

2020 USPS-R Calendar Year-End Closing Procedure

Deadline to Submit W2's to NOACSC is January 15th, 2021!

- _____ 1. Check OSDI four digit code appears first in the W2 abbreviation field (Refer to slide 15)
 - 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 slides 16-17)
 - Check Tax Entity Codes for city taxes that are being reported electronically by NOACSC
 - View each city tax Payroll Item Configuration
 - Email fiscal.support@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 18-21)
 - If a “recognized” city through CCA is on **Appendix B**, it needs to have the CCA field on the Payroll Item Configuration record populated with the 3 digit code defined by CCA from Appendix B - <http://ccatax.ci.cleveland.oh.us/forms/dataformat2020.pdf>. The **“Report to CCA” box needs to be left UNchecked.** The CCA description box can be populated with the city name.
 - If a city through CCA is on **Appendix A**, it need to have the CCA field on the Payroll Item Configuration populated with the 3 digit code defined by CCA from Appendix A and the **“Report to CCA” box need to be CHECKED.**
 - See additional documents titled, “2020 Rita Tax Rates” and “2020 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.

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_____ 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 21)

_____ 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 24)

*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.*

_____ 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" on our website.

_____ 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 27)

_____ 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 28)

_____ 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 30-32)

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- _____ 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 slides 33-34)
- _____ 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 36)
- _____ 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 37-46)
- _____ 16. HRA - Health Reimbursement Arrangement (Refer to slides 47-48)
- 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. FFCRA Reporting – enter qualifying sick leave wages due to COVID-19 (Refer to slide 14)
- Go to Core/Payroll Items, click drop down box (upper left hand corner) to ‘Federal Tax Item’
 - Scroll down towards the bottom, add any of:
 - COVID-19 Self Amount
 - COVID-19 Others Amount
 - COVID-19 Emergency Family Amount
- _____ 18. Pre run of W2 Report
- Run Reports/W2 Report and Submission **before the last pay of 2020**
 - 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 50-51)
- _____ 19. Complete processing of last payroll for current year.
- If any NC1 payments, make sure they are handled with this payroll.

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- Pay all outstanding payables

Regular Month-End Closing

_____ 20. 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

_____ 21. 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
- Verify the contributions by employee equal earnings times the applicable retirement percentage. Allow for rounding, within a few cents

_____ 22. Balancing the payroll account (when statement is received from the bank)

- Reconcile checks
 - Go to Payments/Check Register
 - Filter grid for “P” in the status field to find all outstanding checks
 - Check the box next to any check that needs to be reconciled
 - Click ‘Reconcile’**OR**
 - Use Auto Reconcile under Payments/Check Register (if set up for your district)

_____ 23. Generate an Outstanding Checks Report in USPS for USAS balancing

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

Quarter-end closing

_____ 24. 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

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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 Item codes
- The total gross showing on Quarter Report should equal the total of all payroll clearance checks created during payroll posts for the quarter

_____ 25. 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

_____ 26. When all data is correct, run the ODJFS Report to create the submission file

- Submit file to ODJFS’s ERIC system by 1/20/2021

W2 Processing

_____ 27. 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

_____ 28. 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. 2020 W2 Boxes explained
3. Specific Affects
4. 2020 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 58-59)
- Fringe Benefits (Refer to slides 60-61)
- Medicare pickup amounts (Refer to slides 62-65)
- Taxable third party sick pay (Refer to slides 66-67)

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- Use of company vehicle (Refer to slides 70-71)
- Employee expense reimbursements paid through warrant (Refer to slide 72)

Additional possible causes for balancing problems:

- Voided checks from prior calendar year
 - Payments/Check Register (Refer to slide 73)
- Refund of annuity withheld in prior calendar year
 - Payments/Refund Checks (Refer to slide 73)
- Manual Updates
 - Reports/Report Manager/SSDT Audit Trail (Refer to slide 74)

We will be sending tape files to:

- Social Security Administration office
- Ohio State Department of Taxation
- Findlay City Tax Department (for those districts requesting it)
- CCA (for those districts requesting it)
- RITA (for those districts requesting it)

29. Create W2 SSA Submission File (Refer to slides 86-88)

- 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 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 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 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

31. 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

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- 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

_____ 32. Create a City Tax submission file

- Go to Reports/W2 Report and Submission/W2 City Options tab
- Fill in the 'Tax Entity Code'
 - This will be the same code entered on Payroll Item Configuration
- Click 'Generate City W2 Submission File'
- Will create a file called W2City_XXXXXXXXXX.SEQ
- Save a copy in a secure network folder
- Via secure file transfer send W2City_XXXXXXXXXX.SEQ
- 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

_____ 33. Create State of Ohio submission file

- Go to Reports/W2 Report and Submission/W2 State Options tab
- 'Ohio' is selected by default
- Fill in Contact Information
- Click 'Generate Ohio W2 Submission File'
- Will create a file called W2OH.SEQ
- Save a copy in a secure network folder
- Via secure file transfer send W2OH.SEQ
- 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

_____ 34. Create Indiana or Michigan submission file

- Go to Reports/W2 Report and Submission/W2 State Options tab
- Select the state of Indiana or Michigan
- Fill in required fields
 - Indiana requires 10 digit Tax Payer ID and 3 digit TID Location
- Click 'Generate State W2 Submission File'
- Submit the file to electronically to State of Indiana or Michigan

_____ 35. Create W2 XML file for printing (Refer to slides 93-97)

- 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

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- 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

_____ 36. Send an email to 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.

_____ 37. No longer need to submit IT3 form. NOACSC will be submitting the file to the State of Ohio using Business Gateway.

_____ 38. Use Proration Utilities in USAS-R for BWC Report. Refer to Step 13 on the USAS-R Calendar Year-End Checklist.

_____ 39. Open January Posting Period by going to Core/Posting Periods.

_____ 40. Preparing for 2021

- Enter changes in tax withholding rates effective January 1, 2021

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

- 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_schooldistrict.aspx

- **Click on School District**
- **Lookup Tax Rate**
 - Address
 - Zip Code 5 digit or 9 digit
 - Latitude/Longitude

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- Unsure if employee should have municipality tax withdrawn?
- 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

_____ 41. After W2s are printed and submitted, clear out COVID-19 Amounts on Federal 001 records that were entered on step 17.

_____ 42. **CONGRATULATIONS!** Begin Payroll Processing for January!