



COMMONWEALTH of VIRGINIA

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TO: Agency Fiscal Officers & CAPP Manual Users

FROM: Amanda Simpson, Director, Compliance Oversight and Federal Reporting,
Department of Accounts

SUBJECT: Commonwealth Accounting Policies and Procedures (CAPP) Manual—
Update No. 176 / HCM CAPP Topics for HCM Release 1 Agencies

**Eleven Topics
Revised**

Eleven Topics in this update, include 50405, 50415, 50425, 50430, 50445, 50465 (new topic), 50515, 50530, 50605, 70105 and 70220. The details regarding the updates are attached.

**Status
Summary
Sheet**

An updated *Status Summary Sheet* is shown on our web site and displays the following for each *CAPP Manual* topic:

- Number and Title
- Page Length
- Latest Revision Date

https://www.doa.virginia.gov/reference/CAPP/Status_Summary.pdf

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50405 Court-Ordered Withholdings		
Page	Section	Changes
Overall		CIPPS references removed and references to Cardinal HCM added.
pg. 3	Introduction	Expanded introduction including explanation that setup and maintenance of garnishments now falls within SPO functions, while ultimate responsibility falls under the agency's responsibility. Court-ordered withholdings are General Deductions.
pgs. 8-9	Agency Responsibility and SPO Responsibility	Sections added detailing the responsibility of agencies and SPO
pgs. 11-12	Prioritization Examples	Prioritization examples updated.
pg. 14	Garnishment Deductions	Garnishment deduction codes updated for use with Cardinal HCM. There is now only one deduction code for various types of garnishments (GARN), with two codes available for garnishment fees (GRNFE2 and GRNFEE).
pg. 15	Background	Child support fees are collected based on the state where the employee works. SPOT transactions are used in place of tax and deduction overrides to process multiple order fees.
pg. 16	Garnishment Reports	Garnishment reports updated.
pg. 17		Suggested Additional Resources section added. CARS to Cardinal Transition section eliminated.
		Garnishment processing examples and procedures and garnishment fee procedures are eliminated since SPO is now responsible for entering and maintaining the garnishment. Agencies can use the PY381 Reviewing Garnishment Setup in Cardinal Job Aid to understand reviewing garnishments.
50415 SAVINGS PLANS		
Page	Section	Changes
Overall		Name changed from RETIREMENT— SALARY REDUCTION PLANS to SAVINGS PLANS CIPPS references removed and references to Cardinal HCM added.
pg. 2	Introduction	Expanded introduction including explanation of options that fall under Savings Plans.

pg. 5	Reports and Queries	Deferred compensation reports updated.
pg. 7	Reports	Annuity reports updated.
pg. 8	Various	Tax-sheltered Annuity definitions updated.
pg. 9	Online Data Entry	Procedures for online data entry of deductions is now covered in the PY381 Creating, Updating, and Stopping General Deductions Job Aid.
pg. 10		Suggested Additional Resources section added. CARS to Cardinal Transition section eliminated.
50425	RETIREMENT	
Page	Section	Changes
Overall		Name changed from GROUP and OPTIONAL LIFE INSURANCE to RETIREMENT CIPPS references removed and references to Cardinal HCM added. Topic modified to include: - VRS Retirement Plans - Optional Retirement Plans - Ancillary Benefits - Group Life Enrollment - Retiree Health Credit Enrollment - VSDP LTD Enrollment
		Deduction Processing procedures are removed from this CAPP topic and can be found in the PY381 Creating, Updating, and Stopping General Deductions Job Aid.
pg. 11	Deduction Overrides	Deduction overrides should be done using the SPOT transaction.
	Deduction Extract Reports	In addition to payroll reports listed in the HCM Reports Catalog, deduction extract reports are generated semi-monthly for those benefits transmitted to third party vendors.
pg. 13	Imputed Life Enrollment	Imputed Life is considered a benefit in Cardinal HCM, and not a Special Payment, and is established through a nightly process.
	Terminating Employee Deductions	Use a SPOT deduction override to collect the additional optional group life amount when an employee terminates mid-month.
pg. 14		Suggested Additional Resources section added. CARS to Cardinal Transition section eliminated.
50430	HEALTH INSURANCE	
Page	Section	Changes

