Reconciling Savings Bonds

Personnel Payroll Association

Steven Ketelsen
Office of Financial Management

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What's happening?

- US Treasury eliminating paper EE **Savings Bonds**
- Multiple ACH not supported by HRMS
- Last bond deduction/purchase 12/23/2010
- All bonds must be end-dated by end of 2010
  - Infotype 0103 Bond Purchases
  - Infotype 0104 Bond Denominations
  - See DOP Communications

Bond Cycle

- Employee chooses a bond denomination
  - $100 to $1000
  - Purchase for half the denomination
  - E.g. $100 bond costs $50
- Employee chooses a deduction amount per period

Bond Cycle

- Deduction is kept by agency in **reserve** until enough has accumulated to purchase a bond
  - Ex: $200 bond
  - Cost $100
  - Employee deducts $25 per period
  - Bond purchased in four pay periods, or two months

Savings Bond Deductions Payable

- Account 035 General Ledger (GL) 5188
- This is where we keep each employee's **Reserve Balance**
- **Deductions** appear as **credits**
- **Purchases** appear as **debits**
- Normal balance is credit (or zero)
- Balance should match HRMS reserve balance
- Debit balance = ***cash deficit!***

End-Dating Effects

- Last deduction
  - If enough reserve balance to purchase, purchase occurs
  - If not enough reserve balance, refund occurs
- This works very well if you know that the balances are correct for your employees.
- If balance is *incorrect* employee refunds may be incorrect.

Reconciling

- How do I know whether my balances are correct?
  - Reconcile Account 035 GL 5188
  - Should happen before the last pay of the year

Quick Reconciliation

- Don’t have time for a full reconciliation
  - Is there an issue?
  - When/where did it first show up?
- Usually, detailed reconciliation is not necessary for most months

Assumptions

- HRMS does a great job of keeping reserve balances and deductions straight
- The reserve amount in GL 5188 is **correct**
  - We have cash in 035 to back it up
  - Savings Bond reserve balances are *never* agency money
    - If it's not agency money, it must be employee money
    - If you've manually recovered 5188 credit balances to agency funding sources, you'll need to talk to OFM

Out of Balance Causes

- Employee transferred to another agency
  - Reserve balance transfers with the employee automatically in HRMS
  - Money does not
  - JV required to send money to gaining agency if there is a balance
- Old PAY1 balances
  - Conversion of balances from old PAY1 system in 2006
- Manual entries/Journal Vouchers

Quick Recon Overview

- Review current month's Account 035 GL 5188 balance (in the accounting system)
- Compare to current month's HRMS bond reserve balance (in HRMS)
- Find the difference – this is the amount you must "reconcile."

Quick Recon Overview

- Find the difference between the latest month's 5188 balance and HRMS bond reserve balance
- Find the difference between the prior month's 5188 and reserve balances.
- Is the prior month's difference the same as the latest month's difference?
  - No: Something happened in the later month. Do a detail reconciliation of the month's activity
  - Yes: First month's activity is balanced, compare the prior two months

Month-to-Month, Backwards

How much money we have

How much SAP thinks we have

We don't know whose money this is.

Why did the difference change? Explanation of monthly activity

Month	AFRS/Enterprise 035/5188 Balance	SAP WT 4110 Total	Difference	Change in difference from prior month	What caused it? What's the solution?
Oct-10	(400.00)	150.00	(250.00)	-	
Sep-10	(325.00)	75.00	(250.00)	-	
Aug-10	(250.00)	-	(250.00)	(37.50)	Employee 123456 transferred to XYZ Agency July 31. JV $37.50 to XYZ
Jul-10	(425.00)	212.50	(212.50)	…	
Jun-10	…	…	…	…	

- Found 37.50 of 250.00 in difference.
- Review backwards in time until it's all found.

Wage Type Reporter

HRMS: Wage Type Reporter

PC00_M99_CWTR

Program Edit Goto System Help

Wage Type Reporter

Further selections | Search helps | Org. structure

Selection

Personnel Number	
Company Code	WA01
Personnel area	1050
Personnel subarea	
Employee group	
Employee subgroup	
Payroll area	

Payroll Interval

Period	06/16/2010	To	06/30/2010
Payroll type		to	

Payroll Period

Period determination

- In-view payroll periods
- For-view payroll periods

Other selections

Wage Type	4100	to	

- Archived Payroll Results
- Display recs with null values

Object selection

Output

SAP List Viewer	Layout Variant	
ALV Grid Control	Layout Variant	/GL5188RECON
Microsoft Excel	Template PC File	

