

Housekeeping

U A N
UNIFORM
ACCOUNTING
NETWORK



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Overview

This training is provided to help UAN clients identify and correct their errors. Accounting and Payroll errors should be corrected as soon as they are discovered. Putting off corrections will complicate your year end procedures causing stress and delay. It's always best when our UAN clients are able to focus on their Year End Procedures without the added bother of finding and fixing old mistakes.

Review the Table of Contents and use the list of items to direct you to the sections you need to research your problem areas and post corrections.

ACCOUNTING HOUSEKEEPING

Some common Accounting problems are the bank clearing a check for the wrong amount, posting a duplicate receipt, failing to post an electronic payment, posting an electronic payment for the wrong amount, or a check that hasn't been cashed by a vendor.

These items should be investigated and addressed in a timely manner. UAN Support recommends that you always research, identify and correct any unreconciled difference **before** posting bank reconciliations to assure accurate financial statements throughout the year. There are only a few items that should be carried as an adjusting factor.

Maintain clear documentation of the errors and corrections to be prepared for your next audit.

BANK RECONCILIATION – OTHER ADJUSTING FACTORS

This section will help you identify errors that occurred in prior months that were not resolved and continue to be entered as Other Adjusting Factors on the bank reconciliation.

There is a difference in the method of correcting a current year or a prior year error. There are separate sections that address corrections for current year and prior year errors.

Other Adjusting Factors for a) bank errors that were later corrected, b) Receipts not posted in UAN that were later posted and cleared, and c) Payments not posted in UAN that were later posted and cleared, have already been identified and corrected. Only the adjusting factors that have continued to be carried forward must be addressed.

You must learn how to identify errors when they appear in the bank reconciliation process. UAN Support has provided a Simple and a Complicated Bank Rec Screencast Tutorial and a Bank Rec Worksheet within the UAN software to help you identify the errors when they cause reconciliation problems. You will find the Bank Rec Worksheet and the Bank Rec Screencast Tutorials (Simple and Complicated) under the FAQs section when you are on the Bank Reconciliation form.

[Steps to Access:](#) Accounting – Transactions – Bank Reconciliation. In the lower left portion of the screen under **FAQs** select:

- Simple Bank Rec Screencast Tutorial (click to watch screencast)
- Complicated Bank Rec Screencast Tutorial (click to watch screencast)
- Bank Rec Worksheet (click to open Excel spreadsheet)

The Bank Rec Worksheet is an Excel spreadsheet that contains formulas that will automatically calculate as you enter figures. It is intended to be used as an open document on your computer rather than as a printed page. (If you choose to work with a printed page select landscape as page orientation before selecting Print.) You will need the UAN Bank Reconciliation Reports and the monthly bank statements to complete the Bank Rec Worksheet.

Once you have learned how to use the Bank Rec Worksheet to identify errors you should begin researching all unresolved adjusting factors so you can be truly reconciled. Proceed carefully!

CURRENT YEAR OTHER ADJUSTING FACTORS

If you have been carrying forward unresolved or unidentified adjusting factors that began in the current year, go back to the month the adjusting factor was first entered and view the bank reconciliation report.

[Steps to Access:](#) Accounting → Reports & Statements → Bank Reconciliation Reports → Bank Reconciliation Report. Select a month from the list and click Print.

Verify that the cleared receipts and cleared payments were accurately marked. Use the Bank Rec Worksheet and the tips provided in the Bank Rec Screencast Tutorials to identify errors that need to be corrected. Once you have found the error(s) refer to the adjustment instructions below to correct each item.

RECEIPTS OR PAYMENTS NOT POSTED IN UAN

If you discover an adjusting factor from an earlier month, **that remains unreconciled**, that was an Accounting Receipt or Payment that cleared the bank but was not posted in UAN at the time, **and has still not been posted in UAN**, post the item so it can be cleared on the next bank reconciliation. In most cases, you will not be able to use the original post date as you cannot backdate any item before your last posted bank reconciliation. Document that the item is being posted at this time to correct the earlier mistake. A manual warrant that was not entered in UAN but cleared the bank and the check number was skipped and is no longer available, must be entered as an electronic payment. Purchase Orders are required for payments to non-direct accounts.

ADJUST A RECEIPT

A Receipt in UAN does not match the bank statement cleared amount. When a receipt has been posted for the wrong amount or the bank did not give you the proper credit for a deposit, you must compare the receipt, receipt documentation and bank statement to determine if you or the bank made the error.

- If the bank has made the error, contact the bank and request a correction to your bank account. When the amount is posted to your account you will **NOT** post any correction to the UAN software; the bank is correcting their error, your receipt is correct.
- If you made the error, adjust the receipt to the correct amount using the Receipt Utility

Receipt Adjustment: Steps to Access: Accounting → Utilities → Receipt Utility. When you are on the Receipt Utility form refer to the **FAQs** at the bottom left of the screen to watch a Receipt Utility Screencast Tutorial or to open the “How To” items listed. Receipt adjustments should be dated within the current bank reconciliation if they cannot be dated on the original post date. The receipt adjustments must be check marked to clear on the Primary Adjustments tab in the bank reconciliation form.

ADJUST AN ACCOUNTING PAYMENT

Note: Paychecks and withholding payments posted through the UAN Payroll Software cannot be adjusted using the methods outlined below. Refer to the Payroll sections to address payroll items that cleared the bank for a different amount than posted in UAN.

An Accounting warrant clears the bank statement for a different amount. Banks sometimes clear warrants for a different amount. You will not reconcile until you correct the difference. **Contact the vendor to confirm the amount received; you may have a balance due or a credit on your account.**

- If the vendor received the amount as it appears on the bank statement (not the warrant) adjust the accounting payment to the amount that cleared the bank. Follow the steps below to process a payment adjustment. When increasing the payment a PO is often required for the additional amount.
- If the vendor received the UAN posted warrant amount contact the bank and request the correction to your account. When the bank posts the correction to your bank account you will **NOT** post any correction to the UAN software; the bank is correcting their error, your payment is correct.
 - If your bank will not correct the error you must post either a receipt or electronic payment to the bank for the amount of their error. A PO may be required when increasing the payment.

An Accounting electronic payment appears on the bank statement for a different amount. Sometimes online payments are made for a different amount than is on the posted electronic payment. This is not a bank error, it is a user error. Review the payment confirmation report from the online payment to confirm you made the error when posting the electronic payment. When in doubt contact the vendor to confirm the amount they received. Generally, the online payment confirmation agrees with the amount on the bank statement requiring the payment adjustment to be entered on the UAN posted electronic payment.

- Adjust the accounting electronic payment to the amount that cleared the bank. Follow the steps below to process a payment adjustment. When increasing the payment a PO may be required.

Payment Adjustment: [Steps to Access:](#) Accounting → Utilities → Payment Utility. When you are on the Payment Utility form refer to the **FAQs** at the bottom left of the screen to watch a Payment Utility Screencast Tutorial or to open the “How To” items listed. Payment adjustments should be dated within the current bank reconciliation if they cannot be dated on the original post date or the date they cleared the bank. Payment adjustments must be check marked to clear on the Primary Adjustments tab in the bank reconciliation form.

PRIOR YEAR OTHER ADJUSTING FACTORS

If you have Other Adjusting Factors that have been carried forward from prior years go back to the month the adjusting factor was first entered and view the bank reconciliation report.

Current Software:

[Steps to Access:](#) Accounting → Reports & Statements → Bank Reconciliation Reports → Bank Reconciliation Report. Select the prior year from the drop-down list. Select a month from the list and click Print.

Verify that the cleared receipts and cleared payments were accurately marked. Use the Bank Rec Worksheet and the tips provided in the Bank Rec Screencast Tutorials to identify errors that need to be corrected before year end.

If the prior year error was the failure to post, or the incorrect posting of investment interest receipts or investment transfers, you can identify the errors and review the section on [Special Considerations: Investments & Secondary Checking](#) for a better understanding of how to reconcile current investments to the correct balance.

If the error you found was in a prior year that has already been audited and you were required to post audit adjustments you may need to contact your auditor to determine if the audit adjustment already included all or part of the error that you discovered.

If the prior year errors involve complex issues and funds that no longer exist you will need to contact Local Government Services (LGS) 1-800-345-2519 for instructions on how the prior year error should be corrected in the current year.

At the next audit, you will need to provide documentation for adjustments made in the current fiscal year for prior year errors. Print documentation and keep notes for your next audit. It will be important for the auditor to understand you have already corrected the mistake so they do not include the amount in audit adjustments.

BANK RECONCILIATION – PRIMARY ADJUSTMENTS TAB

Fund balance adjustments, payment adjustments, and receipt adjustments should be cleared on the Primary Adjustments tab of the bank reconciliation form, most often in the month of their post date. There are only a few exceptions requiring an item to be cleared in the next month. These adjustments cannot be carried into the new year. On the December 31, bank reconciliation each year all outstanding adjustments will automatically be marked as cleared on the Primary Adjustments tab. Always review the Primary Adjustments tab before posting your bank reconciliations so you do not leave a required adjustment outstanding.

CURRENT YEAR AGED OUTSTANDING ITEMS

Review your current outstanding payments and receipts. If you see current year outstanding items that should have cleared the bank by now follow the steps below to determine if the receipts or payments require attention.

OUTSTANDING PAYMENTS

If there are current year accounting payments that have been outstanding for many months you should contact the vendor to see if they received payment for the outstanding amount or why they have not cashed the check. Review the Vendor/Payee Payment Register and the invoices that were paid to the vendor after the outstanding payment to make sure you were not billed again and have already paid that amount on another payment.

Steps to Access: General → Reports & Statements → Vendor/Payee Reports, from the drop-down list select Vendor/Payee Payment Register, mark it for the relevant time period (year may be the best choice). From the list of payments to the vendor, review the invoice for the outstanding payment and the invoices or statements for the payments issued after the outstanding payment.

