with Reminder so these exceptions will show on Home Page







BONUS - SQL Tables to monitorCompare Employee Master to Setup Level Tax Flags

Paycodes

- Employee Paycode Maintenance UPR00400
- Setup Paycodes UPR40600

Payroll Deductions

- Employee Deduction Maintenance UPR00500
- Setup Deductions UPR40900

Payroll Benefits

- Employee Benefit Maintenance UPR00600
- Setup Benefits UPR40800







Questions?

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Last Reminders

- Complete Session Survey
 - What did you think of this session? We value your feedback in our efforts to continuously improve, please complete the Session Evaluation in the app or online.
- Session Materials
 - The session materials can be found in the app or online or email Sherlene.
- Thanks and have a great conference!





Thank you for attending!

Please complete your survey







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