

# 2019 USPS-R Calendar Year-End Closing Procedure

## Deadline to Submit W2's to NOACSC is January 17<sup>th</sup>, 2020!

- \_\_\_\_\_ 1. Check OSDI four digit code appears first in the W2 abbreviation field (Refer to slide 3)
  - Go to Core/Payroll Item Configuration
  - Add W2 abbreviations to the grid from the More option
  - The four digit code is required first, followed by the school name if there is space
  
- \_\_\_\_\_ 2. Verify the Tax Entity code in Core/Payroll Item Configuration for any city reporting if submitting by electronic filing (Refer to slide 5)
  - Check Tax Entity Codes for city taxes that are being reported electronically by NOACSC
    1. View each city tax Payroll Item Configuration
    2. Email [fiscal@noacsc.org](mailto:fiscal@noacsc.org) to notify of the city taxes you want submitted by electronic file
  
- \_\_\_\_\_ 3. The RITA/CCA code is required for the submission file. Verify codes in Core/Payroll Item Configuration (Refer to slides 7 & 8)

See additional documents titled, "2019 Rita Tax Rates" and "2019 CCA Tax Rates."

- <https://www.ritaohio.com/TaxRatesTable>
  - click on "Tax Rates"
  
- <http://ccatax.ci.cleveland.oh.us/?p=taxrates>

*It is highly recommended to visit the applicable website to verify your tax rates.*

- \_\_\_\_\_ 4. Verify the Employee's Deduction Type on all city deductions on Core/Payroll Item  
Is this city tax record required because of the employee's place of:  
Employment or Residence  
(Refer to slide 9)
  
- \_\_\_\_\_ 5. Health Savings Account (HSA) deduction - Annuity type in Payroll Item Configuration must be set to "Other" even if there are no employee amounts withheld. (Refer to slide 11)

*If you do not run the **board contribution** for the H.S.A. through payroll, you must enter the board's contribution by Core/Adjustment.*

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- \_\_\_\_\_ 6. Employee Expense Reimbursements – If the district desires amounts paid through warrant checks to appear on the W2 form as wages, additional processing is required. For additional information please see document titled, “Reimbursements of Employee Expenses”
- \_\_\_\_\_ 7. Excludable Moving Expenses – Contact Legal Advisor with questions. Manually enter excludable amounts into the federal tax field. This applies to Active Military only.  
(Refer to slide 13)
- \_\_\_\_\_ 8. Fringe Benefit Amounts – IRS Publication 15- B  
Enter the taxable amount in the fringe benefit field on the Federal Tax Record. Consult legal advisor with questions.  
(Refer to slide 14)
- \_\_\_\_\_ 9. Pension Plan in Payroll Item 001 – this is used to determine if the retire plan box on the W2 form should be marked.
  - Automatically check the pension plan box based on retirement (must have an active Retirement Deduction).
  - Yes, check the pension plan box
  - No, never check the pension plan box

Employees eligible for STRS or SERS who have waived the option (typically students or board members), must have the Pension Plan field on the 001 record set to “Yes.”
- \_\_\_\_\_ 10. Employee Name must match the Social Security card. The W2 form will only show middle initial. Legal name fields will pull first, if populated.
- \_\_\_\_\_ 11. If district has any NC1 payments for Life Insurance purchased for withheld annuities they need entered prior to last payroll. If the last payroll has been completed enter in Core/Adjustments (Refer to slides 16-18)
- \_\_\_\_\_ 12. Dependent Child Care – if **NOT** using the Dependent Care deduction type, manually enter the dependent care amounts in through the Core/Adjustment screen. The cap is \$5,000. If more is withheld, balancing issues will result. (Refer to slide 19)
- \_\_\_\_\_ 13. If district has a company vehicle lease, calculate the leased vehicle value and manually enter leased vehicle amount through Core/Adjustment.  
(Refer to slide 21)

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- \_\_\_\_\_ 14. If district has any Third Party Sick Pay, please see additional documents titled, “Third Party Sick Pay”, and “Example of Notification of Third Party Sick Payment”.
- \_\_\_\_\_ 15. Employer Sponsored Health Care – Please see additional document titled, “Employer Sponsored Health Care Cost on W2.”  
(Refer to slides 23-32)
- \_\_\_\_\_ 16. HRA – NEW - Health Reimbursement Arrangement  
(Refer to slides 33 and 34)
- QSEHRA allows eligible employers to pay or reimburse medical care expenses of eligible employees after the employees provide proof of coverage.
  - Eligible employers are those small employers with less than 50 Full-Time Equivalent employees and do not offer a group health plan to any of their employees.
- \_\_\_\_\_ 17. Pre run of W2 Report
- Run Reports/W2 Report and Submission before the last pay of 2019
    - Output Type: Report
  - Balance the to-date figures and review and correct any warnings and errors.
  - W2 Report and Submission can be run multiple times.  
(Refer to slides 36-37)
- \_\_\_\_\_ 18. Complete processing of last payroll for current year.
- If any NC1 payments, make sure they are handled with this payroll.
  - Pay all outstanding payables