If the amount of the outstanding payment **has not been paid with other invoices** you should make contact with the Vendor to confirm if the amount is still due.

- If the Vendor did not receive payment and the balance is still due, you can Reissue.

Steps to Access: Accounting → Utilities → Payment Utility, mark the outstanding item and click Reissue. The reissue date should be the “today” date or your next meeting date (in the same year) when the payment will be approved. The software will void the

outstanding payment and print the same detail and distribution on a new check to send to the Vendor. *UAN cannot advise you if you should officially “stop payment” on a lost check with your bank; discuss the matter with your bank and your governing board.*

- If the Vendor billed you on a later invoice and the amount has already been paid you can void the outstanding payment.

Steps to Access: Accounting → Utilities → Payment Utility, mark the outstanding item and click Void, click yes to continue then select the void date, click OK.

OUTSTANDING RECEIPTS

If there are current year receipts that should have cleared the bank review the receipt reports to determine if the outstanding receipt is a duplicate of an already cleared receipt. If the outstanding receipt was posted in error it needs to be voided.

Steps to Access: Accounting → Reports & Statements → Receipt Reports, Receipt Detail. Mark the report ☉Year. Use the column headings to sort the list to determine if you have duplicates. If you click the receipt amount column heading the list will be sorted by amounts from lowest to highest. Review the list for the amount of the outstanding receipt.

- If there is a cleared receipt for the same amount, investigate to see if the outstanding receipt is a duplicate of the cleared receipt. If so, you can void the outstanding receipt. Be careful to compare the original receipt documentation to the outstanding receipt; two receipts of the same amounts from different sources may not indicate a duplicate.
- If there is not a cleared receipt for the same amount you may have posted the outstanding receipt for the wrong amount, posted a new receipt for the correct amount and forgot to void the incorrect receipt.
 - Sort the list again by clicking the column heading Receipt Source and the receipts will be grouped by the receipt source. Review the list of all receipts posted to the same source as the outstanding receipt. If there is a receipt for the same date (or a close date) as the outstanding receipt, compare the original receipt documentation to the outstanding receipt to determine if the outstanding receipt can be voided.

If you cannot find a connection to a cleared receipt review the posted payment adjustments. Payment adjustments are used when you receive a refund from a vendor against a current year payment. When you use a payment adjustment you do not require a receipt.

Steps to Access: Accounting → Reports & Statements → Payment Reports, Payment Adjustments. Mark the report ☉Year. Review the list for the amount of the outstanding receipt or the same source/vendor. If a payment adjustment was posted, the receipt is not required and should be voided.

To void a receipt that you confirmed was posted in error follow the steps below:

Steps to Access: Accounting → Utilities → Receipt Utility, mark the outstanding item and click Void, confirm you want to void the item, select the void date, click OK.

If you find that the receipt was not posted in error and the bank should have credited your account for the outstanding deposit you need to work with your bank to solve the problem. The receipt in the UAN software can be cleared when the bank credits your account.

PRIOR YEAR OUTSTANDING ITEMS

Review the last bank reconciliation report's list of outstanding payments and/or receipts. If you have items that were posted in a prior year that are still outstanding investigate the items. The Fund Balance Adjustment Utility is used to void prior year receipts and payments. Steps to void a prior year payment or receipt are located at the end of this section.

OUTSTANDING PRIOR YEAR PAYMENT

Once you have identified the outstanding prior year payments on your current bank reconciliation report, if possible, contact the vendor to see if they received payment for the invoice(s) paid on the outstanding payment. If they have received payment you should document your discussion and void the prior year warrant. When you cannot contact the vendor, compare all invoices and statements that were paid to the vendor using prior year vendor payment reports

Prior years closed in the current software:

Steps to Access: General → Reports & Statements → Vendor/Payee Reports, from the drop-down list select Vendor/Payee Payment Register, select the prior year from the drop-down list, mark it for the relevant time period (year may be the best choice), select the Vendor from the list and print. From the list of payments to the vendor, you see the payment numbers and can review the invoice(s) to see if the outstanding payment invoice(s) has already been paid.

You may find that the check was never sent to the vendor, search your files for the check. If the check never left the control of the fiscal office or was returned, the check can be voided in the software.

If you cannot find the check in your files, but the vendor confirms the invoice was paid on another payment from your entity, the outstanding check can be voided.

You must provide documentation for your next audit; keep the reports and physical records that document the payment can be voided.

If the prior year outstanding payment was not received by the vendor, is still due and you have located the vendor, void the prior year warrant and issue a new payment from the current year appropriations. You will be required to add a new PO.

If the prior year outstanding payment was not paid at a later date and remains due to the vendor but you cannot locate the vendor, you should void the prior year payment and follow the necessary steps to place the money in unclaimed funds. UAN Support cannot advise you on the handling of unclaimed money, you may need to contact Local Government Services (LGS) 1-800-345-2519 for instructions.

OUTSTANDING PRIOR YEAR RECEIPT

Once you have identified the outstanding prior year receipts on your current bank reconciliation report review the receipt reports to determine if the outstanding prior year receipt is a duplicate of a receipt that was posted and cleared or was posted in error and replaced by another receipt for the correct amount or the item was posted as a payment adjustment rather than a receipt. Review the documentation with the outstanding receipt to determine if has been duplicated on another receipt and can be voided.

Prior years closed in the current software:

Steps to Access: Accounting → Reports & Statements → Receipt Reports, Receipt Detail, select the prior year from the drop down list, mark it for the relevant time period (year may be the best choice),

A receipt posted in a prior year increased the cash balance and fund balance of all the funds used on the receipt. Voiding a prior year receipt is handled in the current year software as a fund balance adjustment. When you void a prior year receipt it reduces the cash balance of the fund or funds in the original posting and therefore reduces your **Resources Available for Appropriation**. You cannot reduce a fund balance unless the amount has not been appropriated. Your board may have to adopt legislation reducing appropriations to the fund prior to posting the fund balance adjustment.

HOW TO VOID A PRIOR YEAR RECEIPT OR PAYMENT

Outstanding items from a prior year cannot be voided through the current year receipt or payment utilities; they are posted as current year fund balance adjustments and will change your beginning of year fund balances that are part of your resources available for appropriation. The changes to your beginning of year fund balances will require an Amended Official Certificate of Estimated Resources (aka Amended Certificate) from your county auditor as follows:

- Void prior year payment: increases your current year fund balance
- Void prior year receipt: reduces your current year fund balance.

VOID A PRIOR YEAR RECEIPT

You must know the account codes used on the original receipt to determine what fund(s) need adjusted. Recommended report:

Receipts: [Steps to Access](#): Accounting → Reports & Statements → Receipt Reports, Receipt Detail. Select the receipt and click Print.

Fund balance adjustments are posted to the fund, not accounts. On the above report, add all the accounts for each fund to determine the amount of each fund's adjustment.

When posting a fund balance adjustment for **voiding a prior year receipt** you must first verify you have an available variance (amount not appropriated) in each fund that will be reduced. Recommended report:

[Steps to Access](#): Accounting → Reports & Statements → Budgetary Reports, from the drop down list select Comparison of Budget and Appropriated. Select all the funds and click Print.

In the far right column entitled variance, there must be a balance of at least the amount you need for the negative fund balance adjustment.

- If there is enough variance you can post the fund balance adjustment to void the prior year receipt.
- If there is not enough variance for the negative fund balance adjustment your board must adopt legislation to reduce appropriations to the fund. You will enter that as a supplemental appropriation with negative entries to reduce the fund appropriations. Print the Comparison of Budget and Appropriated again and you should see enough in the variance column to make the negative fund balance adjustment.

When you are ready to post the fund balance adjustments they will be done one item at a time and if an item had multiple fund postings the item will be adjusted for the amount posted to each fund until the entire amount has been adjusted.

[Steps to Access](#): Accounting → Utilities → Fund Balance Adjustment Utility. On the Fund Balance Adjustment Utility, form click the Add button. Select the fund, select Prior Year Receipt Adjustment. Select the receipt number from the Warrant/Receipt Number drop-down box. Click the [Need Help] button or FAQs menu links for more information or step by step instructions on posting fund balance adjustments.

Once you post a fund balance adjustment and click Close, you will be offered the opportunity to print the fund balance adjustment reports; UAN recommends you print the reports and file them with the documentation for your next audit. Verify that your fund

balance adjustments total the amount of the original receipt from the Receipt Detail report. You will not reconcile with the bank if you make an error in this step.

On the bank reconciliation that includes the posting date used above you must clear the prior year voided receipt in two places:

- On the Primary Receipts tab, the voided prior year receipt appears in the list with a void box on the right. Click in the void box to mark the items, and,
- On the Primary Adjustments tab, the fund balance adjustment(s) you posted are listed. Mark all the items that correspond to the voided prior year receipts.

VOID A PRIOR YEAR PAYMENT

You must know the account codes used on the payment to determine what fund(s) need to be adjusted. Recommended report:

Payments: [Steps to Access](#): Accounting → Reports & Statements → Payment Reports, Select Payment Register Detail from the drop-down list. Select the payment(s) and click Print.

Fund balance adjustments are posted to the fund, not accounts. On the above reports, add all the accounts for each fund to determine the amount of each fund's adjustment.

When you are ready to post the fund balance adjustment they will be done one item at a time and if a warrant had multiple fund postings the warrant will be adjusted for the amount posted to each fund until the entire amount has been adjusted.

[Steps to Access](#): Accounting → Utilities → Fund Balance Adjustment Utility. On the Fund Balance Adjustment Utility form click the Add button. Select the fund, select Prior Year Warrant Adjustment, and select the warrant number from the Warrant/Receipt Number drop-down box. Click the [Need Help] button or FAQs menu links for more information or step by step instructions on posting fund balance adjustments.

Once you post a fund balance adjustment and click Close, you will be offered the opportunity to print the fund balance adjustment reports; UAN recommends you print the reports and file them with the documentation for your next audit. Verify that your fund balance adjustments total the amount of the original warrants from the Payment Register Detail report. You will not reconcile with the bank if you make an error in this step.

