

<b>Volume No. 1—Policies &amp; Procedures</b>	<b>TOPIC NO.</b>	<b>50805 – Cardinal</b>
<b>Function No. 50800—Payroll Confirmation</b>	<b>TOPIC</b>	<b>CONFIRMATION</b>
	<b>DATE</b>	<b>June 2023</b>

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## Overview

### Introduction

It is the primary responsibility of every human resource and payroll professional to ensure the accuracy and timely disbursement of employee pay and benefits. In addition, payroll expenditures account for a major portion of every agency's budget. If agency internal controls over payroll disbursements are not stringent or if management is not vigilant, materially incorrect, or improper payments can occur. To safeguard the Commonwealth's and employees' financial assets through strong program management and attention to detail, adequate safeguards must be put in place to control payroll disbursements.

The most important safeguard over payroll disbursements is the verification process. It is essential that agencies develop and apply consistent policies and procedures to control payroll verification. This topic provides an overview of the verification process and how this important function should work in your agency's day-to-day operations.

### Certification Process Summary

Confirmation is the process during which payments to employees are created, taking into account the employee's established payment profile and changes made during processing. The payroll verification process involves multiple steps that help ensure complete and accurate payrolls are produced during confirmation. Agencies certify that these steps have been taken by the established deadline when they submit the Agency HCM Payroll Certification form to State Payroll Operations. Following the verification steps will help to reduce the risk of:

- Unauthorized data entry of information into Cardinal HCM.
- Incomplete review of source documentation, reports, and payments.
- Late, missing, incorrect, or unauthorized payments.
- Incorrect or late reporting of information to federal or state authorities.

The steps summarized in the following table are detailed further in subsequent sections of this topic.

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## Overview, Continued

Certification  
Process  
Summary,  
continued

Step	Action	Description
1	<b>Source Documents</b>	Before entering data in HCM, source documents should be assembled to support changes made. Source documents must be verified against actual changes made in HCM to ensure that authorized and accurate data entry has occurred. Proper internal control requires that review of source documents/data entry changes must be completed by someone other than the person responsible for data entry. HR, Benefits and Payroll are responsible for ensuring the accuracy of data entered by each department.
2	<b>Data Entry Into Cardinal HCM</b>	Proper payment to employees begins with timely and accurate data entry. HR Administrators are responsible for creating and maintaining position, personal and job data records for employees. Employee records should be entered/updated prior to creation of paysheets for each pay period. Data changes made after the data freeze deadline for the period may cause unexpected payments to process or may alter existing payments causing errors in employee pay/benefits. Payroll processors review changes made by HR (new hires, terminations, pay period rate changes, changes to additional pay) and Benefits and process SPOT batches to adjust where necessary. <b>Communication between HR, Benefits and Payroll is essential to ensure that necessary action is taken before confirmation.</b>
2	<b>Paysheet Creation, Timesheet Load, SPOT Load, Payroll Calculation</b>	Paysheets are created after the off-cycle payroll for the prior pay period has been confirmed. There are five jobs run routinely twice each day to update the amounts on the paysheets until the data freeze. A sixth job is run on the same schedule once the timesheets for the prior semi-monthly pay period have been processed and the absence calculation jobs for the prior pay period have run. The sixth job loads the non-productive time from the prior pay period needed for semi-monthly employee overtime calculations. After the data freeze deadline, the only jobs run will be for SPOT updates; however, some HR changes (new hires added) are still processed when calcs are run and may impact agency gross pay totals. Agencies should run a series of reports after the calc has processed to verify employee pay and deductions. There are two versions of the payroll register; one summarizes pay for the period and the other provides payment amounts according to FLSA periods. Payroll registers show the detail for each employee's gross-to-net calculation. This listing must be reviewed for accuracy, particularly to ensure changes are accurately reflected in employees' taxable wages and net pay.

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## Overview, Continued

### Certification Process Summary, continued

Step	Action	Description
3	<b>Data Queries</b>	A variety of data queries are available to assist in the verification process. See the Suggested Additional Resources at the end of this topic.
4	<b>Reports</b>	A variety of reports are available to assist in the verification process. See the Suggested Additional Resources at the end of this topic and the Reports Catalog on the Cardinal website.
6	<b>Certification of the Payroll</b>	After the final calculation routine has been run the day prior to confirmation, the Fiscal Officer or designee must submit an Agency HCM Payroll Certification form to State Payroll Operations SharePoint by the designated deadline on the day of confirmation. Noncompliance with this deadline may be reported in the <i>Report on Statewide Financial Management and Compliance</i> , or Quarterly Report.
7	<b>Post-Confirmation Review</b>	On the day following confirmation, the certifier must review the appropriate reports to ensure no unauthorized changes to the payroll were made after the certification information was submitted to DOA, all transactions processed as requested, and the certified payroll amounts equal to the actual amounts processed. State Payroll Operations will also compare certified amounts to actual totals and require a written Gross Pay Difference explanation from the agency for all discrepancies.

### HCM Training

Certifiers need basic HCM navigational skills and should have read-only access to HR, Benefits and select payroll pages and/or reports. Certifiers are encouraged to review job aids and participate in training offered for HCM. Cardinal learning resources are available on the DOA Cardinal Project webpage.

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**HCM Security** Cardinal HCM provides an important control feature to agencies through system security. Cardinal HCM security is based on roles and restricts user access to certain data entry screens. Staff with HR roles should not also have access to make changes on payroll pages. Likewise, Payroll staff should have read-only access to HR pages. Certifications should be submitted by the agency fiscal officer or a designee who does not also have the ability to update pages in HCM. See the Cardinal Security Handbook on the DOA Cardinal Project website for more information.

