



Section	17	PAYROLL	Effective Date	01/01/2016
Sub-section	02	Supplements and Other Payroll Accounting Post- R2 (2016 payroll 1B and later)	Revision Date	05/09/2016
SAM Ref	n/a			

BACKGROUND

This section covers the accounting for the following payroll activities post-R2 (payroll 1B and later):

- Supplemental Payroll Payments
- Refunds of Payroll Withholdings
- Replacement Checks Issued for ACH Returns
- Depositing a Payroll Check that was Issued Incorrectly
- Payments Received from Employees for Unpaid Benefits

PROCEDURES

SUPPLEMENTAL PAYROLL PAYMENTS

Supplemental payroll payments will be processed through the off-cycle payroll process.

REFUNDS OF PAYROLL WITHHOLDINGS

When an amount is incorrectly withheld from an employee’s pay check, the amount will be paid to the employee via the off-cycle payroll process or the next regularly-scheduled payroll.

REPLACEMENT CHECKS ISSUED FOR ACH RETURNS

When an employee’s ACH payment is returned due to a bad account number, the amount of the ACH return is deposited by SCO – Cash Management Operations (CMO) to appropriation 96500, account 2060000 – Returned Payroll ACH. The SCO will notify the agency of the ACH return with an ACH return document.

Once a payroll ACH has been returned, a check must be issued through an AP Voucher using the single payment supplier ID **PAYACHRETN**. The accounting on the voucher must reverse the entry to appropriation 96500 as originally recorded by SCO - CMO.

PAYROLL PAYMENTS ISSUED IN ERROR

Checks

1. If the agency still has the check, then the agency should send the check to the SCO - Central Payroll who will reverse the payment in HCM (accounting will be reversed in the next Payroll GL Journal).
2. If the check has been released, the agency should email DOAStopPay with the check number and amount. The SCO will confirm that the check was not cashed and will issue a Stop Payment in the banking system. Central Payroll will then reverse the payment in HCM, and the accounting will be



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reversed in the next Payroll GL Journal. The SCO will need to monitor the Payroll Stop Payments vs. the HCM reversals through a STAR HCM query.

ACH

- Central Payroll enters ACH Reversal in banking system to pull the funds back from the employee’s account. SCO-CM enters direct journal deposit to appropriation 96500, account 2063000 – Pending HCM payment reversals.
- Central Payroll processes reversal in HCM and the accounting will be reversed in the next Payroll GL Journal.
- The SCO will monitor the HCM reversals in STAR that are related to the incorrect ACH payments. When the reversal is confirmed, the SCO will process a negative direct journal deposit to reverse the original deposit that has been replaced with the cash debit in the HCM GL-Journal reversal transaction.

FULL NET OR PARTIAL NET PAY PAID BACK BY PERSONAL CHECK

- The employee should make a check out to the agency.
- The agency creates a Regular Deposit – Direct Journal entry in STAR coded to liability account 2063000 – Pending HCM Payment Reversals.
- Central Payroll reverses in HCM (accounting is reversed in next payroll GL Journal).
- The agency must then enter a negative direct journal deposit to reverse the original deposit that has been replaced with the cash debit in the HCM GL-Journal reversal transaction (similar to what the SCO does in the ACH example above).

PAYMENTS RECEIVED FROM EMPLOYEES FOR UNPAID BENEFITS

These must be deposited via a Regular Deposit – Direct Journal entry. The accounting should be recorded to the appropriate liability account for that benefit.