

<b>Volume No. 1 - Policies &amp; Procedures</b>	<b>TOPIC NO. 50915 – Cardinal</b>
<b>Section No. 50900—Reconciliation</b>	<b>TOPIC CALENDAR YEAR-END RECONCILAITON AND CERTIFICATION</b>
	<b>DATE January 2016</b>

## Table of Contents

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Table of Contents .....	1
Overview .....	2
Introduction .....	2
Penalties .....	2
Quarterly Reports .....	2
Calendar Year End Procedures .....	3
Calendar Year End Reports .....	3
Reconciling Year End Reports.....	3
PAT Control Totals Application.....	4
Other Reconciliations.....	4
W-2s.....	4
Adjustments .....	4
Internal Control.....	5
Records Retention .....	5
Time Period.....	5
Contacts.....	5
DOA Contact .....	5
Subject Cross References.....	5
References.....	5
CARS to Cardinal Transition.....	6
Cardinal Transition .....	6

<b>Volume No. 1 - Policies &amp; Procedures</b>	<b>TOPIC NO. 50915 – Cardinal</b>
<b>Section No. 50900—Reconciliation</b>	<b>TOPIC CALENDAR YEAR-END RECONCILAITON AND CERTIFICATION</b>
	<b>DATE January 2016</b>

## Overview

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**Introduction** This topic addresses the procedures required to reconcile the year-end reports and the certification of totals to allow DOA to produce agency W-2s. Throughout the year reports that are received at the agency should be reviewed as they are received. If the review and reconciliation processes, outlined in CAPP – Cardinal Topic Nos. 50905 and 50910, are kept current the year-end review and reconciliation process is much easier.

Each year DOA issues a year-end PAYROLL BULLETIN containing specific instructions for the correction and reporting of employee records/information. It is vital that the current bulletin is used and understood since W-2 reporting requirements may change from year to year. The bulletin will list the major events, processing information, and deadlines associated with the year-end process.

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**Penalties** Each agency in the Commonwealth is considered a separate employer and the agency has a legal obligation to comply with all regulatory reporting requirements. DOA urges each agency to review all IRS material (especially the Circular E) and other regulatory agency publications regarding compliance issues. Failure to comply with deadlines may result in the late receipt of reports and W-2s. Agencies are liable for any penalties that may be assessed by the regulatory agencies due to failure to comply with deadlines.

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**Quarterly Reports** After the last payroll is processed for the year DOA produces a set of Quarter Regulatory reports; however, reconciling and reporting of quarterly information is waived due to the requirement to reconcile the Year-End reports before requesting the printing of W-2s.

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<b>Section No. 50900—Reconciliation</b>	<b>TOPIC CALENDAR YEAR-END RECONCILAITON AND CERTIFICATION</b>
	<b>DATE January 2016</b>

## Calendar Year End Procedures

### Calendar Year End Reports

After the last payroll is processed for the year DOA produces a set of Year-End reports. DOA moves the CIPPS fourth quarter and year-to-date records to a separate set of files to allow current payrolls to be processed while W-2s are being produced. The following chart details the reports.

<b>Report Number</b>	<b>Report Name</b>	<b>Description</b>
883	Calendar Year End Employee Detail Audit Listing	Displays the information to be printed on each Employee's W-2, including FIT, SIT, OASDI, and HI taxable amounts and the associated taxes withheld, Imputed Life amounts, etc.
83	Posted Records Audit Totals	Displays company totals of all W-2 field information.

### Reconciling Year End Reports

The agency must balance the year end reports to agency control totals. If the totals do not agree agencies must analyze the differences and determine if adjustments to employee records are required. If the Control Totals have been reconciled to the Report U092 and U093 and the "10 to 33" adjustments have been sent to DOA for processing each month as needed only one month of payroll information will have to be reviewed for potential errors. Identified adjustments are requested using the adjustment form provided in the Year-End Payroll Bulletin and submitted to DOA for processing. No further action is required unless directed by DOA. DOA will then produce W-2s for the employees.

The Calendar Year End certification package sent to DOA must include:

- The Calendar Year End Certification form
- The Company Total pages of the Reports 83 and 883 showing any adjusted totals and with the Fiscal Officer signature
- Individual CYE Adjustment Forms for each record requiring manual changes.

DOA will review the certification package and if all required documents are received and the requested adjustments appear appropriate, W-2's will be produced.

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<b>Volume No. 1 - Policies &amp; Procedures</b>	<b>TOPIC NO. 50915 – Cardinal</b>
<b>Section No. 50900—Reconciliation</b>	<b>TOPIC CALENDAR YEAR-END RECONCILAITON AND CERTIFICATION</b>
	<b>DATE January 2016</b>

## Calendar Year End Procedures, Continued

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NOTE: Any "10 to 33" adjustments submitted for processing will not be reflected in the agency's Report 33 totals, and therefore will not be automatically reflected in an agency's Control Total Worksheet. The Control Total Worksheet will need to be adjusted for these correcting entries in order to balance.

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**PAT Control Totals Application**

The Payroll Auditing Tool (PAT) provides an automated Control Totals application available to all agencies. The data is populated from each payroll and only manual adjustments need to be entered by the agency. More information on PAT can be found in CAPP – Cardinal Topic 70735, Payroll Audit Tool (PAT).

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**Other Reconciliations**

Employers are required to certify that the amount of wages reported to the Social Security Administration (SSA) equals the accumulated wages from all four IRS Forms 941. DOA electronically sends this information to the proper authority. However, agencies should take the final figures from the Report 83 and compare them to the figures from the year's IRS Form 941s. Contact DOA Payroll Operations immediately if a discrepancy is found.

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**W-2s**

Agencies must adhere to the W-2 distribution requirements and regulations. Every effort will be made by DOA to ensure timely receipt of W-2s to all agencies. All W-2s are posted to Payline on or before the annual required distribution date for W-2s and generally before hard-copy printed W-2s reach the agency for distribution. Agencies should encourage employees to view their W-2s using Payline.

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**Adjustments**

All exceptions requiring adjustments will be corrected on the Year-End Reports. The Year-End Bulletin will provide guidelines on the submission of adjustments and the forms used for this process.

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<b>Section No. 50900—Reconciliation</b>	<b>TOPIC CALENDAR YEAR-END RECONCILAITON AND CERTIFICATION</b>
	<b>DATE January 2016</b>

## Internal Control

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**Internal Control**

It is the responsibility of agency fiscal management to ensure that all year-end reports have been reviewed and audited and that all appropriate adjustments have been made prior to the certification of final year-to-date totals. In addition, agency fiscal management should ensure that all deadlines are adhered to and that W-2s are issued in compliance with all regulations.

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## Records Retention

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**Time Period**

All reports should be kept for a period of 5 years or until audited, 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  
 Voice: (804) 786-1083  
 E-mail: [Payroll@doa.virginia.gov](mailto:Payroll@doa.virginia.gov)

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## Subject Cross References

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**References**

CAPP – Cardinal Topic No. 50905, *Monthly Reconciliations*  
 CAPP – Cardinal Topic No. 70735, *Payroll Audit Tool (PAT)*

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<b>Volume No. 1 - Policies &amp; Procedures</b>	<b>TOPIC NO. 50915 – Cardinal</b>
<b>Section No. 50900—Reconciliation</b>	<b>TOPIC CALENDAR YEAR-END RECONCILAITON AND CERTIFICATION</b>
	<b>DATE January 2016</b>

## CARS to Cardinal Transition

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### 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.

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