On the bank reconciliation that includes the posting date used above you must clear the prior year voided items in two places:

- On the Primary Payments tab, the voided prior year warrants appear in the list with a void box on the right. Click in the void box to mark the items, and,

- On the Primary Adjustments tab, all the fund balance adjustments you posted are listed. Mark all the items that correspond to the voided prior year payments.

MANAGING A CUSTOMER NSF CHECK AND ASSOCIATED FEES

Example: A customer pays the entity \$150 for a zoning permit. A receipt is posted with other zoning receipts totaling \$650.00. The bank charged a \$35.00 NSF fee to the entity. The following must be posted in UAN.

1. Adjust original receipt: Reduce the original receipt by the returned NSF check -150.00

Steps to Access: Accounting → Utilities → Receipt Utility. On the Receipt Utility form select the receipt, and click Adjust. The receipt adjustment should be dated the same date the item bounced back to the bank. Click the [Need Help] button or FAQs menu links for more information or step by step instructions on posting fund balance adjustments.

2. Post an accounting electronic payment to the bank for the \$35.00 fee they charged the entity. This will require an open PO or BC.
3. Notify the customer of their NSF and advise the amount they must pay to cover the NSF and the fee if your entity the authority for such a charge. In our example the entity charges \$35 to the customer so the customer owes: $\$150 + 35 = \185 . When the customer pays \$185.00 a new receipt is added and distributed \$150 to the zoning fees account (same as used in the original receipt) and the \$35.00 fee revenue is distributed to a revenue account used for fees charged to customers; should be in the same fund that paid the bank the fee on the electronic payment.
4. On the bank reconciliation that includes the returned NSF item you MUST clear the receipt adjustment on the Primary Adjustments tab of the bank reconciliation. All other posted items above will appear on the statement as they appear in the software as receipts or payments.

PURCHASE ORDERS

There are four purchase order types: PO Regular, PO Then & Now, BC Regular, and BC Super. Purchase orders should be opened for fixed costs in all departments once permanent appropriations are adopted. Blanket Certificates can be used if your entity has adopted legislation authorizing the maximum amount and length of time. Understand the different purchase order types and use them to your advantage. Then and Now purchase orders should be rare. *The instructions below refer to all types as purchase orders.*

CLOSE PURCHASE ORDERS

On an ongoing basis, you should close the zero balance and the purchase orders that have a remaining balance you no longer need. Expired blanket certificates should be closed once the final bills for the charges against them are paid.

Steps to Access: Accounting → Utilities → Purchase Order Utility; Click the [Need Help] button or FAQs menu links for more information on closing.

ADJUST (REDUCE) PURCHASE ORDERS AS NEEDED

Reduce purchase orders as needed. Purchase orders with an available balance in excess of what will be necessary to pay invoices charged against them can be reduced to avoid excessive encumbrances.

Steps to Access: Accounting → Utilities → Purchase Order Utility; Click the [Need Help] button or FAQs menu links for more information on adjusting.

SPECIAL CONSIDERATIONS: INVESTMENTS & SECONDARY CHECKING

The following applies to all Non-Primary accounts that may be setup in UAN including investments and secondary checking accounts. The issues discussed are more common with bank accounts setup as investments so the focus will be on these. Examples of accounts typically set up as investments in UAN include but are not limited to certificates of deposits (CDs), Star Ohio accounts, treasury bills, saving accounts, and money market accounts.

*****If you do not have investments or secondary checking accounts, SKIP this section*****

At all times investment and secondary checking account balances in UAN should match the bank statement balances. The following sections should be reviewed with the most current bank statements to identify errors.

INVESTMENTS

Interest paid on an investment should be posted in UAN with the same post date as on the bank statement. Investment interest may be paid monthly, quarterly or not until the investment matures, it depends on how the investment was opened at the bank. Final interest should be posted to a mature investment account before the investment is closed or rolled over. *The interest that is accrued but not paid should not be posted.*

After all transactions are complete for the period covering the most current investment statement(s), compare the investment account balances in UAN to the latest investment bank statements to make sure they match. The Investment Detail will be useful for this purpose. If you find the balance does not match the Investment Activity report must be reviewed.

Steps to Access: Accounting → Reports & Statements → Investment Reports and select Investment Listing from the drop-down menu. Compare balances to the bank statements to confirm the correct investment balance.

If the balance does not match, the Investment Activity report must be reviewed. You must review all investments before deciding what must be posted. You may find connected errors on multiple investments. **Review and document each error on all investments before posting a duplicate, inaccurate or unnecessary correction.**

Steps to Access: Accounting → Reports & Statements → Investment Reports and select Investment Activity from the drop-down menu, mark ☉Year.

If the ending investment balance does not match the last statement balance, it is typically due to 4 common errors:

1. Current year interest paid was not posted in UAN.
2. Interest was posted but with the wrong setting; reinvested or to primary checking account.
3. Charges and Fees that appeared on the investment bank statements were not posted in UAN and the investment was not reduced.
4. Investment balance was incorrect at the beginning of the current year; therefore one of the errors above occurred in prior years.

If the beginning of year investment balance was correct you only have current year errors. If the beginning of year investment balance was not correct, calculate the difference. Then also calculate the difference between the ending balance and your current statement balance. Identify the current year errors, the prior year errors **and** note any corrections that have been posted in the current year that were intended to correct prior year errors. Identify all uncorrected errors before posting **any** corrections.

See detailed instructions below:

1. Interest earned in the current year was not posted in UAN.

On the Investment Activity report review current year interest receipts that were posted to each investment. If any interest receipts are missing, check the primary checking Interest receipts and other investments before posting any corrections. You may find that an interest receipt was posted to the wrong investment.

The Investment Activity report will show all the receipts and transfers posted to each investment. Compare the posted interest receipts and transfers to the year to date bank statements to determine if any interest was not posted or was posted incorrectly and has not been corrected.

- a) Interest that was received on the bank statement **but was not posted in UAN (to any account)** should be posted at this time. Once the missing receipt is posted, generate a new Investment Activity report and confirm the investment ending balance matches the last bank statement balance. New interest receipts must be cleared on the next bank reconciliation.

2. Interest on the bank statement was posted in UAN to the correct investment but with the wrong setting; reinvested or to the primary checking account.

- a) First, check your investment bank statements and answer this question: Does the investment interest increase the value of the investment account (reinvested) or is it deposited into the primary checking account?
- b) To avoid errors in the future verify that the default settings for interest receipts are set up accurately for the investment and correct if necessary.

Steps to Access: Accounting → Reports & Statements → Investments, checkmark the investment and click Edit to open the Edit Investment form. In the Details section, confirm or correct the radio button setting based on the answer to 2A (above).

“ Reinvest interest receipts” or “ Receipt interest to Primary Checking Acct.” A correct setting here will help to ensure that future interest receipts are posted correctly.

- c) Review three columns on the Investment Activity report: Interest Receipts, Reinvested Interest Receipt, and Investment Balance. Verify that the interest paid on the bank statements were posted in UAN correctly as reinvested or posted to primary.
 - If an interest receipt was receipted to the primary checking account (no increase to the value of the investment) then the receipt amount will appear under the Interest Receipts column and there will be no amount under the Reinvested Interest Receipt column and the Investment Balance will not increase.
 - If an interest receipt was receipted as reinvested (increasing the value of the investment) then the receipt amount will appear under both Interest Receipts and the Reinvested Interest Receipt columns and the Investment Balance amount will be increased by the interest.

- Carefully review any investment transfers on the Investment Activity report before posting any corrections. You may find that some of these errors were already corrected using Investment Transfer.
- d) Errors in posting a receipt as reinvested or to the primary checking account place the amount of the interest in the wrong bank account, but the overall cash balance and fund balance is correct. Do not post another interest receipt; this would falsely inflate the cash balance. Correct the mistake with an investment transfer.

Steps to Access: Accounting → Transactions → Investment Transfer. The warrant type must be – Transfer only:

- If the interest receipt was supposed to increase the value of the investment, but it was posted to the primary checking account in error, then choose Primary to Investment on the investment transfer form, select the investment, enter the dollar amount of the correction, enter the transfer date, and click Post. Click Close and click OK when prompted to print a report.
 - If the interest received was supposed to post to the primary checking account but was posted as reinvested and incorrectly increased the investment balance, then choose Investment to Primary on the investment transfer form, select the investment, enter the dollar amount of the correction, enter the transfer date, and click Post. Click Close and click OK when prompted to print a report.
- e) Once the investment transfers have been posted, review the Investment Listing and/or Investment Activity report to confirm the current investment balance matches the last investment bank statement balance.

3. Charges or fees on the investment bank statement were not posted against the investment account in UAN.

All charges and fees against investment accounts need to be recorded in UAN. Because these items cannot be posted directly to an investment, two postings in UAN are required: 1) the amount of the fee is transferred from the investment to the primary checking; 2) the fee is posted as an accounting electronic payment to the bank that holds the investment. The electronic payment is cleared from the Primary Payments tab on the bank reconciliation. You may find that only one or neither step was performed. Only post the step(s) that were not posted:

- a) Posting an Investment Transfer from investment to primary in the amount of the charges and/or fees.

Steps to Access: Accounting → Transactions → Investment Transfer, a separate form will appear. Select Investment to Primary, select the investment, enter the amount and a date and click Post.

- b) Add, Save and Post/Print an Accounting Electronic payment for the charges and/or fees (a purchase order or blanket certificate will be required).

Steps to Access: Accounting → Transactions → Payments, click Add. From the drop-down menu select Electronic. Complete the payment form, save and post the electronic payment.

Clear the electronic payment on the bank reconciliation Primary Payments tab.

