



<b>Volume No. 1—Policies &amp; Procedures</b>	<b>TOPIC NO. 50205 – Cardinal</b>
<b>Section No. 50200 — Establish/Maintain Company Profile Information</b>	<b>TOPIC AGENCY INFORMATION</b>
	<b>DATE November 2018</b>

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## Overview

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**Introduction** Before an agency can enter employee masterfile records and pay employees, the employing agency (referred to in CIPPS as “company”) must be established in CIPPS. Agencies are established centrally (by DOA) using profile information provided by new agencies on a Company Add/Maintenance Form (PR-12).

During the company set-up process certain commonly used statewide special pay transactions, deductions and standard payroll report parameters are established. Variations from standard set-ups are also available upon request. Agencies must also ensure they are registered to withhold, deposit, and report any federal or state employment taxes. This topic provides information on:

- Preparing the Company Add/Maintenance Form.
- Obtaining a federal employer identification number (EIN), State ID number, and State unemployment insurance identification number.
- Paying and reporting federal employment taxes.
- Establishing default programmatic (general ledger account) coding.
- Adding additional special pay transactions and deductions.
- Changing Check Limits.
- Changing existing report parameters.

*Note: See also CAPP Topic 50210, CIPPS User Security; Topic 70515, Payline; and 70735, FINDS: CIPPS Payroll Audit Tool (PAT) related to security access for users.*

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## Company Add/Maintenance Form

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**Company Add Maintenance Form** To establish (or change information *for*) an agency in CIPPS, provide the following information to DOA using the Company Add/Maintenance Form (PR-12). The form is available on the DOA website ([www.doa.virginia.gov](http://www.doa.virginia.gov)).

- Company Number
- Company Name
- PO Box or suite number where the agency is located

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## Company Add/Maintenance Form, Continued

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- Company Add Maintenance Form, cont.**
- Street Address
  - City, State and Zip code
  - Federal Identification Number—assigned by IRS
  - State ID (Account) Number—assigned by the Department of Taxation
  - State Unemployment Insurance Identification—assigned by the Virginia Employment Commission
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## Employer Identification Numbers (EIN)


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**Federal and State Employer Identification Numbers** Federal and state identification numbers are required for all new agencies. These identification numbers are used to identify each individual state agency to the IRS, the Virginia Department of Taxation and to the Virginia Employment Commission (VEC). Applications are available on the websites listed below.

- Federal Employer Identification Number - Form SS-4, *Application for Employer Identification Number* (same-day receipt if requested online)  
*Instructions:* <http://www.irs.gov/pub/irs-pdf/iss4.pdf>  
*Form:* <http://www.irs.gov/pub/irs-pdf/fss4.pdf>  
*Online:* <https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>
- VEC ID Number – Form VEC FC-27, *Report to Determine Liability for State Unemployment Tax:*  
[http://www.vec.virginia.gov/vecportal/employer/pdf/fc\\_27new.pdf](http://www.vec.virginia.gov/vecportal/employer/pdf/fc_27new.pdf)
- State Tax Number – Form R-1, *Virginia Department of Taxation Business Registration Application:*  
<http://www.tax.virginia.gov/taxforms/Business/Registration/R-1.pdf>

The federal EIN must be received before filing for the VEC and state tax numbers.

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## Paying and Reporting Federal Taxes

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### Automated Tax Deposits

The reporting and payment of federal payroll taxes for CIPPS agencies is coordinated centrally through the Federal Automated Deposit (FAD) program at DOA. Participation in FAD is mandatory for CIPPS agencies. The program was developed to ensure agency payrolls comply with strict electronic federal tax deposit schedules.

