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
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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 paycycle for settlement on Thursday.

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

Pay Period	General Ledger Journal Posted	Account Payable Vouchers Posted	Fiscal Year
15	7/18/2019	7/16/2019	2020
16	8/1/2019	7/30/2019	2020
17	8/15/2019	8/13/2019	2020
18	8/29/2019	8/27/2019	2020
19	9/12/2019	9/10/2019	2020
20	9/26/2019	9/24/2019	2020
21	10/10/2019	10/8/2019	2020
22	10/24/2019	10/22/2019	2020
23	11/7/2019	11/5/2019	2020
24	11/21/2019	11/19/2019	2020
25	12/5/2019	12/3/2019	2020
26	12/19/2019	12/17/2019	2020
1	1/2/2020	12/30/2019	2020
2	1/16/2020	1/14/2020	2020

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3	1/30/2020	1/28/2020	2020
4	2/13/2020	2/11/2020	2020
5	2/27/2020	2/25/2020	2020
6	3/12/2020	3/10/2020	2020
7	3/26/2020	3/24/2020	2020
8	4/9/2020	4/7/2020	2020
9	4/23/2020	4/21/2020	2020
10	5/7/2020	5/5/2020	2020
11	5/21/2020	5/19/2020	2020
12	6/4/2020	6/2/2020	2020
13	6/18/2020	6/16/2020	2020
14	7/2/2020 (with 06/30/2020 date)	6/30/2020	2020

Please note that Pay Periods 1 and 16 the AP vouchers are loaded in a month and the GL Journal is posted in the following month. You will need to take this into account when completing your reconciliation.

The below table shows what the balance should be in each of the payroll liability accounts.

BS Account	Description	Monthly Ending Balance Should be
2052000	Retirement Payable State Share	Should be $0, except for PP1 and PP16
2053000	Social Security State Share	Should be $0, except for PP1 and PP16
2054000	Teachers Retirement Payable	Should be $0, except for PP1 and PP16
2055000	Life Insurance Pay State Share	Central Benefits assisting with reconciliation of these accounts
2056000	Health Insurance Pay State Share	Central Benefits assisting with reconciliation of these accounts
2057000	Income Contin Ins State Share	Should be $0, except for PP1 and PP16
2058000	Medicare Payable State Share	Should be $0, except for PP1 and PP16
2059000	Miscellaneous Fringe Payable	Should be $0, except for PP1 and PP16
2060000	Returned Payroll ACH	Should be $0, except for PP1 and PP16
2061000	HSA Employer Share	Should be $0, except for PP1 and PP16
2062000	Health Insurance Opt Out Payable	Should be $0, except for PP1 and PP16
2063000	Pending HCM Payment Reversals	Should be $0, except for PP1 and PP16
2065000	Pension Bond Contributions Payable	Should be $0
2080000	Taxable Travel Payable	Should be $0
2081000	Expense Accrual Control	Should be equal to the lastest expense reports

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2090000	Nontaxable Travel Payable	Should be $0
2100000	Payroll Deduction Clearing	Should be $0, except for PP1 and PP16
2105000	Retirement Pay Employee Share	Should be $0, except for PP1 and PP16
2110000	Social Security Employee Share	Should be $0, except for PP1 and PP16
2115000	Other Deductions	Should be $0, except for PP1 and PP16
2120000	Teachers Retire Employee Share	Should be $0, except for PP1 and PP16
2125000	Life Insurance Employee Share	Central Benefits assisting with reconciliation of these accounts
2130000	Health Insur Employee Share	Central Benefits assisting with reconciliation of these accounts
2135000	Insurance Puble Safe Officier	Should be $0, except for PP1 and PP16
2140000	Federal Withholding	Should be $0, except for PP1 and PP16
2142000	Federal Withholding - COBRA	Should be $0, except for PP1 and PP16
2150000	State Wihholding	Should be $0, except for PP1 and PP16
2155000	Income Cont Ins Employee Share	Should be $0, except for PP1 and PP16
2160000	Medicare Deduct Employee Share	Should be $0, except for PP1 and PP16
2165000	Employee Reimbursement Acct	Should be $0, except for PP1 and PP16
2166000	HSA Employee Share	Should be $0, except for PP1 and PP16
2167000	LPFSA Employee Share	Should be $0, except for PP1 and PP16
2168000	FSA Benefit Repayment	Should be $0, except for PP1 and PP16
2170000	Savings Bonds	Should be $0, except for PP1 and PP16
2175000	Health Insurance - Grad Asst	Should be $0, except for PP1 and PP16
2180000	Federal Appointments	Should be $0, except for PP1 and PP16
2185000	Retirement Reinstatement	Should be $0, except for PP1 and PP16
2190000	Miscellaneous Deductions	Should be $0, except for PP1 and PP16
2190001	Maintenance Deductions	Should be $0, except for PP1 and PP16
2190002	Off Cycle Payroll Clearing	Should be $0, except for PP1 and PP16
2191000	Wage Assignments and Garnishments	Should be $0, except for PP1 and PP16
2192000	Child Support Withholding	Should be $0, except for PP1 and PP16
2194000	Spectera Vision Care Wihholding	Should be $0, except for PP1 and PP16
2273000	Health Insurance Variance	Central Benefits assisting with reconciliation of these accounts
2274000	Life Insurance Variance	Central Benefits assisting with reconciliation of these accounts

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.

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Below are the example entries:

General Ledger Journal posting the payroll transaction.

Debit/Credit	Acount	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	
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

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Entries when AP Voucher Posts

Debit/Credit	Acount	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 Paycycle

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

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	Acount	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 payperiod processed.

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

3. Compare the expected balance to the STAR balance.

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Tips in the payroll reconciliation process.

1. 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 roll occurs.

2. 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.

Queries to use for the Payroll Reconciliation:

WI_GL_LEDGER_BAL_RPT_V2 – These are run daily and posted to SharePont. This is the query for the STAR trial balance.

WI_GL_JOURNAL_ACTIVITY_RPT – This query can be used to find transactions that make up a balance in an account.

Payroll During GAP Period

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

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Example Reconciliation:

	Fund	Appr	Total Amount	2052000	2053000	2055000	2056000	2057000	2058000	2061000	2065000	2080000	2081000	2090000	2100000	2105000	2110000	2125000	2130000	2140000	2150000	2155000	2160000	2165000	2166000	2190000	2191000	2273000	2274000	2275000
STAR Balance	10000	13100	($231,194.02)	($77.10)	$0.00	$56.79	($64,245.63)	$0.00	$0.00	$0.00	($119,054.00)	$0.00	($113,057.11)	$0.00	($39.58)	$0.00	$0.00	($7.42)	($8,368.50)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($971.47)	($91.00)	$71,115.98	$3,545.02	$0.00
Expected Balance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Variance				($77.10)	$0.00	$56.79	($64,245.63)	$0.00	$0.00	$0.00	($119,054.00)	$0.00	($113,057.11)	$0.00	($39.58)	$0.00	$0.00	($7.42)	($8,368.50)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($971.47)	($91.00)	$71,115.98	$3,545.02	$0.00
STAR Balance	10000	96700	$92,642.43	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$3,614.94	$0.00	$89,027.49	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$3,614.94	$0.00	$89,027.49	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,354.71
Expected Balance				$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$4,354.71
STAR Balance	75000	36300	($72.32)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	($72.32)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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	$0.00	$0.00	($72.32)	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$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 2063000 (Pending HCM Reversals

This balance sheet account will not be used in the future.

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 reverse the direct journal. Put in description 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.