The entered selections were not accepted | PC00_M99_CWTR | SSVCIHRPECC | OVR

Wage Type Reporter

- Get Variant /5188QUICKREC
  - For the quick reconciliation, only interested in Reserve Balance number, Wage Type 4110
  - Might have to dig deeper if you do a detailed reconciliation
  - Detail reconciliation covered on OFM's Payroll Resources web page
- Change payroll period
  - One period at a time
  - Even-numbered periods (e.g. 02/2010, 04/2008)
    - 25th/last payroll of the month
    - Compare to AFRS ending balance
    - Odd periods useful in detail reconciliation
- Change agency in Personnel Area field
  - Subagencies = Multiple Selections in PA field
  - Business Area not available

Wage Type Reporter

List Edit Goto Settings System Help

Wage Type Reporter

PA	Pers....	Last name First name	For-pe...	Pmt date	WT	Wage Type Long Text	Numbe...	Amount
1050	[redacted]		201014	07/26/2010	4110	Reserve Balance - B...	0.00	25.00
1050			201014	07/26/2010		Reserve Balance - B...	0.00	25.00
1050			201014	07/26/2010		Reserve Balance - B...	0.00	25.00
1050			201014	07/26/2010		Reserve Balance - B...	0.00	40.00
1050			201014	07/26/2010		Reserve Balance - B...	0.00	300.00
1050			201014	07/26/2010		Reserve Balance - B...	0.00	25.00
					41...			440.00
								44...

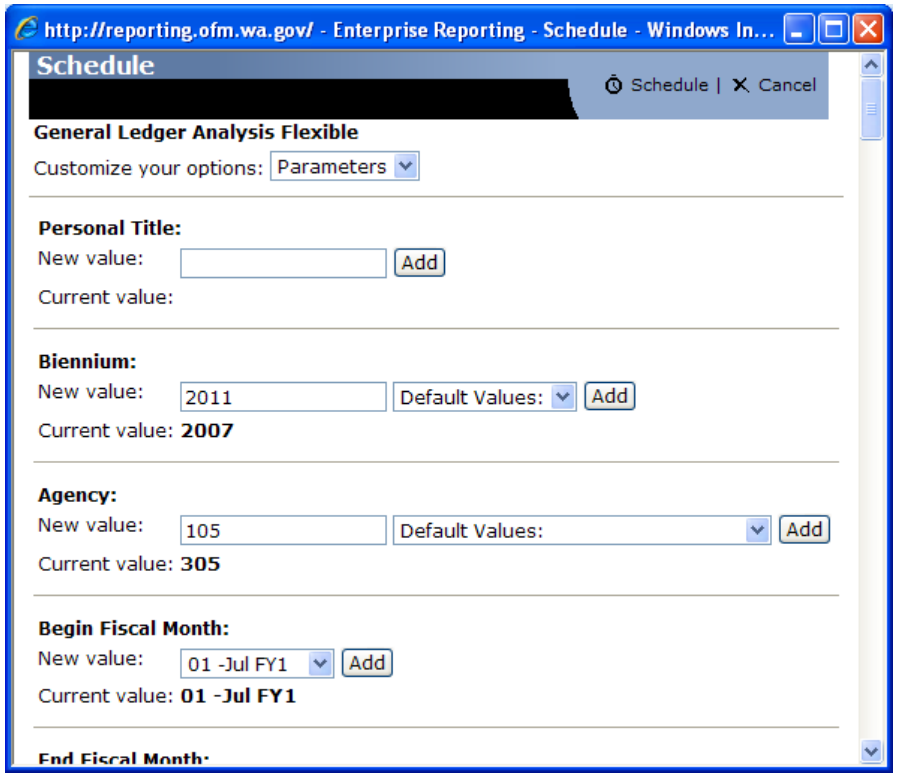
PC00_M99_CWTR ssvaphrpecc2 INS

HRMS Reserve Balance

- List of Wage Types by Employee
- Total of WT4110 is Reserve Balance
- HRMS Reserve Balance as of 7/31/2010 = $440.00