The IRS will automatically enroll the agency in EFTPS. *Upon receipt of the enrollment letter from EFTPS send a copy to DOA. Subsequently, an Account Holder Verification Form will also be received from EFTPS. Likewise send that form to DOA immediately upon receipt. DOA will coordinate completion of the form with Treasury and the appropriate financial institution. Agencies cannot make tax payments until the form is filed and confirmation is received from the IRS.*

Agencies must also complete the following form to participate in the FAD program:

- Form 8655 Reporting Agency Authorization for Magnetic Tape/Electronic Filers – authorizes DOA to act as the Reporting Agent for the agency. Under this authority, DOA files required returns and makes federal tax deposits. In addition, this form allows DOA to receive copies of correspondence and make inquiries regarding the agency’s withholding tax account. Once the Form 8655 is submitted to DOA, DOA will forward to the IRS on the agency’s behalf. <http://www.irs.gov/pub/irs-pdf/f8655.pdf>
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## Agency Default Coding

### Agency Default Coding


As part of the set-up process, agencies must provide DOA with default expenditure coding for the CIPPS general ledger interface, the automated healthcare reconciliation and the automated VRS reconciliation. The payroll general ledger interface default coding (using the old CARS format) serves as backup coding for posting agency payroll expenditures to Cardinal when programmatic data for an employee has not been established in CIPPS at the time of payroll certification. Agencies are responsible for ensuring that the proper speedtype associated with the GL default coding has been created in Cardinal. GL journals to correct the expenditure coding when necessary are also the responsibility of the agency.

The automated healthcare and VRS reconciliations default coding (using the Cardinal chart field structure) is used to process transactions, as appropriate, identified during the automated reconciliation processes. Refer to CAPP Topic 50430, *Health Insurance*, and Topic 50410, *RETIREMENT—VRS and ORP* for additional information on the reconciliation processes.

## CIPPS to Cardinal Interface

### CIPPS Interface

CIPPS will continue to interface to Cardinal until Cardinal HCM (Human Capital Management) is implemented. No additional action by agencies is needed to record CIPPS entries in Cardinal. However, each agency must continue to establish and maintain their agency NSSA programmatic data. The new NSSA table data will be located and maintained within Payline. CIPPS has not been modified to reflect Cardinal's Chart of Accounts. For this reason, the old CARS coding values will continue to be used to enter programmatic data in the NSSA table for setup on HMBU1. In addition, the corresponding SpeedType for all new NSSA data entry must be established in Cardinal. SpeedTypes are used to translate the expenditure coding on HMBU1 into the appropriate Cardinal coding. Reference CAPP Topic 50125 Programmatic Data for instructions on how to enter programmatic updates. For instructions on creating a SpeedType access the Cardinal Project Website: <http://www.cardinalproject.virginia.gov/index.shtml> > *Statewide Toolbox* > *Training Materials* > *General Ledger – SW\_336: General Ledger Maintenance*.

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## Special Payments

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### Definition

Certain statewide special pay codes are automatically established when a company is set up in CIPPS. Special payments can be processed as automatic or one-time only special pays. Automatic special pays are processed automatically each time an employee is paid and require some amount of regular pay to trigger the transaction. One-time only special payments are processed for the current period only. Generally, special pay transactions are payments other than regular, overtime and shift differential. They supplement an employee’s regular earnings or salary. Special pay transactions include but are not limited to:

- Sick, annual and compensatory leave payouts
- Cell phone stipends
- Imputed Life
- Meal reimbursements
- Moving and relocation payments
- VSDP and workers compensation payments


Refer to CAPP Topic 50515, *Special Payments*, for more information.

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### Establishing New Special Payment Types

To request new special pay types for your agency, submit a request to the Director of State Payroll Operations, via email at [payroll@doa.virginia.gov](mailto:payroll@doa.virginia.gov). Specify the type of special pay needed and tax implications, including justification for establishing the new code and the number of employees affected.

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## Deductions

### Establishing New Deductions

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Before standard deductions can be processed on an agency’s payroll, the deduction must be established for the agency. Upon set-up in CIPPS, agencies have access to a commonly used sub-set of all standard statewide deductions. Some infrequently used but available deductions may not be set up at this time. To request creation of a deduction for your agency, submit a request to the Director of State Payroll Operations, via email at [payroll@doa.virginia.gov](mailto:payroll@doa.virginia.gov). Specify the type of deduction needed, including justification for establishing the new deduction code and the number of employees affected. *Refer to DOA’s website under State Payroll Operations – Payroll Forms for a matrix of current statewide deduction codes.*

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## Check Limits

### Check Limit Edits and Report 59

Check limits are established to guard against possible overpayments to employees. When applied, the check limits do not interfere with the pay process; however, Report 59 (Gross Pay Limit Exceeded) lists all payments/hours paid in a particular pay period that exceed agency default values. Several control switches determine how check limits will be applied. The control switches are automatically established with default values at the time the agency is set-up in CIPPS. In most instances agencies use the default values entered on the company header. However, to request a change for either of the control switches, submit a request to the Director of State Payroll Operations, via email at [payroll@doa.virginia.gov](mailto:payroll@doa.virginia.gov).