### ***Regular Month-End Closing***

- \_\_\_\_\_ 19. SERS Per Pay Report
- Review the report and verify employee earnings, days, and hours
  - Verify that the total contribution amounts listed on the report equal the total Payroll Item checks for SERS withholdings plus any USAS checks written for pickup on pickup
  - Verify the contributions by employee equal earnings times the applicable retirement percentage. Allow for rounding, within a few cents
- \_\_\_\_\_ 20. STRS Report
- Review the report and verify employee earnings, days, and hours
  - Verify that the total contribution amounts listed on the report equal the total Payroll Item checks for SERS withholdings plus any USAS checks written for pickup on pickup

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- Verify the contributions by employee equal earnings times the applicable retirement percentage. Allow for rounding, within a few cents

### \_\_\_\_\_ 21. Balancing the payroll account (when statement is received from the bank)

- Reconcile checks
  1. Go to Payments/Check Register
  2. Filter grid for “P” in the status field to find all outstanding checks
  3. Check the box next to any check that needs to be reconciled
  4. Click ‘Reconcile’

**OR**

  5. Use Auto Reconcile under Payments/Check Register (if setup for your district)

### \_\_\_\_\_ 22. Generate an Outstanding Checks Report for USAS balancing

- Go to Home/SSDT Outstanding Check Report
- OR**
- Go to Reports/Payment Transaction Status Report

## ***Quarter-end closing***

### \_\_\_\_\_ 23. Balance Quarter Report

- Go to Reports/Quarter Report and generate report
- In the “Totals” section of Quarter Report, the gross and adjusted gross should balance using a manual calculation:  

	Gross
-	Annuities
	-----
	Adjusted Gross calculated
- Note: The adjusted gross calculated should equal the Calculated Adjusted Gross amount from Quarter Report. This should be true for all adjusted gross figures in the “Totals” section
- All Payroll Items for the quarter should equal the total Payroll Items showing on Quarter Report. Be sure to verify the electronic transfers of Federal and Medicare payments, and all Payroll Items codes
- The total gross showing on Quarter Report should equal the total of all payroll clearance checks created during payroll posts for the quarter

### \_\_\_\_\_ 24. ODJFS

- Go to Reports/ODFJS Report
- Check all totals carefully for accuracy.
- There are 13 weeks in this quarter (This is the number of Saturdays in quarter)
- If necessary, weeks worked may be updated utilizing Core/Adjustments

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\_\_\_\_\_25. When all data is correct, run the ODJFS Report to create the submission file

- FTP the file into DKUSAS:[yourdistrict] as ASCii

## ***W2 Processing***

\_\_\_\_\_26. Run W2 Report

- Go to Report/W2 Report and Submission
- 'Include Fringe Benefits in Box 14?' If you wish to have specific Payroll Item appear in box 14 check this box and then add the Payroll Item code
- There is an option to process the report for selected employees

\_\_\_\_\_27. Balance and verify your W2 Report

- Make change to data if necessary; changes need to be made using Core/Adjustment
- The report can be run as many times as needed

See the following additional handouts for information on balancing your W2 Report:

1. W2 Reconciliation Worksheet
2. 2019 W2 Boxes explained
3. Specific Affects
4. 2019 General Instructions for forms W-2 and W-3

Items that can affect balancing between W2 Report and Quarter Report:

- Dependent care benefits over limit (Refer to slides 54 and 55)
- Fringe Benefits (Refer to slides 56 and 57)
- Medicare pickup amounts (Refer to slides 58-61)
- Taxable third party sick pay (Refer to slides 62-65)
- Use of company vehicle (Refer to slides 66 and 67)
- Employee expense reimbursements paid through warrant (Refer to slide 68)

Additional possible causes for balancing problems:

- Voided checks from prior calendar year
  - Payments/Check Register (Refer to slide 69)
- Refund of annuity withheld in prior calendar year
  - Payments/Refund Checks (Refer to slide 69)
- Manual Updates
  - Reports/Report Manager/SSDT Audit Trail (Refer to slide 70)

We will be sending tape files to:

- Social Security Administration office
- Ohio State Department of Taxation

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- Findlay City Tax Department (for those districts requesting it)
- CCA (for those districts requesting it)
- RITA (for those districts requesting it)

