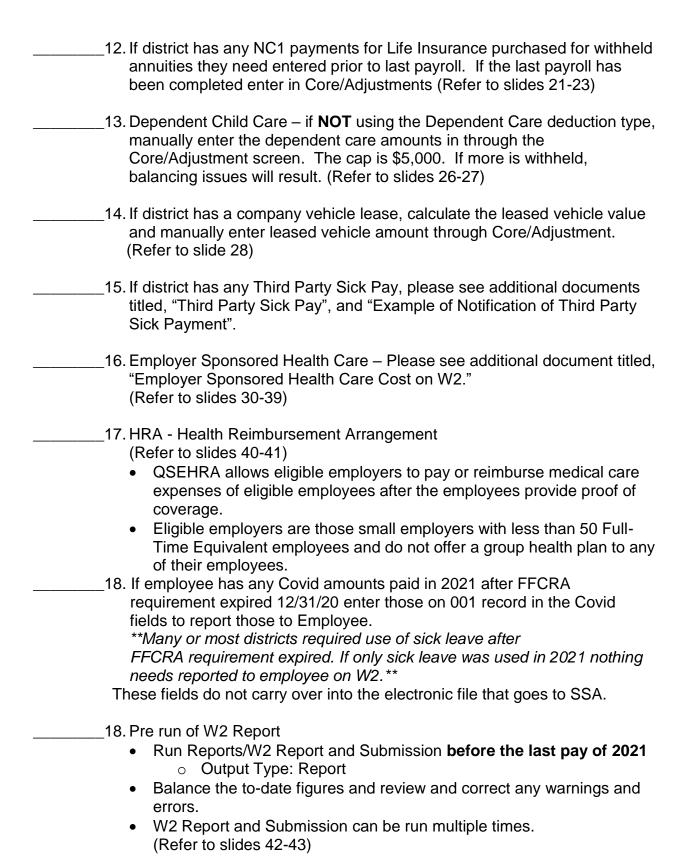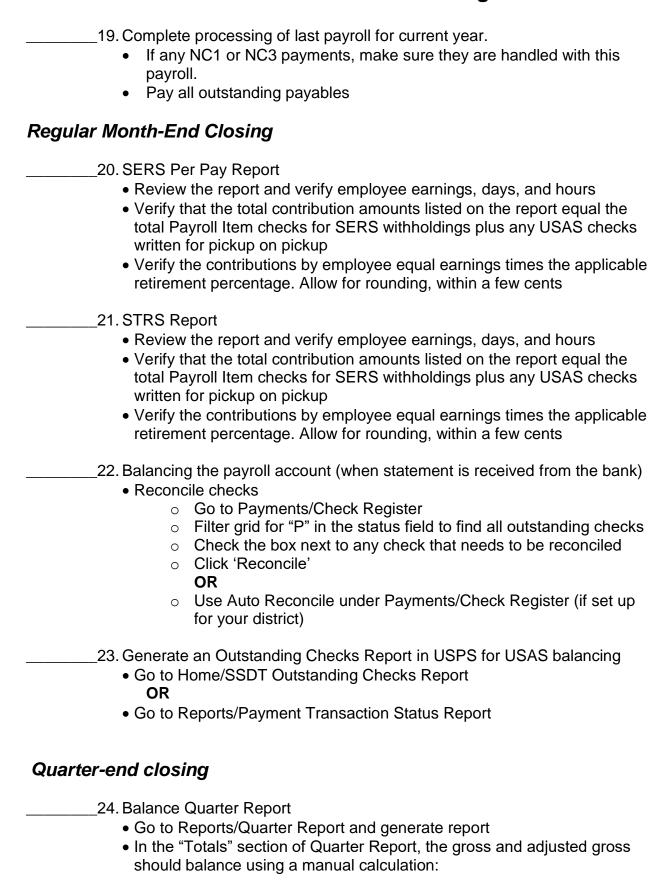# 2021 USPS-R Calendar Year-End Closing Procedure

Deadline to Submit W2's (for printing) to NOACSC is January 14th, 2022!

_____1. Check OSDI four-digit code appears first in the W2 abbreviation field (Refer to slide 5)
- 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 6-7)
- Check Tax Entity Codes for city taxes that are being reported to city electronically or CD by district
  - o View each city tax Payroll Item Configuration

_____3. The RITA/CCA code is required for the submission file. Verify codes in Core/Payroll Item Configuration
(Refer to slides 8-9)
- 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 for 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 11)

_____5. If you have Indiana COUNTY taxes, review Payroll Item Configuration. County Tax should be setup as a "City Tax" type.

_____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 15)

*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, using **Board's Amount of payroll item** as the type.*

_____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 18)

_____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 19)

_____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, if populated.

_____11. If district has any NC3 payments for Non-Cash Taxable items they need entered prior to last payroll. If the last payroll has been completed, enter into Core/Adjustments. (Refer to slide 24)

_____12. 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 21-23)

_____13. 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 26-27)

_____14. If district has a company vehicle lease, calculate the leased vehicle value and manually enter leased vehicle amount through Core/Adjustment. (Refer to slide 28)

_____15. 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".

_____16. Employer Sponsored Health Care – Please see additional document titled, "Employer Sponsored Health Care Cost on W2." (Refer to slides 30-39)

_____17. HRA - Health Reimbursement Arrangement (Refer to slides 40-41)
- 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.

