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USPS Calendar Year-End Procedure

May, 2006

This checklist outlines the steps to be taken to close the USPS calendar year.

1 Process any NC1 payments

Be sure to run the NC1 pay types for life insurance premiums over \$50,000 before your last payroll of the calendar year. See the chapter called Reporting Taxable Amount of Life Insurance Premiums in the USPS User Guide.

2 Month-end Closing

- a. Run the RETIRE program.
 - 1 ___ Select the SERSREG option. Choose to NOT create the tape file.
 - 2 ___ Verify that the total contribution amounts listed on the report equal the total deduction checks for the withholding plus any warrant checks written for pick-up on pick-up.
 - 3 ___ Verify that contributions by employee equal earnings times the applicable retirement percentage. Allow for rounding (within a few cents).
 - 4 ___ Review service credit days for all employees on the report.
 - 5 ___ Once satisfied that the data is correct, run the program again and answer YES to create the tape file to clear totals and create the submission file (called SERS.yymm).
 - 6 ___ Contact NWOCA via email (MAIL_STAFF_FIS) and inform us that your SERS file has been created.
- b. ___ Complete and submit SERS monthly reports and payments as required.
- c. ___ Verify that paperwork has been completed for employees listed on the report as "new".
- d. ___ Balance the payroll account (when statement is received from bank).
 - 1 ___ Run the CHKSTA program to reconcile checks.
 - 2 ___ Run the CHKSTS option of the USPRPT program to generate an outstanding check register.
- e. ___ Run the BENACC program if applicable.

3 Quarter-end Closing

- a. ___ Run the QRTRPT program selecting the demand option (N).

USPS Calendar Year-End Procedure

- b. ____ In the "Totals" section of QRTRPT, the gross and adjusted gross should balance using a manual calculation:

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Gross
- Annuities
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Adjusted gross calculated
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The Adjusted gross calculated should equal the adjusted gross amount from QRTRPT. This should be true for all adjusted gross figures in the "Totals" section.

- c. ____ All deduction checks for the quarter should equal the total deductions showing on QRTRPT. This should be true for every deduction code. Be sure to verify the electronic transfers of federal and Medicare payments as well.
- d. ____ The total gross showing on QRTRPT should equal the total of all payroll clearance checks created during CHKUPD for the quarter.
- e. ____ It is recommended that you balance the W2REPT quarterly to minimize problems at calendar year-end.
- 1 ____ Run the program W2PROC. Check the W2ERR.TXT report for errors.
 - 2 ____ Complete and balance the W2REPT Reconciliation Worksheet for the quarter following the directions on the Worksheet.
 - 3 ____ Balance the deduction totals (taxes and annuities) on the W2REPT.TXT report with the totals from the DEDRPT.TXT reports from the quarter.
 - 4 ____ Balance the gross amounts on the W2REPT.TXT report with the PAYRPT.TXT reports for the quarter. Note: These amounts may not balance due to the way W2PROC handles certain amounts (e.g. Medicare pickup).
 - 5 ____ If errors are discovered, check employees that had exception processing during the quarter such as voided checks, error adjustments, or manual changes in USPSCN. The AUDRPT program can be useful in identifying these problems.
- f. ____ Run the PAYDED program verifying that there are no outstanding deduction amounts. To generate a non-zero deduction listing, set the 'Payment option' to A, leaving the 'Pay cycle' and 'Deduction codes' fields blank.
- g. ____ The total of all board paid amounts (if tracked on the system) should equal the total of all warrant checks to the vendor or deduction company.
- h. ____ Complete and file any required quarter-end submission forms.