4. Investment balance was incorrect at the beginning of the current year.

If the beginning investment balance on the investment Activity report does not match the bank statement balance as of 12/31, calculate the difference. This difference is the amount of prior year errors that must be investigated. **Make sure the prior year errors have not already been corrected in the current year.** If the current investment ending balance is still off by same calculated difference, the errors from prior years have not been corrected, but you have no unresolved current year errors. If you are off a different amount you must identify current year errors before you can determine what remains of the prior year errors that need to be corrected.

Steps to Access: Accounting → Reports & Statements → Investment Reports, and select the Investment Activity report from the drop-down menu **change the year selection**, mark the investment and review each prior year one at a time.

If the balance was incorrect as of the beginning of each prior year, you must perform the same investigations as outlined above to determine which of the 4 common errors were made during that year **and verify a mistake was not corrected in any later years. You must only correct errors that remain unresolved at this time.**

The failure to post a prior year interest receipt or charge is **not** corrected by posting interest receipt or charge in the current year. The Fund Balance Adjustment Utility is used to correct these errors in the current year.

Note: Prior year investment posting errors **may or may not** have required an adjusting factor on the bank reconciliations; it depends on the error.

- a) If prior year interest receipts were **not** posted, the overall cash balance and related fund balances are incorrect and would have required an adjusting factor on the bank reconciliation since the interest was earned at the bank. To correct these errors that have never been resolved, you must use the Fund Balance Adjustment Utility to adjust the fund balances by the investment interest or charge that should have been posted to these funds in prior years.

Steps to Access: Accounting → Utilities → Fund Balance Adjustment Utility. Click Add to record a Fund Balance Adjustment. The Adjustment Type should be 'Fund balance correction/adjustment'. For more information on this utility, click the [Need Help] button on the UAN main menu or the links in the FAQ menu on the left.

If the same prior year interest receipt was **reinvested** (added to the balance of the investment) at the bank, you will also have to perform a second step to correct the investment balance using an Investment Transfer - in order to move the interest from the primary checking (placed there by Fund Balance Adjustment) to the Investment.

Steps to Access: Accounting → Transactions → Investment Transfer, a separate form will appear. For more information on this type of transaction, click the [Need Help] button on the UAN main menu immediately after the Investment Transfer form appears. Transfer the amount of interest from Primary to Investment, select the investment, enter the amount, enter the transfer date, and click Post. Click Close and click OK when prompted to print a report.

- b) If all the prior year interest receipts were posted, but they were posted with the incorrect bank account setting (reinvest or primary checking) then the overall fund and cash balances have reconciled, but the cash is in the wrong bank account in UAN. These errors only require an Investment Transfer posted in the current year to correct the bank balances of the primary checking and the investments.

Steps to Access: Accounting → Transactions → Investment Transfer, a separate form will appear. For more information on this type of transaction, click the [Need Help] button on the UAN main menu immediately after the Investment Transfer form appears. Transfer the amount of interest that was posted with the incorrect setting (reinvest or primary checking) to the correct account.

- If the interest receipt was supposed to increase the value of the investment, but it was posted to the primary checking account in error, then choose Primary to Investment on the investment transfer form select the investment, enter the dollar amount of the correction, the transfer date, and click Post. Click Close and click OK when prompted to print a report.
- If the interest received was supposed to post to the primary checking account but was posted as reinvested and incorrectly increased the investment balance, then choose Investment to Primary on the investment transfer form select the investment, enter the dollar amount of the correction, enter the transfer date, and click Post. Click Close and click OK when prompted to print a report.

- c) If charges or fees appeared on the investment bank statement but **were not posted** in UAN in prior years your fund balance(s) and investment balance are not correct. You have to perform a negative Fund Balance Adjustment to reduce the fund balance(s) that were inflated in the prior year, and then post the transfer from Investment to Primary to correct the investment balance. See the steps below:

Note: If the charges or fees were posted in UAN but the investment balance was not reduced, the fund balance adjustment is not required – only perform the Investment transfer.

Steps to Access: Accounting → Utilities → Fund Balance Adjustment Utility. Click Add to record a Fund Balance Adjustment. The Adjustment Type should be 'Fund balance correction / adjustment'. For more information on this utility, click the [Need Help] button on the UAN main menu or the links in the FAQ menu on the left. If the charge or fees were never posted in UAN reduce the fund balance by the fees.

Steps to Access: Accounting → Transactions → Investment Transfer, a separate form will appear. For more information on this type of transaction, click the [Need Help] button on the UAN main menu immediately after the Investment Transfer form appears. Transfer the amount of fees from Investment to Primary, select the investment, enter the amount, transfer date, and click Post. Click Close and click OK when prompted to print a report.

Once all the investment posting errors are corrected your investment balances should match the latest investment bank statement. On your next bank reconciliation, you may have several items that will have to be cleared on the following tabs of the Bank Reconciliation form:

Primary Receipts tab: Newly posted interest receipts (correcting current year errors)

Primary Payments tab: Newly posted charges (correcting current year errors)

Primary Adjustments tab: Fund balance adjustments correcting prior year errors.

Investment transfers appear automatically cleared on the Primary Receipts, Primary Payments and Secondaries and Investments tab.

When reviewing the Investment Activity report, if you find more complex investment errors than those outlined above you should contact UAN with the exact details of the errors you have found and we will work with you to determine the proper method of correction.

SECONDARY CHECKING ACCOUNTS

The following section is only applicable if the entity has secondary checking accounts.

****Skip this section if you do not have any secondary checking accounts****

The UAN software does not directly post receipts or payments to a secondary checking account. The following standard procedures are used in UAN for postings directly made to a secondary checking account **when the balance is going to remain in the secondary checking account**:

- a) **Receipts directly deposited into the secondary checking:** When money is deposited directly into a secondary checking at the bank, (not a transfer from the primary checking) a receipt is posted in UAN to the primary checking account and a Checking Transfer from primary to secondary is posted in UAN for the amount of the receipt. When the receipt clears on the secondary checking account bank statement it is marked cleared on the Primary Receipts tab of the bank reconciliation form.
- b) **Payments made directly from the secondary checking account:** When payments are made directly from a secondary checking account (not a transfer from the secondary account to the primary checking) a Checking Transfer from secondary to primary is posted in UAN **and** an electronic payment is posted in UAN representing the secondary checking account payment. When the payment clears on the secondary checking account bank statement it is marked cleared on the Primary Payments tab of the bank reconciliation form.
- c) **Transfers of cash between primary checking and secondary checking:** When money is moved from the secondary checking account to the primary checking account or vice versa, a Checking Transfer for the amount must be posted in UAN. The post date of the transfer should reflect the date the transfer was made at the bank. Never post a receipt for the movement of money from one bank account to another.

Note: Mayor's Court and other Agency fund postings that post equal receipt and payment amounts in and out of the fund leaving a zero balance in the secondary checking account do not require the transfers between bank accounts – the procedures above are used when an ongoing cash balance is maintained in the secondary checking account.

Following these procedures assures that the secondary checking account bank statement balance reconciles with the UAN secondary checking balance. Note that outstanding items (receipts or payments) would need to be considered – but the overall cash balance of the secondary checking and primary accounts would collectively be correct when there are outstanding items. When the secondary checking accounts do not reconcile you must compare the secondary checking account bank statement transactions with associated receipts, payments, and transfers posted in UAN to

determine what steps have been missed. Use the reports listed below to investigate the accuracy of receipt, payment and checking transfers posted in UAN.

Steps to Access: Accounting → Reports & Statements → Checking Account Reports, from the drop down list select Secondary Checking Account Ledger.

Steps to Access: Accounting → Reports & Statements → Receipt Reports, from the drop down list select Receipt Detail.

Steps to Access: Accounting → Reports & Statements → Payment Reports, from the drop down list select Payment Register Detail.

To verify revenue posted to one revenue account you may want to use the Revenue Receipt Register instead of the Receipt Detail.

Steps to Access: Accounting → Reports & Statements → Revenue Reports, from the drop down list select Revenue Receipt Register.

To verify revenue posted from one Vendor/Payee used as the source on receipts you may want to use the Vendor/Payee Receipt Register instead of the Receipt Detail.

Steps to Access: General → Reports & Statements → Vendor/Payee Reports, from the drop down list select Vendor/Payee Receipt Register.

Compare the entries on the bank statement to the UAN reports. Any item (receipt, payment, or transfer) that appears on the bank statement but is not posted in UAN must be posted following the standard procedures outlined above.

Receipts on the secondary checking bank statement should have a UAN corresponding receipt and a checking transfer if the amount was left in the secondary checking at the bank. If the amount of the receipt was transferred at the bank to the primary checking there should **not** be a checking transfer in UAN.

Payments made directly from the secondary checking account should have an electronic payment and a transfer of the same value posted in UAN from secondary to primary.

Occasional transfers of money between secondary and primary bank accounts should also have a transfer posted in UAN of the same value.

If transactions on the bank statements were posted in UAN (receipts and/or payments) but the amount of the transfer between primary and secondary was not posted correctly, the overall cash and fund balances are accurate but the money is in the wrong account. This requires **only** a transfer between accounts to correct the error.

Steps to Access: Accounting → Transactions → Checking Transfer. On the Post Checking Transfer form select the setting to transfer the cash to the correct bank account. For more information on this type of transaction, click the [Need Help] button on the UAN main menu immediately after the Post Checking Transfer form appears.

If the beginning of year secondary checking account statement balance does not agree with the UAN secondary checking account balance and the difference is not one of the outstanding items from December that cleared in January, then posting errors occurred in prior years. You must review the prior year reports and compare them to the secondary checking bank statements.

Corrections for prior year errors are not posted as current year receipts or payments. If transactions on the prior year bank statements were not posted in UAN you must post a Fund Balance Adjustment. The adjustment will be positive for a receipt and negative for a payment. You may combine all errors and post the total in the aggregate so the overall cash and fund balances are corrected.

Steps to Access: Accounting → Utilities → Fund Balance Adjustment Utility. Click Add. The Adjustment Type should be “Fund balance correction / adjustment”. For more information on this utility, click the [Need Help] button on the UAN main menu or the links in the FAQ menu on the left.

