

## Session 14 Script Highlights

### SLIDE 3

We have four basic topics to cover, and we will take questions at the end of the session. We will also open the line occasionally to take questions throughout the session as well.

Ok, so let's get started with PFT Reversals.

### SLIDE 4

During the implementation of the new procedures for Higher Ed payroll processing, a checkbox for PFT Reversal was added to the PFT load screen. The 'reversal' part of that is really a misnomer since this flag ended up being used for several things. This flag was added to enable corrections and transactions that need to be posted to the 78900 Class-Funding for items such as general PFT corrections, additional tax payments, warrant cancellations, and overpayment refunds.

### SLIDE 5

When loading a 500 MISC payroll file and the related PFT, there are certain items that are validated including the net pay on both the PFT and the 500MISC file, and total claim cost to the signed claim document. Since deposits cannot be made into the 78900 Class-Funding, the PFT reversal flag option was developed to allow for corrections and adjustments. PFT files that are processed without the related/balanced 500 MISC files must be flagged as PFT reversals.

### SLIDE 6

For instance, a payroll claim and 500 MISC file may have been submitted with an insufficient amount for FICA, MQFE or Federal withholding. Since those amounts must be paid through the ACES system, the funds must be put into the 78900 Class-Funding for processing the payment.

There may be other items that did not get included in the original payroll claim which should be included in future payrolls. Those payments, since they are not federal tax payments could be paid from the original funding source without moving the funds to the 789 Class-Funding.

### SLIDE 7

The PFT Reversal flag would also be used on PFT transactions created to facilitate the payment of taxes for items not processed in the payroll system such as the 1042 taxes and payroll taxes related to non-cash benefits and items paid outside of the normal payroll system. These are things that you used to send a check to Lisa and Jean to pay. Another item would be for backup withholding on Accounts Payable payments. These taxes must also be submitted to the IRS using the ACES system, which requires that the money be put into the 78900 Class-Funding.

### SLIDE 8

A third use of the PFT reversal would be to restore funds to the originating source for warrants that are cancelled. For instance if you have processed a payroll to someone that had terminated and was not due the funds, and you are able to recall the EFT, the warrant would be cancelled. All amounts related to the warrant should then be returned to the original funding source and the expenses should be adjusted. This would also apply to paper warrants that were never distributed because they should not have been processed.

#### SLIDE 9

You may also need to return funds to originating sources for overpayment refunds. These would be related to instances when you are unable to recall the payroll EFT for whatever reason, including funds not being in the employee's account and the time for recall having passed. This would also be applicable to paper warrants that are already cashed. In these cases, the employees have options on how to return the money. Two of those options involve getting money from the employee either by check or miscellaneous deduction. While OMES will not be processing overpayment refunds for you or your employees, your institution will need to develop a process to handle the flow of taxes and other items related to overpayment refunds.

So now that we have explained something about what the PFT reversal flag will be used for, let's talk about the specific requirements for those transactions.

#### SLIDE 10

The flag for the PFT reversal is already in the system, but effective March 1, changes will be put into production providing additional edits and requirements on these transactions. I am not sure if your institution is systematically creating the PFT reversals, or if you are manually creating the files. Regardless, we wanted you to be aware of the edits that are being applied if the PFT reversal flag is checked.

There have been very few PFT reversals processed to date, but we anticipate the volume to increase due to the nature of your business.

#### SLIDE 11

The system as it currently exists requires the use of a 485xxx account for any entries to the 78900 Class funding in your PFT load regardless of whether or not the reversal flag is checked. When the modifications are put into the system it will require a 585xxx account on the 789 class funding if the reversal flag is checked. If a 485xxx account is used, it will cause edit errors. This will not change on the normal PFT that is submitted in tandem with a 500MISC file.

Additionally, the sum of the entries that are made to the 78900 Class-Funding cannot net to zero. This should only be used to either move additional funds into 78900, like with the additional taxes and corrections, or restore funds to originating class fundings for overpayment refunds or warrant cancellations.

## SLIDE 12

The notice of this webinar that was sent on February 12<sup>th</sup>, as well as the notice sent this morning, included an attachment demonstrating the PFT submission data as it currently exists and how it will look in the future. I hope you had a chance to download that document.