USPS Calendar Year-End Procedure

- i. ____ For city withholdings, take the taxable gross times the percentage to be sure the tax withheld and submitted are correct. Please note mobile employees could cause discrepancies.
- j. ____ Run the program ODJFSRPT setting the 'Create a submission file' to N to generate a report only.
 - 1 ____ Check all totals carefully for accuracy. If necessary, adjustments can be made using USPSCN/ATDSCN.
- k. ____ When all data is correct, run the ODJFSRPT program again, this time indicating that you want to create a tape file for submission.
 - 1 Send electronic mail to NWOCA personnel (MAIL_STAFF_FIS), indicating that you have created the ODJFS tape file.
- l. ____ Only if hard copies of quarter end reports are desired, run the following:
 - USPRPT/EMPMST (all data)
 - USPRPT/ERNSUM (all data for the quarter) - condensed version of ERNREG (170 column report)
 - ERNREG (all data for the quarter)
 - QRTRPT (all data - demand report)

These reports may be printed at NWOCA using the quebatch program USPS02. Do not clear the quarter end data using QRTRPT until the quebatch program has actually printed the reports at NWOCA and you have received them.

IF YOU ARE READY TO COMPLETE W2 PROCESSING, PROCEED TO STEP 4, W2 Processing Now.

IF YOU NEED TO BEGIN JANUARY PAYROLL PROCESSING BEFORE COMPLETING W2 PROCESSING, PROCEED TO STEP 5, W2 Processing at a Later Time.

USPS Calendar Year-End Procedure

4 W2 Processing Now

- a. ____ Check W2 abbreviations on city DEDNAM records. The W2 form will truncate the abbreviation to six characters even though the field in DEDNAM allows twelve characters.
- b. ____ If you have any employees who have Sylvania city tax withheld, the tax information must be filed electronically. NWOCA will submit this data on your behalf. Insure the Sylvania tax entity code is in the Sylvania city tax record in DEDNAM. The information cannot be filed electronically unless the entity code is present. Contact the city of Sylvania to obtain their entity code.
- c. ____ For any cities using either the Regional Income Tax Agency (RITA) or the Central Collection Agency (CCA) to report city tax information, verify the tax entity code, the appropriate RITA and/or CCA three digit code, and RITA and/or CCA description are entered on the city USPSDAT/DEDNAM record. Contact RITA or CCA to obtain the entity codes.
- d. ____ Contact NWOCA with any other cities that require electronic reporting,
- e. ____ Insure the OSDI four digit code appears first in the W2 abbreviation field in DEDNAM, followed by the school name if there is space. The four digit code is required on the W2.
- f. ____ Using DEDSCN or the W2UPDT program, make any necessary changes to the YTD gross, YTD taxable gross and/or deductions for the W2 forms. Sources of these changes may be fringe benefits, life insurance cost, adoption assistance, third party pay, or a leased vehicle.
- g. ____ If an employee has reportable dependent care information that needs to appear in Box 10 of the W2 form, there are two ways of reporting:
 - Enter the dependent care amount in the dependent care field on the 001 Federal record.
 - If the DPCARE deduction type is being used no further corrections are necessary.

Questions on whether the dependent care is reportable or not should be directed to your district legal advisor.
- h. ____ Insure portions of annuities identified as insurance are adjusted on the deduction records so they are taxed properly. If you are notified of this situation, you will need to increase the taxable gross on the 001, 002, and OSDI deductions for the amount identified as insurance and decrease the YTD annuity amount by the amount identified as insurance. If the city honored the annuity when the amount was withheld, the city records should also be updated.
- i. ____ Run the program YTDRPT if desired. This report generates year-to-date totals and a benefit statement for all employees, pay groups, or individual employees.

- j. ____ Run the OAPSE report if desired. This report generates a listing of employee name, SSN, birthday, and year-to-date gross.
 - From the USPS menu, select the USPS_LCL option.
- k. ____ Run the program W2PROC. This program generates the following files:
 - W2ERR.TXT
 - W2REPT.TXT
 - W2FORM.TXT
 - W2BREAK.TXT
 - W2TAPE.SEQ
 - W2FORM.DAT
 - W2CCA.SEQ (only CCA entities)
 - W2RITA.SEQ (only RITA entities)
 - W2CITY.DAT

The W2FORM.DAT and W2FORM.TXT are used by NWOCA to print the actual W-2's for your district. If employees have more than two state, city, or OSDI tax records, the extra W-2 form necessary to accommodate this information will print on the W-2 immediately following the employee's primary W-2 within the W2FORM.TXT file. These additional W-2's will have control numbers which follow in the sequence of the W2FORM.TXT file.