Once the fund balance adjustment has been posted, if a transfer between accounts is required to correct the balance in the secondary checking account in UAN, post a Checking Transfer as outlined above. Fund balance adjustments must be cleared on the Primary Adjustments tab of the bank reconciliation form.

INTERFUND ADVANCE REPAYMENT ERRORS

The following is only applicable if the entity posted an Interfund Advance in the current fiscal year or has an unpaid Advance carried over from a prior year that will be paid in the current year.

****Skip this section if there have not been (*and there will not be*) any interfund advances posted this fiscal year****

UAN Support recommends reviewing advance activity before closing the year to prevent reporting problems on year end reports and the year end balance certificate. Interfund advances are temporary loans between funds which must be repaid within twelve months. A common mistake occurs when repaying an advance: the user selects the wrong advance type on the Post Interfund Advance form. There are 3 possible “advance type” options when recording an advance under Accounting → Transactions → Interfund Advances:

- Initial Advance (Default)
- Repayment of advance
- Repayment of advance not posted in system

When an initial advance was posted in the UAN software and is ready to be repaid, the proper way to record the repayment is to select the “Repayment of advance” type. This activates a drop down menu where you select the initial advance to associate with the repayment. By making this selection and posting the repayment, the initial advance is reduced by each repayment until it is paid in full. When the final repayment is posted the initial advance status is changed to *‘repaid in full’* on reports.

To verify that all repayments were posted correctly:

Steps to Access: Accounting → Reports & Statements → Interfund Advance Reports, Choose Interfund Advance Detail, mark the Year radio button. Checkmark all items listed and Print. Any Initial Advance type that is not fully repaid will be listed with a status of “open”. If the full repayment was posted properly, then the initial advance will be listed with a status of “repaid in full”.

If you find that any repayment was recorded with the wrong type, then the error must be corrected by voiding and re-posting it properly.

To void interfund advance repayment errors:

Steps to Access: Accounting → Utilities → Interfund Advance Utility. Mark the item and click Void. For more information on voiding the advance click “How to void an interfund advance” under the FAQs menu.

Then post the advance repayment properly.

Steps to Access: Accounting → Transactions → Interfund Advances, click Add and choose the Advance Type Repayment Advance and select the advance to be repaid from the drop down list. Complete the form; click Post and Close and print the Interfund Advance report. For more information on posting a repayment advance click “How to repay an advance” under the FAQs menu.

UANLINK PROFILE LOGIN

The Profile Login on UANLink@ohioauditor.gov is used when you want to register for upcoming classes, to download patches, view prior year reports from the old software, and to upload the year end report. We often receive calls requesting the username and password for UANLink when we issue training opportunities and at year end.

Please take the time to go to the UANLink website, go to Profile Login and make sure you know how to log in. The Username and Password for UANLink does not change from year to year, it is as follows:

Username: The 4-digit UAN entity ID

Password: The Auditor of State customer number found on all AOS invoices.

UAN Support retains the profile information for each entity, such as the fiscal officer name, telephone numbers, email address, mailing address, shipping address, additional authorized UAN users name, contact telephone number and email address. UAN Support cannot work with undocumented local users.

Always make sure we have your most up to date contact information and the names of any additional UAN users that may need to contact UAN Support for assistance when the fiscal officer isn't available. Log into the UANLink@ohioauditor.gov Profile Login (instructions above) and click Update Entity Information. Review the information listed and if any changes need to be made, the fiscal officer should prepare a letter, on entity letterhead, sign the letter and fax it to UAN Support at 1-877-727-0088.

PAYROLL HOUSEKEEPING

Unresolved problems in the current year payroll may result in incorrect W-2s, penalties and interest levied for unpaid withholdings, and will adversely affect your accounting resources available when carried into the next year. Current year payroll errors should always be addressed immediately.

In addition, unresolved problems from a prior year may result in penalties and interest and should be researched and resolved before the current year end so they do not continue to adversely affect your accounting resources available next year.

UAN urges you to research and resolve all of these items now. After December, 31 your choices for resolution will be more limited and will require more work.

Please review this section carefully and follow the instructions to ensure the accuracy of your current year payroll and the resolution of prior year problems. Retain documentation for your next audit.

When you have multiple problems, review the items in the order presented below so you do not have to repeat any housekeeping procedures.

VERIFY PAYROLL SETUP ACCURACY

UAN receives many support calls that reveal the entity is not using the accurate earning and withholding types in the employee setup. This can lead to tax and state retirement errors. Review the items below to check the accuracy of your system setup.

PAY RATES

At audit the fiscal officer is required to produce the documentation to verify pay rates.

Chapter 1 of the Payroll Introductory Training Manual (and the video) walks the newly elected/appointed fiscal officer through verification of the payroll employee setup. Responsibility for payroll setup errors made by the previous fiscal officer becomes the burden and responsibility of the new fiscal officer. A new fiscal officer should always compare the current pay rates to the legislation authorizing pay rates. Recommended UAN report:

Steps to Access: Payroll → Reports & Statements → Employee Reports, Employee General Information Report.

Verify the hourly rate, overtime rates, salary and other earnings in UAN agree with your current legislation and policies.

Township fiscal officers must also review their current Trustee and Fiscal Officer salary to the pay scale authorized by Ohio Revised Code as compared to the current Amended Official Certificate of Estimated Resources. You must compare the elected officials' term of office to the correct pay scale. Only those whose term began after the pay rate increase are applied to the new pay scale; the others are still paid at the old pay scale rates.

EARNINGS & LEAVE

The most common payroll Earning and Leave setup errors are:

- **Failure to use a non-retirement earning type for the payout of leave, a bonus or a per-item earning that OPERS or OP&FPF considers not pensionable.**
- Use of the wrong earning.
- Incorrect or improper leave balance maximums.

The payout of unused leave, a bonus and other earnings not “usual” in payroll should be verified if they are pensionable with OPERS or OP&FPF before posting. Items that OPERS or OP&FPF advise are not pensionable must be paid using a non-retirement type earning in the UAN payroll software. **Never** manually edit state retirement off a wage.

When an item is not pensionable follow the step-by-step instructions in the UAN Payroll Manual. To quickly access these instructions:

Steps to Access: Payroll → Maintenance → Earning & Leaves. In the bottom left corner of the software under FAQs click the small FAQs. The UAN Payroll Manual opens to the Payroll Frequently asked questions. Scroll down to question #4 and read through the steps to understand the process.

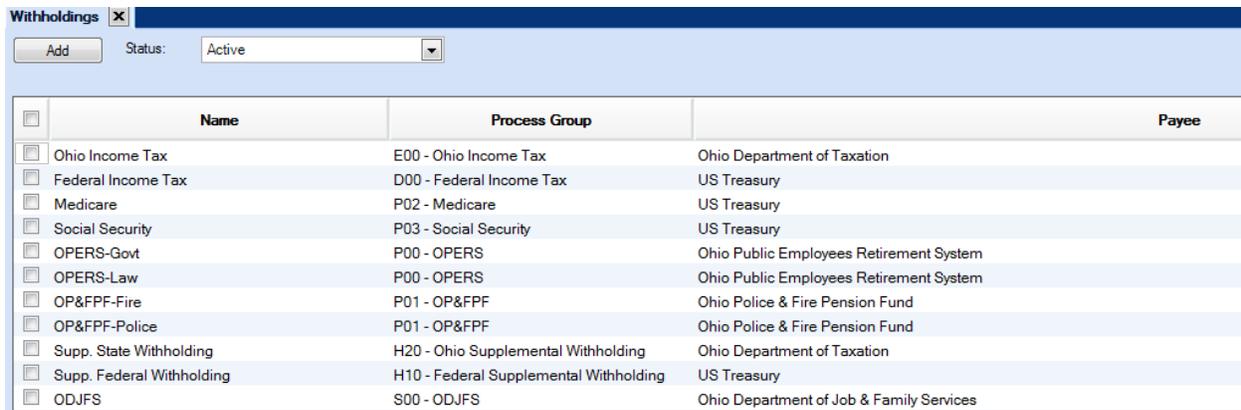
Be careful not to attach withholdings that have already been taken from the regular paycheck (e.g. employee share of insurance, deferred compensation)

Note in these instructions the **important** section when editing the wage informs you that the state and federal taxes must be manually calculated for these items – the tax rates are not automatic. Refer to IRS Publication Circular E for the rate of federal tax to withhold from supplemental wages. Refer to Ohio Department of Taxation website, frequently asked question #150 for the state tax rate to withhold. All other taxes and Medicare will be withheld at the same percentage rate as all other paychecks.

Once the leave payout is posted, edit the employee, go to the Earnings tab and deactivate the non-retirement earning so you do not accidentally pay any more hours with the next pay.

WITHHOLDINGS

The Withholdings area contains eleven default withholdings as seen below:



The screenshot shows a software interface for managing withholdings. At the top, there is a title bar 'Withholdings' with a close button. Below it, there is an 'Add' button and a 'Status' dropdown menu set to 'Active'. The main area is a table with three columns: Name, Process Group, and Payee. The table lists eleven default withholdings, each with a checkbox in the first column.

<input type="checkbox"/>	Name	Process Group	Payee
<input type="checkbox"/>	Ohio Income Tax	E00 - Ohio Income Tax	Ohio Department of Taxation
<input type="checkbox"/>	Federal Income Tax	D00 - Federal Income Tax	US Treasury
<input type="checkbox"/>	Medicare	P02 - Medicare	US Treasury
<input type="checkbox"/>	Social Security	P03 - Social Security	US Treasury
<input type="checkbox"/>	OPERS-Govt	P00 - OPERS	Ohio Public Employees Retirement System
<input type="checkbox"/>	OPERS-Law	P00 - OPERS	Ohio Public Employees Retirement System
<input type="checkbox"/>	OP&FPF-Fire	P01 - OP&FPF	Ohio Police & Fire Pension Fund
<input type="checkbox"/>	OP&FPF-Police	P01 - OP&FPF	Ohio Police & Fire Pension Fund
<input type="checkbox"/>	Supp. State Withholding	H20 - Ohio Supplemental Withholding	Ohio Department of Taxation
<input type="checkbox"/>	Supp. Federal Withholding	H10 - Federal Supplemental Withholding	US Treasury
<input type="checkbox"/>	ODJFS	S00 - ODJFS	Ohio Department of Job & Family Services

The Name, Process Group and Payee of these default withholdings cannot be changed because they are used to populate tax and retirement reports. They are pre-set in UAN to reduce errors to these core withholdings.