You will notice on the data from the excel document that the account number used for the 789 Class Funding will be a 585xxx account number as shown on the right side of this slide. The left side of the slide shows how it is currently processed. This slide shows only the 789 Class Funding activity for a cancellation which is restoring funds to the originating source. The originating source lines are not shown due to space limitations, but they can be seen on the document previously provided.

## SLIDE 13

Also included in the documents was a text file showing the 585xxx account number on the 789 Class Funding.

## SLIDE 14

We will now move on to the topic of Oklahoma Tax Commission requirements. Patricia Garcia will cover this topic.

## SLIDE 15

Our next topic is the 789 Reconciliation.

It is very important that institutions be vigilant in reconciling and keeping up with the balance of the 789 class funding. This account was designed to be a clearing or imprest sort of account. It should never be used to hold excess funds, and institutions must be able to identify the balance of the account at any time. We want to make sure the this account is controlled, and not allowed to spin out of control and some of the 905 and 994 class fundings have done.

Kind of veering off topic for a second, please make sure you are getting the 905 and 994 accounts cleared up and zeroed out. Let me know if you need assistance with this.

This account is included on your standard ABC report as well as on the Summary of Receipts and Disbursements report. Differences in the cash balances between the two reports are typically vouchers that have not paid, or warrants that have not been reconciled. When looking at the SRD report, if you have a change in liabilities balance, you can do a ledger inquiry to determine if the balance is a voucher payable or a warrant payable. An Accounts Payable (voucher) will have an account of 202000 while a warrant payable has an account of 201000.

Patricia will talk some about the AP query in a few minutes.

## SLIDE 16

For an example I have included an institution's SRD report with a balance in the Change in Payables column. You can see the payable balance of 608.32. On the next slide, I have done a ledger inquiry to find out what makes up that balance.

#### Slide 17

You can see that the balance in the ledger inquiry that ties to the SRD report reflects that the entire balance is for warrants payable, account 201000. Therefore, this amount represents warrants not yet reconciled/cashed.

If you are unfamiliar with ledger inquiry, please contact someone in my General Ledger group to assist you. But before going to that, I want to let Patricia quickly go over the Change in AP query.

What we really want to cover here is the queries that are available to assist in reconciling the 789 class funding.

#### SLIDE 18

Included in your materials distributed through listserve today was a document containing details and tips about the queries and how to use them to reconcile. I will touch on a few of the highlights, but since each of you may have different methods of analyzing the data, I just want to make sure you have the data available and understand what is available.

These two queries have actually been used in production to assist an institution when they had a problem with their payments and it worked very well. We will take a quick run through of the document pointing out some highlights. Keep in mind that once a period is reconciled, you will only need to query subsequent periods' data to locate new differences.

The queries are available to users with query viewer or query manager access. If you are unable to see the queries, it may be that some of the tables used are not in your security profile. The withholding account detail query should be available to General Ledger Report Requestors, and the AP journal detail query should generally be available to AP users. If you are unable to see either of the queries, please contact the help desk to determine if additional access is needed.

#### SLIDE 19

In the tips document provided, we have given you the navigation to query viewer and some search suggestions.

The withholding account detail query is designed to give you the tools to summarize the ins and outs of the 789 class funding using the last five digits of the account number. The query includes a field called the Recon Account that truncates the first digit to facilitate the combining of the 485xxx and the related 585xxx accounts. Other selected fields in the query are explained as well.

## SLIDE 20

Once data is obtained, the document walks you through a method to sum the data using the subtotal function. In Exhibit 7 you should see that Recon Account 85315 and 85390 are not netting to zero. This should facilitate a quick method of finding your differences.

## SLIDE 21

Exhibit 8 shows what makes up the differences. In this case the payments on account 85315 were made incorrectly and the amount for 85390 does not appear to have been paid yet.

## SLIDE 22

Once you have found the potential errors or differences, you can use the AP journal detail query to get the vouchers related to the AP entries. This query has been written with drilling URLs which allow you to link directly into the voucher. By clicking on the hyperlink voucher number, the system will open up a popup window to use without losing your original query results. This query only works for the AP entries.

Other entries are not journal generated and the detail for them will need to be found in your records.

Are there any questions about these queries?

## SLIDE 23

Now Patricia will cover Payroll Notice of Changes and Return Items.

## SLIDE 24

Are there any other questions? If there are no other questions, you may contact myself or Patricia if you think of anything later.

Have a great rest of the week.