A description of the control switches and their default values are described in the following sections.

### Salaried – Check Limits

The **Check Limit** control switch governs processing for salaried employees and is applied against gross pay as a percent of Regular Pay (HOBID). Check limits are established by frequency and CIPPS defaults to 2.000 (200% or twice regular pay) for all four frequency ranges (weekly, bi-weekly, semi-monthly and monthly).


### Hourly – Company Excess Hours

The **Company Excess Hours** control switch governs processing for wage employees and is applied based on the Hours Edit Options established at the company level described below:

<b>Hours Edit Options</b>	<b>Description</b>
0 (default)	Issue message if timecard hours exceed three times STANDARD HOURS.
1	Issue message if timecard hours exceed STANDARD HOURS 1 established on the Employee Master File using the HOBID.
2	Issue message if timecard hours exceed STANDARD HOURS 2 established on the Employee Master File using the HOBID.
3	Issue message if timecard hours exceed the value in the COMPANY EXCESS HOURS field. Allows the agency to specify the maximum number of timecard hours allowed if option 3 is selected for the company excess hour's switch.

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## Check Limits, Continued

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**Hourly –  
Company  
Excess Hours,  
cont.**

The excess hours switch defaults to a value of 0, indicating that a message will appear on Report 59 for any employee with timecard hours that exceeds three times the Standard Hours for that frequency. See CAPP Topic 50305, *New Employee Adds*, for each frequency range’s Standard Hour default values.

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## Standard Reports

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**Report  
Distribution**


Reportline is the preferred method for report distribution. Reportline is a web-based system providing user access to an electronic version of included system reports. Reports may be viewed for three years past the report run date. Electronic versions of these reports may be saved on an agency or locality-based server or individual personal computer. Keep in mind that many of the reports provided contain sensitive information. For more information, contact State Payroll Operations, via email at [payroll@doa.virginia.gov](mailto:payroll@doa.virginia.gov).

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**Report Print  
Parameters**

CIPPS offers numerous payroll accounting reports. *While some reports are only provided in one format (sort and totals), others can be customized. For those*, report print parameters are determined by the agency using the agency’s organization set-up. Certain reports can be set up to provide totals and page breaks on each organizational level, or totals only without page breaks. To change the sort sequence, the totaling methods, or the page breaks of CIPPS reports, contact State Payroll Operations, by email at [payroll@doa.virginia.gov](mailto:payroll@doa.virginia.gov).

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## Internal Control

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### Internal Control

Agency management is responsible for securing the appropriate federal and state employer identification numbers required to withhold payroll taxes. Any changes to EIN information must be sent to DOA as soon as possible to ensure the timely reporting and remittance of employer withholding taxes.

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## Records Retention

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### Time Period

Agency company control information should be completed by payroll administrators and reviewed by agency fiscal officers. The company records should be maintained for five years *or until audited by the APA*, whichever is longer.

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## Contacts

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### DOA Contact

Director, State Payroll Operations  
 Voice: (804) 225-2245  
 E-mail: [Payroll@doa.virginia.gov](mailto:Payroll@doa.virginia.gov)

Payroll Support Analyst/Trainer  
 E-mail: [Payroll@doa.virginia.gov](mailto:Payroll@doa.virginia.gov)

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## Subject Cross References

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### References

CAPP Topic 50305, *New Employee Adds*  
 CAPP Topic 50410, *RETIREMENT—VRS and ORP*  
 CAPP Topic 50430, *Health Insurance*  
 CAPP Topic 50515, *Special Payments*

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