State and Federal taxes are automatically added to each employee and withheld from a wage based on their earning amount, pay frequency and personal exemptions. If an employee wants additional State or Federal tax withheld they should complete a W-4 (federal) or IT-4 (state) form that shows the exact amount of extra tax they want withheld from each paycheck. You should not withhold an extra percentage or a fluctuating amount. The default Supp State Withholding and Supp Federal Withholding are used for these extra tax withholdings because they are connected to the associated tax reports. Never add a different Supplemental Federal or State withholding as it will not appear on the tax reports.

All other withholdings such as local and school taxes, employee share of insurance, child support, garnishments, etc., are added by the entity based on the needs and requirements of their employees.

Additional withholdings should be added for use by all employees that qualify for the withholding, although some items may be personalized in the employee withholding setup.

WITHHOLDING PROCESS GROUP

Each withholding has a Process Group that classifies the withholdings for tax and W-2 purposes. Below is the list of Process Groups.

Type	Name
A00	Cafeteria Plans
B00	Deferred Withholdings
F00	Local Tax
G00	School Tax
K00	Miscellaneous/Union Withholding

When setting up a withholding it is very important to choose the accurate Process Group so the employee withholding taxes, tax reports and W-2s are accurate. The proper selection is very easy to determine but is **often incorrectly chosen** thus improperly taxing the employee and reporting the earnings and withholdings.

CAFETERIA PLANS

The Cafeteria Plans Process Group may **only** be used by entities that have a written IRS Section 125 Cafeteria Plan that has been adopted by the governing board. Further, the insurance benefits your entity offers must qualify for a Cafeteria Plan. In short a Cafeteria Plan allows employees to choose different types of insurance coverage according to the plan and allows the employer to offer a tax benefit for the employee share of insurance benefits withheld from their paycheck.

UAN Support often sees this setting misused by entities that **do not** have an adopted IRS Section 125 Cafeteria Plan. If your entity has withholdings setup with the Cafeteria Plans Process group, you should locate a copy of the adopted IRS Section 125 Cafeteria Plan and carefully review what insurance withholdings qualify.

If you find that no IRS Section 125 Cafeteria Plan was adopted by your board, you cannot use the Cafeteria Plans Process Group. **Beware:** Insurance agents will often advise an entity that the policy they are offering qualifies as a Cafeteria Plan. The agent is not advising you that you have a Cafeteria Plan – they are only advising you the policy they are offering qualifies **if** you have an adopted plan.

Keep a copy of your IRS Section 125 Cafeteria Plan available for audit and review when you are considering changes in your insurance benefits. Also, keep in mind that changes in the laws that govern health insurance such as the Affordable Care Act may require your governing board to have a professional tax advisor to review your current IRS Section 125 Cafeteria Plan to see if it conflicts with new laws.

DEFERRED WITHHOLDINGS

The Deferred Process Group is mostly used for Ohio Deferred Compensation. For example, an employee enrolls in the Ohio Deferred Compensation program and begins saving for his or her retirement through payroll withholdings. The amount of the employee's taxable earnings is reduced by the amount he or she is contributing to their retirement savings (not all taxes are deferred). Upon retirement the employee's distributions from their Deferred Compensation account will be taxed.

The Ohio Deferred Compensation withholding is setup with the process group deferred withholdings. The UAN payroll software reduces the appropriate earnings tax base before calculating taxes and will place the deferred withholding information on the W-2.

There are very few withholdings that qualify for the deferred withholdings process group and they are only for the purpose of saving for retirement in qualified deferred tax plans. You cannot setup personal contributions to other retirement savings and classify the withholding as deferred!

Note: The employee share of insurance benefits is never deferred!

LOCAL TAX

A local income tax withholding must always be assigned the process group local tax. Local tax withholdings must be named for the taxing entity, e.g. Buckeye Village Income Tax. You cannot use one withholding for two different local taxes. If your employees live or work in different local tax districts you must add a new withholding for each local tax. Sometimes two local taxes share the same payee; the withholding is always named by the local tax, not the name of the payee (e.g. Regional Income Tax Agency).

SCHOOL TAX

School income taxes should **always** be assigned the School Tax process group. School tax withholdings should be named for the school district. You may have employees that live in different school districts with income taxes. You must set up separate withholdings with the specific school name, the district number, the proper tax base, and rate. Multiple school income tax withholdings can be assigned to the same Payee (e.g. Ohio School District Income Tax). The UAN software will produce one payment for all school districts to the Ohio School District Income Tax payee and you can print separate school district tax reports showing the taxable wages and withholdings for each. The Employee's W-2 must reflect the proper school district, taxable wages and withholdings – the only way to accomplish this is to set up the withholdings accurately. Below is a sample Add Withholdings form for a school district income tax:

- School tax name is specific
- Process Group is School Tax
- Payee is the Ohio School District Income tax
- School district number is entered
- School tax type is selected
- School tax rate is entered

All employees' earnings attached to this school tax withholding will be taxed and reported as required for this specific school district.

Note that there **are two different types of school taxes**, State income tax base (wage base reduced by personal exemptions) and Earned Income Only tax base (wage base is not reduced by personal exemptions). If your entity has other tax beneficial withholdings both type wage bases are adjusted by these additional tax benefits. The only entities that will see an exact percentage of school tax withheld are those with no other tax beneficial withholdings and the school tax is Earned Income Only type.

You must select the tax base type that belongs to the school district income tax. If you are not certain which type should be assigned to your school withholdings and you are connected to the internet click the  indicated by the brackets. You will be directed to the State of Ohio Department of Taxation website where you can review the full list of school district income taxes, district numbers, tax types and the tax rates.

When setting up the UAN software fiscal officers should check the School District listing and verify the school tax type and rate.

MISCELLANEOUS/UNION WITHHOLDING

All withholdings that are not taxes and do not fall under the special tax beneficial categories such as Deferred or Cafeteria Plan are assigned the Miscellaneous/Union Withholding process group.

If your entity does not have a cafeteria plan, then the employee insurance withholdings belong to this group. Child support, garnishments, and union withholdings are just a few more examples. Even when you have a cafeteria plan – some of your employee insurance withholdings may not qualify as pre tax withholdings. Review your cafeteria plan and work with your agent to determine these special circumstances.

You may have several employees that must pay child support. If the child support is paid to the same payee (refer to the court order for instructions) then you only need one withholding for child support. When the withholding is added to the employee you enter the amount to be withheld and include the order and case number on the employee withholding. The UAN Payroll software will produce one payment to the Ohio Child Support Payment Central and can generate a report of the employee, case number, order number and amount that makes up the total payment. Unlike school district and local taxes you do not need separate child support withholdings for each employee.

When you receive Court Orders for garnishments you must set up a new withholding and name the withholding in such a way so the employee will not be embarrassed if he or she must show his or her pay stub. You can only share the garnishment withholding between employees **if the garnishments have the same payee**. You will often have different payees and will therefore require separate garnishment withholdings.

ADDITIONAL NOTE ON INSURANCE WITHHOLDINGS

Do not name your employee share of insurance withholdings by the payee name. Name your insurance withholdings for the type of benefits. Health Insurance, Dental Insurance, Vision Insurance or if all the amounts are lumped together in one withholding name it Insurance. The payee assigned to the withholding will be the name of the insurance company that receives the payment. When naming in this manner if you switch insurance companies all you have to do is add the new Vendor/Payee then edit the withholding and change the payee. You can use the Withholdings Editor to update employee withholding amounts for the new policy without editing the individual employees.

Caution: If you name the insurance withholdings by the company name, when your entity changes insurance companies you must deactivate the old withholding, add a new withholding then edit all associated employees one at a time and deactivate the old and add the new withholding.

At year end, when you open Temporary Mode, you are given one opportunity to change the name of your withholdings.

PAYROLL EFT BATCH ITEMS

*****If you do not process EFT Wages (direct deposit to employee bank accounts) skip this section*****

When closing the fiscal year, the Year End Checklist contains items that are payroll related. You cannot close the year until all items are removed from batch; either by posting or deleting as appropriate. This is relevant for entities that process EFT-Wages but do not upload an electronic file to their bank. EFT batches that are not processed throughout the year must be processed, one at a time, before you will be able to close the year.

If you do not upload the EFT wage electronic file to your bank it would benefit you to process the EFT batch file each pay period. Processing the EFT file will group the EFT wages as a batch item on the bank reconciliation form so you can clear the entire batch with one click. Processing the EFT file also allows you to generate a report with a batch total that will assist you with entering the correct wages on your bank's website. This report is very useful at audit to verify the breakdown of the amount that cleared the bank.

To process EFT batch files:

Steps to Access: Payroll → Transactions → EFT. The date defaults to the oldest unprocessed EFT batch with all items selected.

- Click File. You will receive a system message cautioning you that the deposit date does not meet the 2-day advanced notice banks typically require for EFT. This message is not relevant when posting old EFT batch wages.
- Click OK; you will receive a System Message with the name of the electronic file that has saved successfully in C:_UAN_EFiles.
- Click OK to close the message. It is recommended you print the EFT batch report for your records.
- Repeat these steps until all EFT batches have been processed. Moving forward, process the EFT batch items when payroll is posted.

Recommendation: Processed EFT batch files are located in the _UAN_Efiles folder but they **are not encrypted**. UAN recommends that you regularly **permanently** delete any sensitive files from _UAN_Efiles folder and Recycle Bin.