_____18. If employee has any Covid amounts paid in 2021 after FFCRA requirement expired 12/31/20 enter those on 001 record in the Covid fields to report those to Employee.
Many or most districts required use of sick leave after FFCRA requirement expired. If only sick leave was used in 2021 nothing needs reported to employee on W2.
These fields do not carry over into the electronic file that goes to SSA.

_____18. Pre run of W2 Report
- Run Reports/W2 Report and Submission **before the last pay of 2021**
  - 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 42-43)

_____19. Complete processing of last payroll for current year.
- If any NC1 or NC3 payments, make sure they are handled with this payroll.
- 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
> -----------------
> 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 the **new** ODJFS reporting system "The Source" by 1/20/2022

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. 2021 W2 Boxes explained
3. Specific Affects
4. 2021 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 52-53)
- Fringe Benefits (Refer to slides 54-55)
- Medicare pickup amounts (Refer to slides 56-59)
- Taxable third party sick pay (Refer to slides 60-63)
- Use of company vehicle (Refer to slides 64-65)
- Employee expense reimbursements paid through warrant (USAS check)   (Refer to slide 66)

Additional possible causes for balancing problems:
- Voided checks from prior calendar year
  - Payments/Check Register (Refer to slide 67)
- Refund of annuity withheld in prior calendar year
  - Payments/Refund Checks (Refer to slide 67)
- Manual Updates
  - Reports/Report Manager/SSDT Audit Trail (Refer to slide 68)
  - Reports/Audit Report

The district will be sending submission files to:
- Social Security Administration office – electronic upload
- Ohio State Department of Taxation – electronic upload
- Findlay City Tax Department (for those districts reporting to Findlay City) - Burn file to CD
- CCA (for those districts reporting to CCA) – Burn file to CD
- RITA (for those districts reporting to RITA) – electronic upload option

_____29. Create W2 SSA Submission File (Refer to slides 80-83)
- Go to Reports/W2 Report and Submission/Submission
- Generate SSA W2 Submission File Summary Report
- Click 'Generate SSA W2 Submission File'
- Will produce a file called W2MAST.TXT
- Save a copy to upload to SSA. The file will also be in your File Archive.
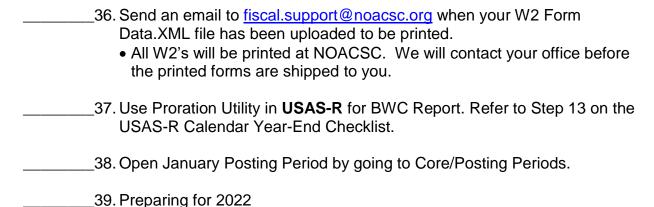
_____30. Create RITA W2 Submission File
- Go to Reports/W2 Report and Submission/Submission
- Generate RITA W2 Submission File Summary Report
- Click 'Generate RITA W2 Submission File'
- Will create a file called W2MSTRITA.TXT
- Save a copy to upload to RITA (or send paper copies if desired). The file will also be in your File Archive.

_____31. Create CCA W2 Submission File
- Go to Reports/W2 Report and Submission/Submission
- Generate CCA W2 Submission File Summary Report
- Click 'Generate CCA W2 Submission File'
- Will create a file called W2MSTCCA.TXT

- Save a copy to burn to CD and send to CCA (or send paper copies if desired). The file will also be in your File Archive.

_____32. Create a City Tax submission file if we submit your W2s to city on CD. *You will skip this step if you are sending in paper copies of W2s to your cities.* Many cities do not take files electronically/CD.
  - Go to Reports/W2 Report and Submission/W2 City Options tab
  - Fill in the 'Tax Entity Code'
    - This will be the 5-letter code entered on Payroll Item Configuration. Ex: FINDL, CAREY (not the numeric code)
  - Generate City W2 Submission File Summary Report
  - Click 'Generate City W2 Submission File'
  - Will create a file called W2City_"city name".TXT
  - Save a copy to burn to CD if city accepts CDs (or send paper copies if desired). The file will also be in your File Archive .

_____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
  - Generate Ohio W2 Submission File Summary Report
  - Click 'Generate Ohio W2 Submission File'
  - Will create a file called W2MAST_OH.TXT
  - Save a copy to upload to Ohio in Ohio Business Gateway. The file will also be in your File Archive.

_____34. Create Indiana or Michigan submission file (if necessary)
  - 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
  - Generate IN or MI W2 Submission File Summary Report
  - Click 'Generate State W2 Submission File'
  - Submit the file to electronically to State of Indiana or Michigan.
  - Check with the state to see if they accept paper copies if desired.

_____35. Create W2 XML file for printing (Refer to slides 88-92)
  - 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.
  - Click Generate XML Output
  - Will create a file called W2 Form Data.XML
  - Save a copy in a secure network folder
  - Via secure file transfer send W2 Form Data.XML to NOACSC

- fiscal@noacsc.org will be sending an email for secure file sharing. This link will be used for uploading the W2 Form Data.XML file.
- 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.support@noacsc.org when your W2 Form Data.XML file has been uploaded to be printed.
- All W2's will be printed at NOACSC. We will contact your office before the printed forms are shipped to you.

_____37. Use Proration Utility in **USAS-R** for BWC Report. Refer to Step 13 on the USAS-R Calendar Year-End Checklist.

_____38. Open January Posting Period by going to Core/Posting Periods.

_____39. Preparing for 2022

- Enter changes in tax withholding rates effective January 1, 2022

  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

- Unsure if employee should have municipality tax withdrawn?

2021 USPS-R Calendar Year-End Closing Procedure

- https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default_schooldistrict.aspx

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

_____40. **CONGRATULATIONS!** Begin Payroll Processing for January!