

Tri-County Computer Services Association

# USPS Calendar Year End Closing Procedures - 2018

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This document outlines the steps to be taken to close USPS for the month, quarter and calendar year 2018.

## Process NC1 Payments

- 1)** 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.

## Month End Closing

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

## Quarter End Closing

- 7)** Run QRTRPT selecting the demand option (N).
- 8)** In the "Totals" section of QRTRPT, the gross and adjusted gross should balance using a manual calculation.
  - Gross - Annuities = Adjusted Gross Calculated
  - The Adjusted Gross Calculated amount should equal the adjusted gross amount from QRTRPT. This should be true for all adjusted gross figures in the 'Totals' section.
- 9)** All deduction checks for the quarter should equal the total deductions showing on QRTRPT. Be sure to verify the electronic transfers of federal and Medicare payments as well. This should be true for every deduction code.
- 10)** The total gross showing on QRTRPT should equal the total of all payroll clearance checks created during CHKUPD for the quarter.
- 11)** Balance W2REPT.
  - It is recommended to balance W2REPT quarterly to minimize problems at calendar year end.
  - Run W2PROC. Check the W2ERR.TXT report for errors.
  - Complete and balance the [W2REPT Reconciliation Worksheet](#) for the quarter following the directions on the Worksheet.
  - Balance the deduction totals (taxes and annuities) on the W2REPT.TXT report with the totals from the DEDRPT.TXT reports from the quarter.
  - Balance the gross amounts on the W2REPT.TXT report with PAYRPT.TXT reports for the quarter.
  - **NOTE:** These amounts may not balance due to the way W2PROC handles certain amounts (e.g. Medicare pickup)
  - 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.
- 12)** Run PAYDED, to generate a non-zero deduction listing. To do so, set the "Payment Option" to A, leaving the "Pay Cycle" and "Deduction Codes" fields blank. On DEDRPT.TXT, verify that there are no outstanding deduction amounts.

- 13)** 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.
- 14)** Complete and file any required quarter-end submission forms.
- 15)** For city withholdings, multiply the total gross times the percentage to be sure the tax withheld and submitted are correct.
  - **NOTE:** Mobile employees could cause discrepancies.
- 16)** Run ODJFSRPT setting the "Create a submission file" to N to generate a report only.
  - Check all totals carefully for accuracy.
  - If necessary, adjustments can be made using USPSCN/ATDSCN.
- 17)** When all data is correct, run ODJFSRPT again, this time indicating that you want to create a tape file for submission.
- 18)** Only if hard copies of quarter end reports are desired, run the following:
  - USRPT/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)

## W2 Processing

- 19)** 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.
- 20)** 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.

- 21)** 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.
- 22)** Using the 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 costs, adoption assistance, third party pay, or a leased vehicle.
- 23)** 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 action is necessary.
  - **NOTE:** Questions on whether the dependent care is reportable or not should be directed to your district legal advisor.
- 24)** 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.
- 25)** Run YTD RPT if desired. This report generates year-to-date totals and a benefit statement for all employees, pay groups, or individual employees.

**26)** Run W2PROC. Initial run saying 'N' to Create Tape File prompt. This program generates the following files:

- W2ERR.TXT
- W2REPT.TXT
- W2FORM.TXT
- W2BREAK.TXT
- W2FORM.DAT
- W2CCA.SEQ (only CCA entities)
- W2RITA.SEQ (only RITA entities)
- W2CITY.DAT

**27)** Print the W2ERR.TXT and W2REPT.TXT reports and verify the data.

- Use the CYE PowerPoint for instructions regarding verifying and balancing the W2 reports.
- 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.

**28)** When all W2 data has been verified and is accurate run W2PROC again saying 'Y' to the Create Tape file prompt.

- The W2TAPE.SEQ file will be created.

**29)** From the USPS\_ANN menu, run the CALENDARCD program.

- Verify that the reports were created.

# STOP!

## CREATE A TCCSA.FISCAL HELPDESK TICKET TO REQUEST A USPS BACKUP

*NOTE: Please indicate the W2 sort sequence in the ticket.*

## DO NOT PROCEED UNTIL YOU ARE NOTIFIED THAT TCCSA HAS A GOOD BACKUP

- Requesting a calendar year end backup will also serve as a prompt for TCCSA to create a pdf file of the W2 forms on the calendar year end USPS archive. It is located at <http://tccsa0.tccsa.net/archive/xxxx/> (where xxxx is your 4 character district code). We will notify you when they are ready for review. The forms will not be printed until we have received a review confirmation via a TCCSA.FISCAL helpdesk ticket. At that time we will print the actual forms.
- The IRS has changed the deadline for electronic submission of W2 data. This data is now due to the IRS by January 31.
  - **TCCSA has set a deadline of January 11, 2019 as the deadline for the W2 forms to be verified by districts and ok to print and submit electronically.**

## Calendar Year End Closing

- 30)** Run QRTRPT and zero out all data for the quarter and calendar year (option Y). Do **NOT** zero out fiscal year data.
- 31)** 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.
- 32)** Mail the State IT-3 form to TCCSA.
  - If necessary, an IT-3 form can be printed by accessing the following URL:  
[https://www.tax.ohio.gov/portals/0/forms/employer\\_withholding/Gener  
ic/WTH\\_IT3\\_FI.pdf](https://www.tax.ohio.gov/portals/0/forms/employer_withholding/Gener<br/>ic/WTH_IT3_FI.pdf)

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**This completes all necessary steps to close USPS for the calendar year. You may start processing payroll for the new calendar year!**

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