OUTSTANDING PAYROLL PAYMENTS

Review the payroll outstanding payments on your last posted bank reconciliation and determine if long outstanding items should be reissued or voided. *UAN cannot advise you if you should officially “stop payment” on a lost check with your bank; discuss the matter with your bank and your governing board.*

CURRENT YEAR OUTSTANDING PAYROLL PAYMENTS

Each month when you complete your bank reconciliation, review the outstanding payment list for payroll items that should have cleared the bank. Follow up with employees and withholding agencies so you are prepared to take action if a payment has been lost (warrant) or not received (electronic).

CURRENT YEAR PAYCHECKS LOST BY EMPLOYEE

Make contact with the employee to determine if the check was lost. If they did not lose the check but the bank will no longer cash it due to its age, they should give you the old check for your records. Current year lost or no longer negotiable paychecks can be **Reissued** prior to December 31st. The **Reissue process preserves tax and retirement associations** with the original payment and will not report them again for the new check.

To Reissue: **Steps to Access:** Payroll → Utilities → Payroll Payment Utility: Change the Status to Outstanding. On the Payroll Payment Utility select the payment and click Reissue, the system message appears, “You are about to void and reissue 1 item” click OK. On the print form, select the post date (today or a meeting day in the future for approval depending on your local authority to print checks between meetings), verify the correct next check number, load the check in the printer, and click Print.

CURRENT YEAR PAYCHECKS POSTED IN ERROR - NOT GIVEN TO THE EMPLOYEE

Paychecks that were posted in error and were not given to the employee **must** be voided or they will be included on the W-2, tax and retirement reports and payments.

- To void: **Steps to Access:** Payroll → Utilities → Payroll Payment Utility: Change the Status to Outstanding. On the Payroll Payment Utility select the paycheck and click Void, a system message appears confirming you are about to void 1 item, click OK. Select the void date and complete the process.

Note: If you have accidentally paid withholdings on this paycheck you will receive a system message that you will create withholding overpayments. **Display then Print the report to see the overpaid withholdings.**

Note: If you have posted the withholding payments that included the paycheck you need to void, but those withholding payments have not left your control (you did not mail the check or make the online payment represented by the withholding voucher) you should cancel this process and void the withholding payments. Then void the paycheck and add new withholding payments.

If the withholding payments have already been made, to void the wage the software requires an active account 1000-990-990-0000 with available appropriations to cover the overpayments. If the account and/or unencumbered balance are not available, the report will show you the amount you need to reallocate to account 1000-990-990-0000. **You should follow the steps to void the payment and create the overpayments in order to correct these payroll errors!** Once you have voided the payments you must do one of the following to correct the overpayments 1) amend your tax and/or retirement reports for the period to receive a refund or apply the overpayment credit to your next tax payment; the method will depend on the withholding agency associated with the overpayments. You must work with the withholding agency to determine the appropriate amended reports to file and the method to receive the credit.

CURRENT YEAR OUTSTANDING WITHHOLDING PAYMENTS

Outstanding current year withholding payments that should have cleared the bank indicate a problem that needs addressed. If the software has been used properly it indicates that your withholding payment has not been received. Contact the tax or retirement payee and discuss the payment to determine whether the payment was received or is still due.

- If an outstanding withholding **warrant** was not received by the payee, but should have been paid and it is determined that the payment was lost, it should be **Reissued** prior to December 31st using the Payroll Payment Utility
 - To reissue: On the Payroll Payment Utility (steps to access above) select the payment and click Reissue, the system message appears, you are about to void and reissue 1 item, click OK. On the print form, select the post date, (today or next meeting date depending upon your policy), verify the correct next check number, load the check in the printer, and click Print.

- If an outstanding withholding **electronic** payment was posted in UAN but the online (or telephone) payment **was not made**, the UAN withholding voucher indicates the amount you should have paid that is still due.
 - Make the online payment for the amount of the posted voucher. Document that the online payment was already posted in UAN and be sure to select the correct tax or retirement period when making an online payment for a prior period. **If a penalty is added to your online payment add and post an accounting electronic payment for the penalty.**
- If the outstanding withholding payment was posted in Payroll and **also posted and from Accounting and cleared on a bank reconciliation**, the payroll payment is a duplicate of the accounting payment. Accounting and Payroll payments for the same period that are not the same amounts require further investigation and amendments than the steps below.
 - **Void the payroll withholding payment**
Steps to Access: Payroll → Utilities → Payroll Payment Utility select the Outstanding payment and click Void, Void 1 selected item, click OK, select the void date, click OK, **and**
 - **Clear the unpaid withholding using the Payroll Unpaid Withholding Clear Utility.**
Steps to Access: Payroll → Utilities → Unpaid Withholding Clear Utility. Only clear the withholdings from the voucher you voided in the previous step. You do not need to create an accounting batch payment. *If you fail to clear the unpaid withholding it will carry over into the new year, adversely affecting your budget!*

PRIOR YEAR OUTSTANDING PAYROLL PAYMENTS

Payroll payments issued in prior years that remain outstanding at this time are handled differently. If you have prior year issued paychecks or withholding payments on your last posted bank reconciliation, please review the following steps. Note that it is not unusual early in the new year to have outstanding items from the prior year. As a general rule items should have cleared the bank within 90 days of being issued. Do not take premature action on items. Always follow up with the employee or vendor before taking action.

PRIOR YEAR OUTSTANDING PAYCHECKS

Review and verify whether the paycheck was:

- **Lost by the employee** or in their possession but not cashed. **Make contact with the employee to determine if the check was lost.** (If they did not lose the check but the bank will no longer cash it they should give you the old check for your

records.)

- Follow the steps under Accounting Housekeeping – How to Void a Prior Year Receipt or **Payment** to void the prior year warrant.
- Then add and post an accounting payment to the employee for the **net** amount from your current year appropriations. You may need to add the employee as a Vendor/Payee available in Accounting Purchases and payments. (All prior year taxes and retirement have been reported and paid on this wage; do **not** add the payment in payroll.)
- **Posted in error but not given to the employee.** Confirm that the paycheck was posted in the software but was not issued to the employee. Prior year outstanding paychecks would have been included on the withholding payments, tax reports, retirement reports and W-2 unless manually edited out by the fiscal officer. Review the prior year payroll reports and compare them to the prior year W-2 to determine if the check was reported as income by mistake. You may have to amend the prior year tax and retirement reports. Do **not** issue another payment to the employee.
 - Follow the steps under Accounting Housekeeping – How to Void a Prior Year Receipt or **Payment**, to void the prior year warrant.

PRIOR YEAR OUTSTANDING WITHHOLDING PAYMENTS

Outstanding withholding payments from a prior year that should have cleared the bank must be reviewed. If the outstanding withholding payment was posted in Payroll and **also posted and from Accounting and cleared on a bank reconciliation**, the payroll payment is a duplicate of the accounting payment. (Accounting and Payroll payments for the same period that are not the same amounts require further investigation and amendments than the steps below.)

Review the accounting payments in the prior year to determine if a cleared accounting payment is a duplicate of the outstanding payroll withholding payment.

- If the payroll withholding payment was also posted and cleared from accounting:
 - Follow the steps under Accounting Housekeeping – How to Void a Prior Year Receipt or **Payment** to void the prior year warrant.
- If the outstanding payroll withholding payment was not also posted in accounting nor received by the payee but should have been paid, it should be paid at this time to avoid further penalties. Contact the tax or retirement payee and discuss the payment to

determine whether the payment is due (keep in mind the corresponding report may never have been filed). You may need to add the penalty to the payment.

- Follow the steps under Accounting Housekeeping – How to Void a Prior Year Receipt or **Payment** to void the prior year warrant, **and**
- Issue a new payment from Accounting current year appropriations for the prior year withholdings that were not paid plus any penalty that is due to bring your account up to date.

WAGE ADJUSTMENT CREDITS AND/OR PAYMENTS

Wage Adjustment: If you used the Wage Adjustment utility to refund a withholding or swap withholdings, you must complete the process by either incorporating the credit and/or amount due into your next withholding payment to the payee prior to December 31st. Credits that are not needed must be cleared from Payroll. You can print a report of these items to review:

Steps to Access: Payroll → Reports & Statements → Withholding Reports, from the drop down list select Withholding Adjustments Unpaid. Select the items listed, click Print. Use this report to determine the exact amounts that should be incorporated into your next withholding payment or the items that should be cleared using the Unpaid Withholding Clear Utility. The Payroll Adjustments reports only list adjustments posted in the current year.

Clear a credit or amount due that has already been applied or paid using a different method:

Steps to Access: Payroll → Utilities → Unpaid Withholding Clear Utility, be careful to select only the year, month, withholding and employees represented on the Withholding Adjustments Unpaid report. Other unpaid withholdings you may see listed are addressed later in this section.

UNPAID WITHHOLDINGS

Print the Withholding Summary (unpaid is the default for the report) with the accurate setting for the withholding type.

Steps to Access: Payroll → Reports & Statements → Withholding Reports → Withholding Summary is the default report and Year is the default selection.

The withholdings listed are unpaid. If you see both State Retirement (OPERS/OP&FPF) and Regular (all withholdings that are not OPERS/OP&FPF), you need to print the report with two different settings. Use the setting below for each type; you will use these reports in another step:

- a. Regular withholdings (everything except OPERS and OP&FPF) need to be reported with the **Original Post Date** setting. Select only the Regular withholdings from the list (no State Retirement OPERS/OP&FPF), click Print.
- b. State Retirement withholdings, OPERS and OP&FPF need to be reported with the **Pay Period End Date** Setting. Select only the OPERS and OP&FPF withholdings from the list then click Print.

The Withholding Summary – Unpaid shows all unpaid (positive) and overpaid (negative) withholdings listed by withholding name and the month (see Withholding Overpayments below for a more complete understanding). If there are amounts listed under Prior Year Withholdings you have problems to resolve that will continue to affect your accounting budget if they are carried forward to the new year.

