WISCONSIN YEAR-END RECONCILIATION MANUAL
Department of Administration – State Controller's Office

Section	Subsystem Reconciliations
Subsection	Reconciliation of Payroll Liability Accounts
Accounts	Payroll Liability Accounts
Effective Date	06/04/2019
Revision Date	05/10/2021

DESCRIPTION OF RECONCILIATION

This process for reconciling payroll liability accounts should be done each pay period. However, at first you may want to perform the reconciliation on a point in time approach.

This reconciliation compares what loaded into the GL as credits to the liability accounts through PAY journals to the AP vouchers as debits to the liability accounts for the pay period.

The below will provide background on the payroll process, which will help while performing the reconciliation process.

Payroll transactions are pushed from STAR HCM to STAR Finance following the confirmation of the previous pay period.

General Ledger Journals are budget checked during the beginning of the week and the journals are posted on Thursday (payroll date).

Accounts Payable vouchers are loaded to STAR on Tuesday before the payroll date. This is so payments due by ACH on the payroll date will be picked up on the Wednesday pay cycle for settlement on Thursday.

Below is a visual description of the loading of the general ledger and accounts payable vouchers:

Pay Period	General Ledger Posted	Accounts Payable Vouchers Posted
Pay Date	On Pay Date (Usually Thursday)	Two Business Days prior to Pay Date (Usually Tuesday)

- Please note that pay periods that overlap month-ends will fall in different months. You will need to take this into account when completing the reconciliation.
  - For example, Pay Date is 04/01/2021 which is the same day the GL will post, but the AP will post on 03/30/2021.

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The below table shows what the balance should be in each of the payroll liability accounts 252000-2274000:

BS Account	Description	Monthly Ending Balance Should be
2052000	Retirement Payable State Share	$0 *
2053000	Social Security State Share	$0 *
2054000	Teachers Retirement Payable	$0 *
2055000	Life Insurance Pay State Share	Central Benefits assisting with recon
2056000	Health Insurance Pay State Share	Central Benefits assisting with recon
2057000	Income Contin Ins State Share	$0 *
2058000	Medicare Payable State Share	$0 *
2059000	Miscellaneous Fringe Payable	$0 *
2060000	Returned Payroll ACH	$0 *
2061000	HSA Employer Share	$0 *
2062000	Health Insurance Opt Out Payable	$0 *
2063000	Pending HCM Payment Reversals	$0 *
2065000	Pension Bond Contributions Payable	$0
2075000	Payment Variance	$0 *
2080000	Taxable Travel Payable	$0
2081000	Expense Accrual Control	Should equal to the latest expense reports
2090000	Nontaxable Travel Payable	$0
2100000	Payroll Deduction Clearing	$0 *
2105000	Retirement Pay Employee Share	$0 *
2110000	Social Security Employee Share	$0 *
2115000	Other Deductions	$0 *
2120000	Teachers Retire Employee Share	$0 *
2125000	Life Insurance Employee Share	Central Benefits assisting with recon
2130000	Health Insur Employee Share	Central Benefits assisting with recon
2135000	Insurance Puble Safe Officier	$0 *
2140000	Federal Withholding	$0 *
2142000	Federal Withholding - COBRA	$0 *
2150000	State Wihholding	$0 *
2155000	Income Cont Ins Employee Share	$0 *
2160000	Medicare Deduct Employee Share	$0 *
2165000	Employee Reimbursement Acct	$0 *

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2166000	HSA Employee Share	$0 *
2167000	LPFSA Employee Share	$0 *
2168000	FSA Benefit Repayment	$0 *
2170000	Savings Bonds	$0 *
2175000	Health Insurance - Grad Asst	$0 *
2180000	Federal Appointments	$0 *
2185000	Retirement Reinstatement	$0 *
2190000	Miscellaneous Deductions	$0 *
2190001	Maintenance Deductions	$0 *
2190002	Off Cycle Payroll Clearing	$0 *
2191000	Wage Assignments and Garnishments	$0 *
2192000	Child Support Withholding	$0 *
2194000	Spectera Vision Care Withholding	$0 *
2273000	Health Insurance Variance	Central Benefits assisting with recon
2274000	Life Insurance Variance	Central Benefits assisting with recon