- \_\_\_\_\_28. Create W2 SSA Submission File (Refer to slides 38-40)
- Go to Reports/W2 Report and Submission/Submission
  - Click 'Generate SSA W2 Submission File'
  - Will produce a file called W2TAPE.SEQ
  - Save a copy in a secure network folder
  - Via secure file transfer send W2TAPE.SEQ
  - [fiscal@noacsc.org](mailto:fiscal@noacsc.org) will be sending an email for secure file sharing. This link will be used for all files needing sent to NOACSC for year end processing
- \_\_\_\_\_29. Create RITA W2 Submission File
- Go to Reports/W2 Report and Submission/Submission
  - Click 'Generate RITA W2 Submission File'
  - Will create a file called W2RITA.SEQ
  - Save a copy in a secure network folder
  - Via secure file transfer send W2RITA.SEQ
  - [fiscal@noacsc.org](mailto:fiscal@noacsc.org) will be sending an email for secure file sharing. This link will be used for all files needing sent to NOACSC for year end processing
- \_\_\_\_\_30. Create CCA W2 Submission File
- Go to Reports/W2 Report and Submission/Submission
  - Click 'Generate CCA W2 Submission File'
  - Will create a file called W2CCA.SEQ
  - Save a copy in a secure network folder
  - Via secure file transfer send W2CCA.SEQ
  - [fiscal@noacsc.org](mailto:fiscal@noacsc.org) will be sending an email for secure file sharing. This link will be used for all files needing sent to NOACSC for the year end processing
- \_\_\_\_\_31. Create a City Tax submission file
- Go to Reports/W2 Report and Submission/Submission
  - Click 'Generate CCA W2 Submission File'
  - Will create a file called W2CCA.SEQ
  - Save a copy in a secure network folder
  - Via secure file transfer send W2CCA.SEQ
  - [fiscal@noacsc.org](mailto:fiscal@noacsc.org) will be sending an email for secure file sharing. This link will be used for all files needing sent to NOACSC for the year end processing

## 2019 USPS-R Calendar Year-End Closing Procedure

- \_\_\_\_\_ 32. Create W2 XML file for printing (Refer to slides 43-47)
- Go to Reports/W2 Report and Submission/XML
  - 'Include Fringe Benefits in Box 14?' If you wish to have specific Payroll Items (union dues, vehicle lease) to show in box 14. A maximum of 3 items will be printed on the W2.
  - Will create a file called W2formdata.xml
  - Save a copy in a secure network folder
  - Via secure file transfer send W2formdata.xml
  - [fiscal@noacsc.org](mailto:fiscal@noacsc.org) will be sending an email for secure file sharing. This link will be used for all files needing sent to NOACSC for the year end processing
  - Note: If an employee has more than two state, city, or OSDI tax records, the extra W2 form necessary to accommodate this information will print on the W2 immediately following the employee's primary W2
- \_\_\_\_\_ 33. Send an email to [fiscal@noacsc.org](mailto:fiscal@noacsc.org) when your W2s are to be printed and file(s) sent to SSA, RITA, CCA, or city. Do not submit form W3 for federal withholding.
- All W2's will be printed at the NOACSC. We will contact your office before the printed forms are shipped.
- \_\_\_\_\_ 34. No longer need to submit IT3 form. NOACSC will be submitting the file to the State of Ohio using Business Gateway.
- \_\_\_\_\_ 35. Use Proration Utilities in USAS-R for BWC Report. Refer to Step 14 on the USAS-R Calendar Year-End Checklist.
- \_\_\_\_\_ 36. Preparing for 2020
- Enter changes in tax withholding rates effective January 1, 2020  
[http://incometax.columbus.gov/search\\_taxmunicipalities.aspx/index.asp](http://incometax.columbus.gov/search_taxmunicipalities.aspx/index.asp)  
Click on tax municipalities to check any taxing district.
  - Check OSDI rates  
[http://www.tax.ohio.gov/school\\_district\\_income.aspx](http://www.tax.ohio.gov/school_district_income.aspx)
    - Under the heading **School districts with an income tax** is a full list or a searchable list for the income tax.
  - Unsure if employee should have OSDI tax withdrawn?  
[https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default\\_schooldistri ct.aspx](https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default_schooldistri ct.aspx)

## 2019 USPS-R Calendar Year-End Closing Procedure

- **Click on School District**
- **Lookup Tax Rate**
  - Address
  - Zip Code 5 digit or 9 digit
  - Latitude/Longitude
  
- Unsure if employee should have municipality tax withdrawn?
  
- [https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default\\_schoolistrict.aspx](https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default_schoolistrict.aspx)
  
- **Click on Municipal Tax**
- **Lookup Tax Rate**
  - Address
  - Zip Code 5 digit or 9 digit
  - Latitude/Longitude

\_\_\_\_\_37. **CONGRATULATIONS!** Begin Payroll Processing for January!