



Volume No. 1—Policies & Procedures	TOPIC NO.	50530 – Cardinal
Section No. 50500—Paying the Employee	TOPIC	VOID PAYMENTS
	DATE	January 2016

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Overview

Introduction The CIPPS void check process reverses gross-to-net payroll amounts (i.e., gross payroll, taxes, and deductions) from the Employee Masterfile (EMF) for payments created in error. All voided payments are entered into CIPPS by DOA, not the agency, to provide for a timely and controlled reconciliation between DOA and the Department of Treasury. When this information is keyed into the system, CIPPS automatically:

- Corrects the EMF record;
- Adjusts the next federal tax deposit and some other affected disbursements; and,

Reverses charges to Cardinal.


This process corrects the EMF for W-2 reporting; however, some employee deductions (direct deposit transactions, deferred compensation, CVC, etc.) are not automatically reversed as discussed later in this topic.

The void check must be processed within 45 days from the check date because the payment history data used in CIPPS to process the void amounts is not available in the system after that time. If the void check form is not submitted to DOA within 45 days after the check date, the agency must follow the procedures outlined in CAPP – Cardinal Topic No. 50705, *Employee and Tax Masterfile Updates*, to void the payment.

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; and,


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 – Cardinal Topic 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), respectively. The table below shows fields to complete on each form. Refer to the DOA web page for 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
PAYMENT NUMBER	Required – check number
PAYMENT DATE	Required – check date mmddyyyy
PERIOD END DATE	Required – pay period end date mmddyyyy
AUTHORIZED SIGNATURE	Required – signature of Agency Officer

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
DIRECT DEPOSIT 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
AMOUNT(S)	Required – list advice amounts by deduction #
AUTHORIZED SIGNATURE	Required – signature of Agency Officer

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Forms Completion/Submission, Continued

**Form
Submission**

Follow these steps and forward all information to DOA for data entry:

Step	Action
1	Complete the appropriate form(s). Complete a separate line on the Void Check Reversal form for each paper check to be voided. Failure to return third party 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, etc. to completed form(s) and forward to DOA. Do not mark any third party check “VOID.”
3	Ensure that the employee remains in an active status and in a frequency that will be included in a certification until the void is reflected on the Report 10. If no further payments will be made to this individual, change the time card status on HOBID to “NON AUTO” (a value of zero) until the void is reflected on the Report 10 generated from the pay and then terminate the record.

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Things to Remember

Notify DOA Notify DOA as soon as possible to ensure:

- Sufficient time to retrieve payments made by direct deposit.
- Extract tapes to third party benefit providers do not include a deduction to which the employee is not entitled (i.e. deferred comp, CVC, etc).


Note: For direct deposit voids, telephone DOA immediately to see if funds can be retrieved. Follow-up with a PR-1 form. For checks, complete the PR-2 form as indicated and return it to DOA accordingly.

If the void has...	Then contact...
direct deposit	DOA Payroll Production Unit.
deferred compensation, CVC, an optional retirement plan, etc.	DOA Benefits Accounting Unit.

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

Processing Void Checks External to CIPPS at CYE 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 you need to void a paper third party check (such as a returned garnishment check) and NOT the employee check, you should follow the instructions on the Department of Treasury’s Stop Payment Authorization Form (that is located on their web site), and reissue the check.

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Verifying Void Processing


Turnaround Reports to Agency

The day after a void check is keyed by DOA day you will get the automatic edit Reports 1001, 1006, and 1009. When you request an edit or pay, Report 1004 is also printed. When you request a pay, you will receive Reports 10, 21, 46, U002, U003, U022, U023, U033, and U060.

Verify that the void processes completely by reviewing the following reports:

Report Title	Information Shown
Input Transaction List (Report 1001)	450 transaction from the form submitted to DOA
Transaction Balance Report (Report 1004)	Reversed transactions noted with a "G" after the transaction code.
Change Listing (Report 1006 or 1010)	Transactions reversed from the EMF and tax master files. Pay attention to the quarter that the void affected. Current quarter reports are not reduced for prior quarter adjustments.
Employee Diagnostics Listing (Report 1009)	Errors that may need correcting to allow the void to process (e.g., employee terminated).
Payroll and Deduction Register (Report 10)	All information reversed. Void processing is complete after appearing on this report.
Employees Within Deduction (Report 21)	Deductions reversed.
Update Register (Report 46)	Earnings, special pay, deductions, and taxes reversed.
Suspense Reconciliation Register (Report U002)	Deduction amounts being reversed for which a check is not written.
Third Party Check Reconciliation (Report U003)	Checks written to third parties, fed tax deposit transmission and suspense items from the U014 that reduce the amounts of these items.
Detail Payroll Expenditures Report (Report U022)	Amounts reversed by employee name and number.
Third Party Checks Written to Suspense File (Report U014)	Excess suspense amounts resulting from the voided amount exceeding the current deduction amount.

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Verifying Void Processing, Continued

Turnaround Reports to Agency (continued)

Report Title	Information Shown
Summary of Payroll Expenditures Report (Report U023)	Amounts reflected have been reduced by the amounts of the void.
Detail Payroll Expenditures Report by CARS Coding (Report U033)	Voided amounts by employee name and number
Healthcare Costs Report (Report U060)	Amounts reversed by employee name and number.

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

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

Payroll Benefits Accounting Unit
Voice: (804) 371-8912; (804) 225-2246; (804) 225-2386; (804) 225-2390
E-mail: Payroll@doa.virginia.gov

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Subject Cross References

References CAPP – Cardinal Topic No. 50515, *Special Payments*
CAPP – Cardinal Topic No. 50705, *Employee and Tax Masterfile Updates*

CARS to Cardinal Transition

Cardinal Transition CIPPS interfaces to both CARS and Cardinal. No additional action needs to be taken by agencies in order to record CIPPS entries. After CARS has been decommissioned, agencies will no longer use NSSA to establish programmatic data in CIPPS. Instructions on how to load this information to CIPPS will be distributed at a later time.