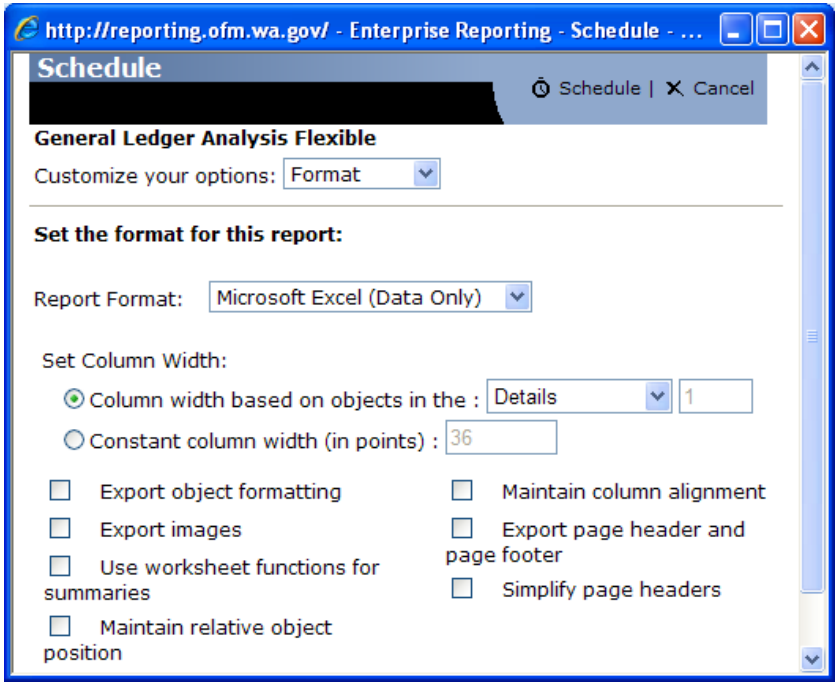
Enterprise Reporting

- http://reporting.ofm.wa.gov
  - → Financial Reports
  - → General Ledgers
  - → General Ledger Analysis Flexible
  - → Schedule with Selection Values
- Current Biennium (2011)
- Agency
- Account 035
- GL 5188
- Fiscal Month
  - Do the whole biennium at once—save yourself time
  - 01-July FY1 through 24A-Adj FY2



Excel is Your Friend

- Customize your options → Format
  - Data-only, no header/footer
  - Easiest to manipulate in Excel



Transaction Detail

- Delete or hide unused columns
- Presented in date order, by Fiscal Month
- Use a formula to get a running balance
- Bond Reserve Balance as of July 31, 2009: $(442.50)

FM	Proc Dte	Cur Doc No	BT	B#	Acct	TC	Amount	***Running Bal***
1101	2009 07 07	PR-P0913	P2	001	035	797	(355.00)	***(937.50)***
1101	2009 07 07	SAVP0913	PS	001	035	350	400.00	***(537.50)***
1101	2009 07 20	PR-P0914	P0	001	035	797	(355.00)	***(892.50)***
1101	2009 07 20	SAVP0914	PS	001	035	350	450.00	***(442.50)***
	~~	~~~	~~~					
1116	2010 10 06	PR-P1019	P0	001	035	797	(105.00)	***(337.50)***
1116	2010 10 06	SAVP1019	PS	001	035	350	150.00	***(187.50)***
1116	2010 10 20	PR-P1020	P0	001	035	797	(100.00)	***(287.50)***
1116	2010 10 20	PR-P1020	P0	001	035	797R	15.00	***(272.50)***
1116	2010 10 20	SAVP1020	PS	001	035	350	50.00	***(222.50)***
1117	2010 11 04	PR-P1021	P0	001	035	797	(100.00)	***(322.50)***
1117	2010 11 04	SAVP1021	PS	001	035	350	150.00	***(172.50)***
1117	2010 11 17	105JV246	05	332	035	025	172.50	***0.00***
1117	2010 11 18	PR-P1022	P0	001	035	797	(100.00)	***(100.00)***
1117	2010 11 18	SAVP1022	PS	001	035	350	50.00	***(50.00)***
Total for	Period Activity:	532.50						
	Ending Balance:	(50.00)						
Total for	Period Activity:	532.50						
	Ending Balance:	(50.00)						
Total for	Period Activity:	532.50						
	Ending Balance:	(50.00)						
Input Pa	Entered as	Interpreted as						
User ID:	skac105							
Agency:	105	105						

Transaction Detail

- “PR-P” documents are deductions or adjustments
- “SAVP” documents are purchases
- Batch Type not starting with “P” is a manual transaction
- Negative () numbers are normal, “positive” liability balances in this GL account