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## Overview, Continued

### Review and Control

Certifiers must ensure the pre-and post-review activities contained in this topic are completed for each payroll. All differences between previously confirmed payrolls and the current payroll preliminary calculated totals must be identified and researched. Due to the nature and the volume of paperwork and source documentation that may be generated through the payroll process, a statistically valid, random sampling of the payroll information may be incorporated into the reviews conducted during the certification process. Pre-defined reports and data queries can also be used to facilitate a more thorough review. Evidence of the review should be provided through initials or signatures, as well as the date of the review.

## Certification

### Introduction

This section provides guidance on the key activities agencies should perform to ensure timely and accurate payroll processing in preparation for confirmation. Pre-certification is the phase in which agencies must verify that all data entered into HCM is accurate and authorized. Use this time to detect and correct any errors prior to formally authorizing (i.e., certifying) payroll disbursements.

Given the wide variation in agency staffing levels and human resource, payroll and fiscal staffing configurations, this topic does not attempt to provide step-by-step instructions governing all pre-certification activities for all agencies. Rather, it should be used as a basis for agencies to develop internal procedures, customized for each agency’s unique organizational structure and processing requirements. Agency procedures must be comprehensive, consistently applied, and incorporate the key review elements outlined in this topic.

Due to the volume of supporting documentation and the number of reports that may be received, reviewer/certifiers may incorporate statistically valid random sampling techniques in conducting pre-certification reviews.

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## Certification, Continued

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**Data Freeze**      The data freeze job is run at 1 pm two days prior to the certification deadline. The intent of this job is to prevent changes from HR and Benefits that could potentially alter the outcome of the current payroll. Unfortunately, it is impossible to lock out all HR and Benefit changes. For example, paysheets for new hires added after the data freeze for the pay period in process will be generated during the payroll calc and may alter the total of the agency’s gross payroll. Other changes made to the job data record may also impact the Single Use Payroll Online Tool (SPOT) transactions already processed for an employee and cause overpayments. For this reason, it is imperative that HR Administrators make themselves aware of and adhere to the Payroll Operations Calendar that is posted on the DOA website for State Payroll Operations. Communication with Payroll during this time is essential to ensure proper processing for changes that may be required after the data freeze.

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**SPOT Deadline**      Agencies can enter SPOT batches to make changes needed after the data freeze. The last SPOT batch upload is run the afternoon before the certification is due and the confirmation is run. These SPOT transactions should be limited to those items necessary to correct pay for last minute changes that occur after the data freeze and may bring in other changes as well. If certification totals are calculated prior to the SPOT deadline, the total should be adjusted to account for any gross pay changes resulting from the SPOTS.

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**Update Paysheet Requests**      In the event it is discovered after the SPOT deadline that a material change is required to a payment already calculated, the agency can submit an Update Paysheet Request to State Payroll Operations. While State Payroll Operations cannot add pay to an employee’s paysheet, other adjustments to reduce pay or change deduction amounts or taxes are permitted. The deadline to submit Update Paysheet Requests is 9 am the day of confirmation. These changes should also be taken into account on the certification form if they alter the agency’s total gross pay amount.

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## Certification, Continued

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**Certification** Cutoff for all payroll certification information provided to State Payroll Operations is noon on the day of confirmation, unless otherwise noted on the monthly Payroll Operations Calendar. Agencies will be given a small window to validate pay for those employees who happen to have records in both Bi-Weekly and Semi-Monthly pay groups since the record can only appear in one pay group at a time. This should be a very small group of employees.

The Agency HCM Payroll Certification form is available on the State Payroll Operations Forms website. Noncompliance with this deadline may be reported in the *Report on Statewide Financial Management and Compliance*, or Quarterly Report.

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**Confirmation** Payrolls for each pay group are confirmed according to the established deadlines. Confirmations usually begin at 1 pm unless otherwise noted on the monthly Payroll Operations Calendar. If the Bi-Weekly wage and Semi-Monthly confirmations fall on the same day, the pay group with the earliest check date will be processed first.

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**Post-Confirmation** Once the confirmation jobs have completed, State Payroll Operations will distribute information regarding the off-cycle processing for the pay period just completed. At that time, agencies should run reports and validate that the payroll processed as expected. Agencies should compare the Gross Payroll amount from the reports run for the certification to the amount on the confirmed reports. Agencies are required to provide an explanation of all differences to State Payroll Operations within 24 hours of the off-cycle notice. Requests for stop payments/reversals should be submitted as soon as identified.

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## Internal Control

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**Requirements** The certification process should ensure accuracy and proper authorization of changes. Agencies must have policies and procedures governing the certification process. The following are the minimum guidelines to use when developing policies:

- Communication between HR, Benefits and Payroll is essential,
  - All data changes should be reviewed by someone other than the individual who entered the change,
  - The person responsible for data entry of the payroll cannot be the person responsible for certification of the payroll,
  - Assign a primary certifier and a backup in cases when the primary certifier is not available,
  - Steps should be taken to ensure that unauthorized personnel do not breach the certification security, and that security is continuously updated.
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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)

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## Subject Cross References

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### References

Cardinal Statewide Security Handbook,  
[www.cardinalproject.virginia.gov/sites/default/files/2023-03/StatewideCardinalSecurityHandbook\\_2023.03.24.pdf](http://www.cardinalproject.virginia.gov/sites/default/files/2023-03/StatewideCardinalSecurityHandbook_2023.03.24.pdf)

Cardinal Job Aids, <https://www.cardinalproject.virginia.gov/job-aids>

State Payroll Operations-Payroll Navigation,  
<https://www.doa.virginia.gov/reference/payroll/>

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