*Except where the GL and AP have posted in different months as described above.
NOTE: The Health and Life Insurance accounts will never equal zero. If the variance seems reasonable and does not appear to be growing, these are accounts you can monitor. Please see the link below for more information: **G:\FIN\ACCTG\KG\Employee payments job aid V2.docx**

General Ledger Journals will also be loaded to STAR Finance during May and June to transfer the fringe benefit costs relating to health and life insurance to the new fiscal year.

General ledger journals are also created each pay period for the liquidation of the child support liabilities. AP vouchers are not created for this payment.

Below are the example entries:

General Ledger Journal posting the payroll transaction

Debit/Credit	Account	Description		
Dr.	7000000	Classified Civil Service Salaries	XXX.XX	
Dr.	7221000	Wage Continuation Insurance	XXX.XX	
Dr.	7230000	Social Security	XXX.XX	
Dr.	7240000	Health Insurance	XXX.XX	
Dr.	7245000	Health Savings Account Contribution	XXX.XX	
Dr.	7247000	Health Insurance Opt Out	XXX.XX	

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Dr.	7250000	Life Insurance	XXX.XX	
Dr.	7269000	Other Retirement	XXX.XX	
Cr.	2052000	Retirement Payable State Share		XXX.XX
Cr.	2053000	Social Security State Share		XXX.XX
Cr.	2055000	Life Insurance State Share		XXX.XX
Cr.	2056000	Health Insurance State Share		XXX.XX
Cr.	2057000	Income Contin Ins State Share		XXX.XX
Cr.	2058000	Medicare Payable State Share		XXX.XX
Cr.	2061000	HSA Employer Share		XXX.XX
Cr.	2081000	Expense Accrual Control		XXX.XX
Cr.	2100000	Payroll Deduction Clearing		XXX.XX
Cr.	2105000	Retirement Pay Employee Share		XXX.XX
Cr.	2110000	Social Security Employee Share		XXX.XX
Cr.	2125000	Life Insurance Employee Share		XXX.XX
Cr.	2130000	Health Insur Employee Share		XXX.XX
Cr.	2140000	Federal Withholding		XXX.XX
Cr.	2150000	State Withholding		XXX.XX
Cr.	2155000	Income Cont Ins Employee Share		XXX.XX
Cr.	2160000	Medicare Deduct Employee Share		XXX.XX
Cr.	2166000	HSA Employee Share		XXX.XX
Cr.	2190000	Miscellaneous Deductions		XXX.XX
Cr.	2191000	Wage Assignments and Garnishments		XXX.XX
Cr.	1000000	Treasurer's Cash		XXX.XX

Entries when AP Voucher Posts

Debit/Credit	Account	Description		
Dr.	2052000	Retirement Payable State Share	XXX.XX	
Dr.	2105000	Retirement Pay Employee Share	XXX.XX	
Cr.	2000000	Accounts Payable - Control		XXX.XX

Entries when AP is picked up in the pay cycle (paid)

Debit/Credit	Account	Description		
Dr.	2000000	Accounts Payable - Control	XXX.XX	
Cr.	1000000	Treasurer's Cash		XXX.XX

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The AP vouchers should clear the employee deductions, state share balance sheet accounts and payroll clearing (Balance Sheet Account 2100000) that were set up with the General Ledger Journal for that pay period.

Journal Entry to Clear Child Support

Debit/Credit	Account	Description		
Dr.	2191000	Wage Assignments & Garnishment	XXX.XX	
Cr.	1000000	Treasurer's Cash		XXX.XX

The above journal entry is done each pay period to match the child support payment.