If there are zeroes listed under the Prior Year Withholdings column, **and** the only unpaid withholdings amounts are current unpaid withholdings that will be paid before December 31st **or** will be carried over and paid in the new year, you do not have any unpaid withholding problems.

If there are items listed in the Prior Year Withholdings column or in earlier months of the current year that should have been paid, **they must be investigated and corrected prior to closing the year or printing the W-2s**. Review these items closely to determine if you need to make amendments to your tax and retirement reports and payments. If a withholding payment was posted from the accounting module, you need to clear the unpaid withholding from payroll.

Examples of why withholdings remain unpaid:

- You made the withholding payment from accounting but failed to clear the unpaid withholding from payroll.
 - If you can verify the withholding was paid in accounting, you need to clear the unpaid withholding from payroll using the Unpaid Withholding Clear Utility. Steps to access below.

- An employee's paycheck was incorrect and was returned to the fiscal officer and a new paycheck was generated, but the first check was not voided and is still outstanding. The wrong paycheck was reported and paid to tax and retirement agencies, the new paycheck withholdings were never reported and paid.
- An employee was issued a paycheck after all other wages and taxes for the period had been reported and paid; they are still due and must be reported and paid.
 - In the last two examples, the reports and payments for the period must be corrected. You must review the wages paid and reports submitted for the time period in question in order to determine if you need to file amended reports and pay any balance due. **Errors that result in underpayments generate penalties and interest until they are corrected!**
- A paycheck has not cleared the bank **because it was not given to the employee**; The paycheck should be voided; the associated withholdings are not due.
 - If the paycheck was issued in the current year, it should be voided (Payroll – Utilities – Payroll Payment Utility) prior to closing the year or printing the W-2.
 - If the paycheck was posted in a prior year, it should be voided. Prior year warrants are voided in the current year as a Fund Balance Adjustment (Follow the steps under Accounting Housekeeping – How to Void a Prior Year Receipt or **Payment** to void the prior year warrant.) The prior year W-2 generated by UAN included the wages and withholdings, however; the fiscal officer may have manually edited the amounts out of the W-2. You may be required to amend the prior year tax or retirement reports for the period and/or issue a W-2c to the employee. Contact the IRS, the tax districts and/or OPERS/OP&FPF for instructions.
 - **Note:** If other withholdings were paid from this paycheck, voiding the check may reveal overpayments in other taxes or retirement withholdings, but you should still void the payment, correct the reports and resolve the overpayments.

The Withholding Summary lists prior year unpaid withholdings that have carried over to the current year but does not reveal the wage posting date of the withholdings that you will need to investigate to correct these issues. ***See below for a shortcut to reveal the paycheck details of prior year unpaid withholdings.**

IMPORTANT NOTE: If you cannot demonstrate through entity records that withholding deductions have been paid either through the Accounting or Payroll modules, you should not clear the withholdings. In such cases, you should investigate to determine if the withholdings are still owed to the agency and should be paid, or if there is some other explanation.

Clear Unpaid Withholdings When Necessary

How to clear the unpaid withholding once the investigation determines they are not due:

Steps to Access: Payroll → Utilities → Unpaid Withholding Clear

Once you open the utility, you will be able to access instructions under the FAQs section in the lower left-hand corner of the main UAN screen. Under FAQs, click “How to clear unpaid withholdings” to view step by step instructions in the Payroll Manual or to watch video instructions click “Unpaid withholdings clear screencast tutorial”. After clearing, the Withholding Clear Detail report can be printed to retain with your records:

Steps to Access: Payroll → Reports & Statements → Withholding Reports, then select Withholding Clear Detail

Be especially careful when clearing unpaid state retirement (OPERS or OP&FPF). The unpaid withholding clear utility is based on paycheck dates, not pay period dates.

WITHHOLDING OVERPAYMENTS

Print the Withholding Overpayments Report.

Steps to Access: Payroll → Reports & Statements → Withholding Reports, select Withholding Overpayments from the drop down list. Year is the default selection. Select all withholdings listed and click Print. The report will show you the Employee, payment number, employee and employer share, total overpayment and the overpayment date. Once the Overpayments have been resolved with a credit or a refund the details of corrections will appear on the report for the auditor to review.

Prior year overpayments will not appear on the Withholding Overpayment Report but the amounts are included as negative amounts on the Withholding Summary (unpaid) report (See Unpaid Withholdings above for instructions how to print the reports). If you had prior year unpaid withholdings and overpayments you must review the prior year reports to review the overpayment details by year. ***See below for a shortcut using the to reveal the paycheck details of prior year withholding overpayments.**

Example of withholding overpayments

- When a paycheck is voided after withholdings are paid, it creates a withholding overpayment. The wage and associated taxes were reported and paid in error. The payroll software retains the overpayment history until it is resolved. The overpayments **should** be handled within the fiscal year so your monthly and quarterly reports balance with the W-2s. Unresolved withholding overpayments carry forward to the new year.

- The fiscal officer is responsible for manually correcting the tax or retirement reports in order to generate a refund or credit.
- If you have already received a credit and applied it to a current year payment in accounting or received a refund and posted a receipt in accounting, you need to use the Payroll Overpayment Utility to post each resolution of the Withholding Overpayments.

All manual amendments to tax or retirement reports that were required due to voiding a paycheck already reported (creating withholding overpayments) **must be resolved prior to closing and issuing W-2s or W-3s**. UAN reports will reflect the reduced amounts after a wage is voided. You must contact the withholding agencies to file amended reports. The W-2 and W-3 will already contain the adjusted amounts.

Prior year withholding overpayments must be investigated in the year they occurred, and then resolved in the current year software. Review prior year reports to find the initial payments so you can investigate the overpayment. ***See below for a tip to reveal the paycheck details of items carried forward from prior years.**

SHORTCUT – REVEAL PRIOR YEAR UNPAID/OVERPAYMENT DETAILS

The payroll software will allow you to generate a report with the paycheck details of these prior year items, making it much easier to locate the dates of the errors, if you first create a batch payment for the prior year unpaid withholdings and overpayments. **You must delete the batch payments once the report is printed.** Follow the steps below to reveal the paycheck details on unpaid and overpaid prior year items:

- 1) On the Withholding Summary reports (*printing instructions are above in the Unpaid Withholdings section*) highlight the Taxes (Regular) or State Retirement withholdings that have an amount listed in the Prior Year Withholdings column. These items will appear in withholding payments as Regular (*anything that isn't a State Retirement*) by Original Post Date or State Retirement (*OPERS & OP&FPF*) by Pay Period End Date. They must be printed correctly for these steps to work properly.
- 2) Go to Payroll → Transactions → Withholding Payments, Click Add. If you have Regular items highlighted in Step 1 select “Regular – Electronic”. If you do not have any Regular items highlighted on the Withholding Summary skip to Step 6
- 3) On the Add Withholding Payment form select today as the post date. Click the drop down arrow for Payee. Review the Oldest Unpaid column and select the payee that has the oldest unpaid date from a prior year.
- 4) The Year and Month will automatically default to the oldest unpaid for this payee, you **must** mark Selected Period, leave the Start date as it defaulted and change the end date to 12/31/20xx (last prior year). Mark all of the employees in the list. Click Save
- 5) Repeat Step 3 and 4 until the Regular payments for all payees with oldest unpaid withholdings dates with prior years have been added. Click Close.

- 6) If you have State Retirement items highlighted on the Withholding Summary, Click Add and select “State Retirement – Electronic”. *If you don’t have State Retirement items skip to Step 9.*
- 7) On the Add Withholding Payment form select today as the post date. Click the drop down list for Payee. Select the first withholding from the drop down list that contains a **prior year** oldest unpaid date.
- 8) The Year and Month will automatically default to the oldest unpaid for this payee, you must mark Selected Period, leave the Start date as it defaulted and change the end date to 12/31/20xx (last prior year). The employee list populates with unpaid withholdings. Mark all employees Click Save
- 9) Repeat Steps 7 and 8 until you have created State Retirement payments for all payees with oldest unpaid withholdings dates prior to the current year. Click Close.
- 10) The batch items **WILL NOT BE POSTED!** Verify that the batch list contains all of the items that you highlighted on the Withholding Summary Reports. Click Close.
- 11) Go to Payroll → Reports & Statements → Batch Reports – Withholdings. Select all of the withholding batch items listed and click Print. Click Close.
- 12) Go to Payroll → Transactions → Withholding Payments; select all the items in the batch and **CLICK DELETE!** **Do NOT post the batch payments! Do NOT skip this step!**

The reports printed in Step 11 reveal the Employee name, Payment Date, Pay Period Dates Withholding Name, Gross Wages, Employee and Employer Amounts, and various totals. On the last page of the report there is a Report Total for Selected Payments. This amount should match the Withholding Summary prior year withholdings column (*combining the Regular and State Retirement reports*). You now have a list of all unpaid and overpaid prior year withholdings. Overpayments appear as negative numbers (*indicating a paycheck was voided after the withholdings were paid*). The batch report will show the month, year and withholdings you must review.

REVIEW PRIOR YEAR REPORTS

Select the prior year from the drop down box to generate prior year reports to determine where these items should have been reported and paid and if the overpayment credits or refunds were received. The filters tab defaults to unpaid on many reports but can be changed if necessary.

When looking at prior year reports with the Unpaid setting, the software will show you what **was** unpaid as of December 31 of the prior year. The prior year reports are **never** updated when the withholding is paid in the next year. You must compare the unpaid withholdings at the prior year end with the next year report, prior year withholdings column. You must move forward through each year to determine any amount that is still unpaid or unresolved from prior years.

Payroll reports prior to 2013 cannot be accessed by any UAN software. Refer to UAN User Note May 12, 2017 for instructions how to access 2011 and 2012 reports from the UANLink website. <https://uanlink.ohioauditor.gov/communications/pdf/UAN%20User%20Note%20May%202012%202017.pdf>