

Calendar Year End Payroll Procedures – Pre-Closing Steps

revised 11/2009

Deduction Name Records (DEDNAM):

- Verify information in your Deduction Name (DEDNAM) records. You can do this by paging through the DEDNAM records or by running Deduction Name Reports (DNAMRPT)
 - Verify the OSDI Code field for all OSDI deduction records.
 - This code should be the school district for which you are collecting the tax. The W2 abbreviation description field must include this code first plus the school district. The four digit code is required on the W2. The W2 form will truncate the abbreviation to six characters even though the field in DEDNAM allows 13 characters. Example: 2509REYOSDI.
 - If using the DNAMRPT select Group Deduction Code H
 - Check the City deduction records
 - 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.
 - Verify Entity Code for any city that will be reported on magnetic media
 - Verify Rita City and CCA Codes on Rita and CCA city deductions, *see handouts*.
 - Verify that you have vendor numbers on each City record if you wish to run the City Tax Report and have it page break by City
 - If using the DNAMRPT select Group Deduction Code B
 - Verify Health Savings Accounts have a Type is set to “P”
 - Verify that all of your Annuity records are coded with the correct annuity type
 - If using the DNAMRPT select Group Deduction Code D
 - If you are not sure of the annuity type, contact the annuity company.

Deduction Screen Records (DEDSCN):

- Verify the information in your employees Deduction Screen (DEDSCN) records
 - Verify Employ/Residence Code on all city deductions
 - Verify the pension flag field on the federal tax record (001) for each employee

- Reimbursements of Employee Expenses, *see handout for options*.
- Moving expenses that were reimbursed to an employee or payment that was made directly to a third party for services are to be entered in the 001 Federal deduction record.
- The portion of an annuity identified as insurance by the annuity company must be added to the taxable gross on the 001, 002, OSDI, and City (if city honored annuity initially) deductions and subtracted from the YTD annuity amount.
- Fringe benefit amounts, *see power point*.
- Dependent Care if not using the DPCARE deduction type, *see power point*.
- Use of Company Vehicle, *see power point*.

Note: If any changes need to be made see Affects of Specific Situations on W2 Reporting

Special Situations:

- Process any life insurance over \$50,000 as NC1 pay type per chart.
 - See “Life Insurance Amounts Over \$50,000”
- Employees on Active Military duty
 - See “Employees on Active Military Duty”

Balancing Payroll:

- Run W2Proc, ERNREG and QRTRPT and balance before the first pay in December.
 - Balance with ERNREG and QRTRPT, review and correct all warning and errors.
 - Balance the QTD/YTD/FTD gross, taxes, annuities, Medicare, retirement and Section 125 plans.
 - Deduction totals should equal the total of all deduction checks written for the period(s) being balanced.
 - Gross amounts should equal the total of all payroll clearance checks issued during the particular period(s) being balance.