Also produced is a file called W2TAPE.SEQ which will be submitted to the federal and state taxing entities for you by NWOCA.

For those districts reporting city tax information to RITA or CCA, a file called W2CCA.SEQ and/or W2RITA.SEQ is generated. This file is used by NWOCA to submit the city tax information on your behalf.

- l. ____ Print the W2ERR.TXT and W2REPT.TXT reports and verify the data. Make changes to the data, if necessary, and rerun W2PROC. This program can be run as many times as necessary until all data is correct.
- m. W2CITY.DAT is used for other city submissions and should not be printed.
- n. ____ W2BREAK.TXT shows where the W2 forms should be separated for possible distribution. The report lists each sort field and its starting control number. This report does not apply to Name or SSN sort options.
- o. ____ Once all data is correct, contact NWOCA (within 48 hours) via Email (MAIL_STAFF_FIS) with instructions to print the W-2 forms. Notification will be sent by NWOCA personnel when the W-2's have been printed.

USPS Calendar Year-End Procedure

- p. ___ Mail the State IT-3 form and City of Sylvania SW-3 form (if applicable) to NWOCA.
- If necessary, an IT-3 form can be printed by accessing the following URL:
 - http://tax.ohio.gov//Business/Misc_EW_FORMS/it-3/pdf
- q. ____ Run the procedure @PAY:USPS_CALENDAR_COPY or from MENU, enter USPSCALEND.
This procedure creates a copy of your files.
- r. ____ From the USPS_ANN menu, run the CALENDARCD program.
This procedure generates a standard set of calendar year-end reports and makes them available via the PAYROLLCD web directory.
- s. ____ Run the QRTRPT program and zero out all data for the quarter and calendar year (Option Y). Do not zero out fiscal year data.
- t. ____ To insure the data cleared correctly, run the QRTRPT program again and verify that the year to date and quarter to date totals on the report are zero.
- u. Begin payroll processing for the next calendar year.

5 W2 Processing at a Later Time

- a. ____ Run the procedure @PAY:USPS_CALENDAR_COPY or from MENU, enter USPSCALEND.

This procedure creates a copy of your files. W-2 Forms may be generated at a later date, if necessary, from the files created by this copy procedure.

- b. ____ Run the QRTRPT program and zero out all data for the quarter and calendar year (Option Y). Do not zero out fiscal year data.
- c. ____ To insure the data cleared correctly, run the QRTRPT program again and verify that the year to date and quarter to date totals on the report are zero.
- d. ____ Continue with January payroll processing.
- e. ____ Send electronic mail to NWOCA personnel (MAIL_STAFF_FIS), indicating you are ready to begin W2 processing.
- f. ____ Log into _D account using username and password provided in electronic mail instructions.
- g. ____ Check W2 abbreviations on city DEDNAM records. The W2 form will truncate the abbreviation to six characters even though the field in DEDNAM allows twelve characters.
- h. ____ If you have any employees who have Sylvania city tax withheld, the tax information must be filed electronically. NWOCA will submit this data on your behalf. Insure the Sylvania tax entity code is in the Sylvania city tax record in DEDNAM. The information cannot be filed electronically unless the entity code is present. Contact the city of Sylvania to obtain their tax entity code.
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- v. ____ Mail the State IT-3 form and City of Sylvania SW-3 form (if applicable) to NWOCA.
 - If necessary, an IT-3 form can be printed by accessing the following URL:
 - http://tax.ohio.gov//Business/Misc_EW_FORMS/it-3/pdf
- w. ____ From the USPS_ANN menu, run the CALENDARCD program.

This procedure generates a standard set of calendar year-end reports and makes them available via the PAYROLLCD web directory.

- x. ____ Run the procedure @PAY:USPS_CALENDAR_COPY or from MENU, enter USPSCALEND.

This procedure creates a new copy of your files.