RECONCILIATION PROCEDURES

1. Using the chart above, determine what the balance in each payroll balance sheet account should be at a point in time (end of month). Assuming that the entries have been processed correctly a number of accounts would normally have a zero balance at the end of the month. Others might be equal to the last pay period processed.

2. Obtain the STAR balances for the payroll balance sheet accounts as of the point in time selected for the reconciliation.

   a. WI_GL_LEDGER_BAL_RPT: run this query to obtain the STAR trial balance.
   b. WI_GL_JOURNAL_ACTIVITY_RPT: use this query to obtain transactions that make up a balance in an account.
      i. Note: at a minimum you should enter BU and the date range for the period of time being investigated.

3. Compare the expected balance to the STAR balance, which is usually zero (see table on pages 2-3)

Tips in the payroll reconciliation process:

- When performing the reconciliation, if using month end trial balances from July through September you will need to pull data from both fiscal years until the general ledger roll occurs and the prior years' balance sheet accounts are rolled into the new fiscal year.

- Once you identify which entries comprise the balance as of a point in time you can determine whether there are other entries that should have been processed but were not. For example, the AP voucher that debited the account, but the GL transaction was not processed until later.

Payroll During GAP Period

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The time-period between when STAR Finance went live (10/01/2015) and STAR HCM went live (01/01/2016), Central Payroll was interfacing journal entries and AP vouchers into STAR.

Specialized Disbursement AP vouchers were loaded for federal taxes using Supplier FEDERALTAX and state taxes using Supplier STATETAX.

Fringe benefit payments to ETF were processed through InterUnit Billing. Any adjustments made to these payments were recorded into Appropriation 99801 (Payroll Adjustment Clearing) , Account 2075000 (Payment Variance). The agency would then make a payment to ETF for any additional amount recorded in this account.

If you have variances, please examine these transactions carefully to make sure all entries were processed correctly.

Example Reconciliation:
Double-click to view this example in Excel.

	FUND	APPR	TOTAL AMT	2052000	2053000	2054000	2055000	2056000	2057000	2058000
STAR Balance	10000	13100	($231,194.02)	($77.10)	$0.00	$0.00	$55.79	($64,245.63)	$0.00	$0.00
Expected Balance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Variance				($77.10)	$0.00	$0.00	$55.79	($64,245.63)	$0.00	$0.00
STAR Balance	10000	96700	$92,642.43	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected Balance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Variance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
STAR Balance	10000	97100	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected Balance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Variance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
STAR Balance	10000	99801	$4,354.71	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected Balance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Variance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
STAR Balance	75000	36300	($72.32)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected Balance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

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Balance Sheet 2060000 (Returned Payroll ACH)
If an ACH is returned due to an invalid or closed bank account, it will be deposited into balance sheet account 2060000, Fund 10000 and Appropriation 96500.

It can be reissued with an AP voucher using the PAYACHRETN supplier and with the same coding on the deposit and the net amount of the check.

If the ACH should not have been issued in the first place a reversal will need to be requested from Central Payroll. Central Payroll will notify CM to reverse out deposit, since this is now a reversal.

Balance Sheet 2191000 (Wage and Garnishments Payable)
This liability created by HCM for garnishments is sent for ACH payment to DCF. This ACH payment is recorded with a GL journal with the header description of PP Child Support Payment.

The entry will debit balance sheet account 2191000 and credit balance sheet account 1000000.

Overpaid Leave
Employee gives check to agency. Agency does a direct journal to 2063000. Central payroll does a manual check to reverse amounts. Agency reverses the direct journal and should put in the description the original deposit ID.

Personal Payments for Employee Benefits
Deposit the payment and record the amount into the appropriate account number. Create an AP voucher to the appropriate supplier for this amount using the accounting string from the deposit. This will be picked up with the rest of the payroll vouchers to the supplier.