Agency	Beginning Balance:	(582.50)							
Account	Beginning Balance:	(582.50)							
General	Beginning Balance:	**(582.50)**							
FM	Proc Dte	Cur Doc No	BT	B#	Acct	TC	Amount	***Running Bal***	
1101	2009 07 07	PR-P0913	P2	001	035	797	(355.00)	***(937.50)***	
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1117	2010 11 18	SAVP1022	PS	001	035	350	50.00	***(50.00)***	
Total for	Period Activity:	532.50							
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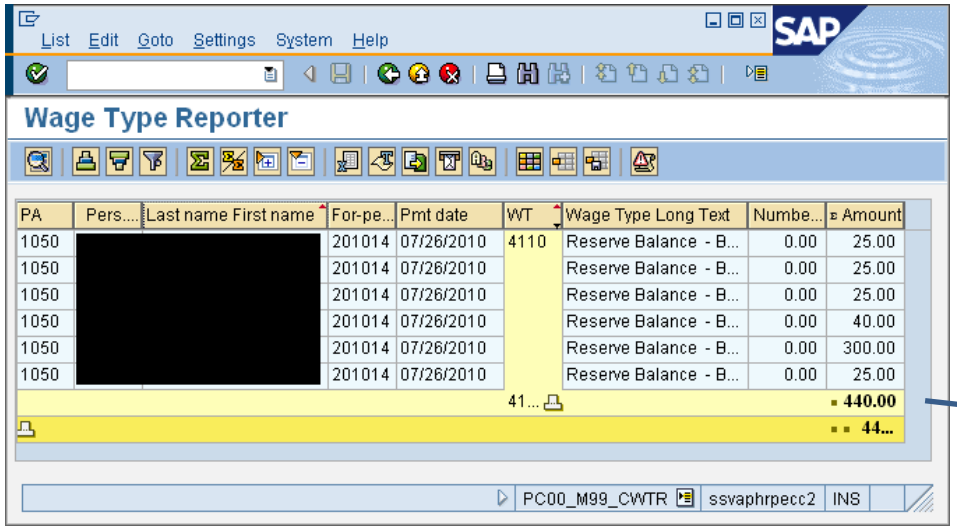
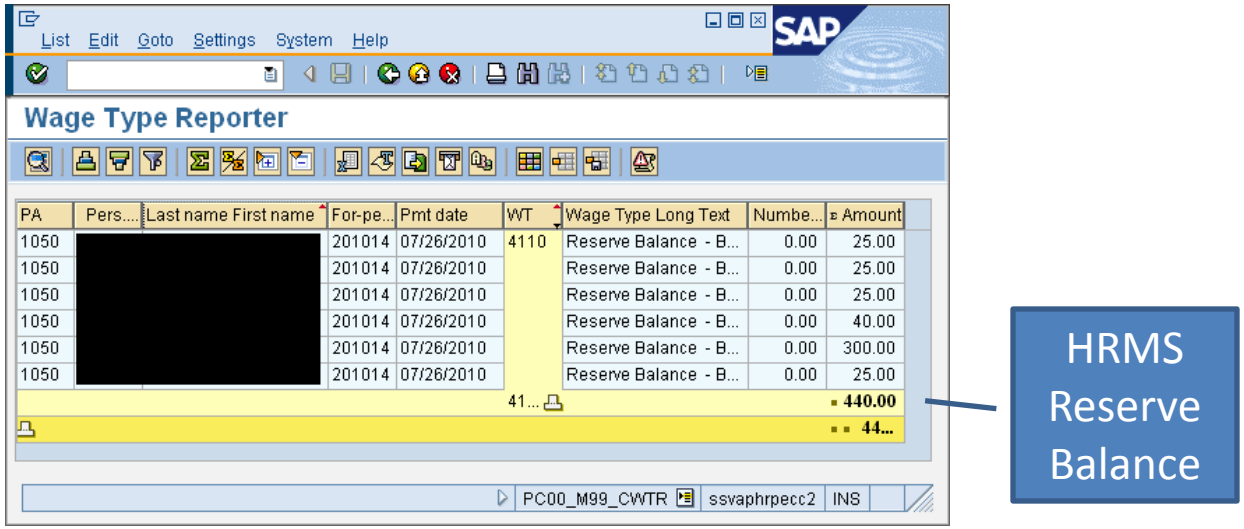
Review



HRMS Reserve Balance

- AFRS has $442.50, from last slide
- HRMS Reserve Balance as of 7/31/2010 = $440.00
- What does this mean?
  - We have $442.50 sitting in Account 035 that belongs to bondholders
  - HRMS has accounted for $440.00 of it
  - We have to find the $2.50.

Review



HRMS Reserve Balance

- Compare the $2.50 difference with the prior month's difference
- If it changed, something occurred in the later month to throw our HRMS reserve balance off
- Keep doing the quick reconciliation backward through time until the difference is zero.

Ye Olde Payroll System

- Agencies rolled over to HRMS in
  - January 2006 (just DOP)
  - April 2006 (small number of agencies)
  - July 2006 (most agencies)
- If you reconcile back to conversion and still have a reconciliation difference, CALL OFM
  - Have available the last PAY1 Savings Bond reports
    - SM3740 Savings Bond Reserve Balances ← **Critical!**
    - HRISD-B1310-R01 Savings Bond Purchase Request
    - HRISD-B3922-R01 Savings Bond Register
    - HRISD-B3713-R01 Update Savings Bond Reserves
  - These are paper reports
  - State retention policy is six years
  - Are they at Secretary of State Archives?

OFM Statewide Accounting

- Reconciliation Tools:
  - http://www.ofm.wa.gov/payroll/reconciliation.asp
- Contacts

Steve Ketelsen – OFM Statewide Accounting

steven.ketelsen@ofm.wa.gov

(360) 725-0222

Steve Nielson

steve.nielson@ofm.wa.gov

(360) 725-0226