



Volume No. 1—Policies & Procedures	TOPIC NO.	50530 – Cardinal
Section No. 50500—Paying the Employee	TOPIC	Void Payments
	DATE	November 2021

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Overview

Introduction

The void payment process reverses gross-to-net payroll amounts (i.e., gross payroll, taxes, and deductions) from the employee record for payments created in error. Once funds have been successfully returned through the stop payment process, DOA enters the voided payment information into Cardinal HCM to provide for a timely and controlled reconciliation between DOA and the Department of Treasury. When this information is keyed into the system, Cardinal HCM automatically:

- Corrects the employee record
- Adjusts the next federal tax deposit and some other affected disbursements; and
- Reverses charges to Cardinal FIN

This process corrects the employee record for W-2 reporting; however, some employee deductions (e.g., direct deposit transactions, deferred compensation, annuities, ORP contributions) may not be successfully reversed.

Failure to inform DOA of the void in a timely manner may allow the employee time to access and remove his/her net pay and/or other deductions before they can be retrieved, resulting in an agency collection problem.


The void check form must be submitted to DOA within five days of the check date or the agency must initiate and complete the collection process. Once funds have been successfully collected from the employee, the agency must submit a Balance Adjustment request to DOA.

Reasons for Void Processing

Throughout this topic, the term "void checks" is used for both payroll checks and direct deposit advices. Situations that might cause incorrect payroll checks include:

- Incorrect pay rates entered into the system
 - Improper reconciliation of prior payroll errors causing the continuation of errors in subsequent checks
 - Incorrect withholding allowances and amounts
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Overview, Continued

Reasons for Void Processing, continued


- Incorrect payroll deductions and deduction amounts resulting in incorrect net pay
- Annual/sick leave taken exceeds balances available resulting in a leave without pay (LWOP) condition and an overstated employee check for the pay period
- Delayed or incorrect reporting of terminated employees

Guidelines to Limit the Number of Voids

The following guidelines will help reduce the number of void checks processed, and subsequently, the number of corrected checks issued:

- A. Exercise reasonable judgment in determining if the overpayment or underpayment amount justifies voiding and reissuing a corrected check. Voiding payroll checks for relatively small errors is not cost efficient when minor adjustments may be made on the next regular agency payroll. If an underpayment causes a hardship for the employee and the error must be corrected prior to the next period, process a special payment for the additional amount and do not void the check. A hardship is defined by DOA as an error in either the Gross or Net pay of the employee's original check of at least 10%. See CAPP – Topic No 50515, *Special Payments*, for procedures on processing non-routine (special) payments.
Note: Adjustments to a subsequent payroll may be necessary to reflect proper reporting of the employee's benefits, such as retirement, health care credit, etc.
- B. Agency personnel, supervisors and administrators must submit and process employee leave forms on a timely basis to ensure timely and accurate leave data is available in order to avoid unanticipated leave without pay (LWOP) situations.
- C. Monitor problem payroll situations, particularly recurring LWOP, to institute appropriate policies to discourage such situations. If necessary, disciplinary action should be taken to address attendance issues.

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Forms Completion/Submission


Form Completion

The forms used for voiding an employee's paycheck or direct deposit advice are the Void Check Form (Form PR-2) or Void Direct Deposit Form (Form PR-1). The table below shows fields to complete on each form. Refer to the DOA web page for a copy of the blank forms.

VOID CHECK FORM (PR-2)	
Field	Information to Enter
EMPLOYEE NAME	Optional
COMPANY NUMBER	Required - 3 digit agency number
EMPLOYEE NUMBER	Required - 11 digit Employee Number
PAYGROUP	Required – 3 digit Paygroup
PAYMENT NUMBER	Required – check number
PAYMENT DATE	Required – check date mmddyyyy
PAY PERIOD END DATE	Required – pay period end date mmddyyyy
REASON	Required – check the appropriate reason
AMOUNT	
AUTHORIZED SIGNATURE	Required – signature of Agency Fiscal Officer or Proxy

DIRECT DEPOSIT STOP PAYMENT FORM (PR-1)	
Field	Information to Enter
EMPLOYEE NAME	Optional
COMPANY NUMBER	Required - 3 digit agency number
EMPLOYEE NUMBER	Required - 11 digit Employee Number
PAYGROUP	Required – 3 digit Paygroup
PAYMENT NUMBER	Required – Advice Number
PAYMENT DATE	Required - advice date mmddyyyy
PAY PERIOD END DATE	Required - advice end date mmddyyyy
REASON	Required – check the appropriate reason
DD ACCT #/AMOUNT(S)	Required – list amounts by direct deposit acct #
AUTHORIZED SIGNATURE	Required – signature of Agency Fiscal Officer or Proxy

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Forms Completion/Submission, Continued

Form Submission

Follow these steps and submit Direct Deposit Stop requests to the Stop Payment folder in State Payroll Operations (SPO) SharePoint. Physical checks must be forwarded, with the completed form, to DOA SPO.


Step	Action
1	Complete the appropriate form(s). Complete a separate line on the Void Check Reversal form for each paper employee paycheck to be voided. Failure to return garnishment checks related to void payments will result in a charge to the agency through a DOA journal entry.
2	Mark the employee paper check(s) "VOID" and attach check with stub and/or any third party checks (i.e., child support, garnishments, tax levies) to completed form(s) and forward to DOA. Do not mark any third party check "VOID."

Processing Void Checks External to Cardinal HCM at Calendar Year End

State Payroll Operations will distribute a Calendar Year End Payroll Bulletin near the end of each calendar year. This bulletin provides a cutoff date for receipt of void checks and procedures that will ensure proper processing.

Voiding Third Party Paper Checks Only

If a paper third party check, such as a returned garnishment check, and NOT the employee check, needs to be voided, follow the instructions on the Department of Treasury's Stop Payment Authorization Form, located on their web site. Note: This is not the Cardinal Stop Payment Form, and redirects the funds as appropriate.

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Verifying Void Processing

Verify Void Processing

Verify that the void payment processes completely by reviewing the reversed paycheck records on the Review Paycheck pages. All of the amounts on the reversed check display as negative numbers and the message “Reversing Check” appears in the upper left corner. Refer to the “Reviewing the Review Paycheck Page” Job Aid for detailed information.

Internal Control


Internal Control

All voids submitted to DOA for processing must be properly prepared by the payroll technician and reviewed by the fiscal manager to ensure validity. Evidence of the fiscal manager's review of the appropriate documents and reports should be provided via signature and the date of the review.

Contacts

DOA Contact

Payroll Production Unit
 Voice: (804) 371-4883; (804) 371-8385
 E-mail: Payroll@doa.virginia.gov

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Subject Cross References

References

CAPP – Topic No. 50515, *Special Payments*

Refer to suggested job aids and training information for data entry and processing on the Cardinal website: <http://www.cardinalproject.virginia.gov/>.

Suggested Additional Resources

The following can be found on the Cardinal Website, under Statewide Toolbox – Job Aids:

PY 381 Reviewing the Review Paycheck Page

The following can be found on DOA’s website under Forms > Payroll Operations:

- Void Check Form (PR-2)
 - Direct Deposit Stop Payment Form (PR-1)
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