Overall		CIPPS references removed and references to Cardinal HCM added.
pg. 3	Central Benefits Administration	Benefits Eligibility System (BES) eliminated with implementation of Cardinal.
	Agency Payroll and Fiscal Administration	Agency payroll administrators create payroll transactions using the Single-Use Payroll Online Tool (SPOT), as necessary, to support retroactive adjustments for benefits and Premium Reward additional pay.
pg. 4	Retroactive Healthcare Changes	Changes are made in Cardinal HCM instead of BES since BES is eliminated.
	Premium Refund Guidelines	When healthcare deductions (premiums) are withheld in error, the agency should process a refund to the employee by creating a SPOT transaction.
pg. 5	Transfers Between Agencies Other Than at the Beginning of the Month	This new section has been added to address the Premium Refund Guidelines for transfers between agencies other than the beginning of the month.
pg. 5	Transactions That Require Online Entry in Cardinal HCM	Cardinal HCM activity for healthcare is largely controlled by changes to Job and Personal Data, which is evaluated during the Benefits Administration (Ben Admin) batch process. Ben Admin will run every two hours from 10:00 a.m. through 2:00 p.m. and, again, each night. However, at times, agency benefits administrators will need to perform enrollment using the Benefits Administration System (BAS) Activity Table and On-Demand functionality.
	Prerequisite for Healthcare Enrollment	An employee must exist in Cardinal HCM and be assigned to the benefits-eligible Benefits Program prior to being enrolled in a healthcare plan, in a flexible spending account plan, or in a flexible spending administrative fee plan.
pg. 8	Medicare Carve-Out	Project must include PC Business Unit (see second column) and a Project Activity ('STATE' for all agencies except VDOT).
pg. 9	Healthcare Reconciliation - Overview	An overview of revised Healthcare Reconciliation process is given.

pg. 10	Automated ATA	The Automated Healthcare ATA transactions can be identified in Cardinal FIN by using the Other Agency Transaction Report. The Journal will have a Source of 'RCN' and the Journal ID format will be 'HC' plus the next Cardinal system-generated journal number (e.g., HC00000001). The automated ATA charges or credits each employee's Department default expenditure string set up in the Department Budget table in Cardinal HCM.
	Reconciliation Reports	Updated verbiage to reconciliation reports.
	Reconciliation Procedures	Reconciliation procedures are now detailed in the "Benefits Reconciliation" and "Uploading Spreadsheet Journals" Job Aids.
pg. 11	Reconciliation Compliance Reporting	Sunset Policy removed.
pg. 12		Suggested Additional Resources section added.
		CARS to Cardinal Transition section eliminated.
50445	DIRECT DEPOSIT	
Page	Section	Changes
Overall		CIPPS references removed and references to Cardinal HCM added.
pg. 3	Introduction	<p>Direct deposit can now also be distributed to a Virginia College Savings Plans (VSCP) – with Tuition Track Portfolio (TTP), prepaid education (VPEP) and savings trust (VEST) investment options and applied to Virginia State Employee Loan Program loan payments.</p> <p>Employees must either enter their direct deposit information in Employee Self Service (ESS) or complete an Employee Direct Deposit Authorization form and submit it to agency payroll to be kept on file. In cases where the employee is not able to submit their direct deposit in ESS, payroll can enter or update the direct deposit information on behalf of the employee.</p>
pg. 4	Direct Deposit Mandated for All Employees	Effective March 30, 2020, direct deposit or use of prepaid debit card became mandatory for all (see exceptions below) salaried and wage employees.
	Global Exceptions to Mandate	List of exceptions has been updated.
pg. 5	Earnings Notices	Effective October 1, 2021, all employees are required to use Cardinal HCM ESS to obtain earnings information. W-2s will also be available in ESS.

pg. 5	Virginia Debit MasterCard	The name of the card has been updated. The "Note" has been updated to say that the direct deposit deduction for this deposit should not be established by the agency until the employee has provided notice of receipt of the paycard.
pg. 5	Transactions That Require Online Entry in Cardinal HCM	Cardinal HCM activity for healthcare is largely controlled by changes to Job and Personal Data, which is evaluated during the Benefits Administration (Ben Admin) batch process. Ben Admin will run every two hours from 10:00 a.m. through 2:00 p.m. and, again, each night. However, at times, agency benefits administrators will need to perform enrollment using the Benefits Administration System (BAS) Activity Table and On-Demand functionality.
pg. 6	Virginia Debit MasterCard Procedures	Numerous updates have been made to this paragraph including the change in submission of the enrollment form from faxing to SharePoint.
pg. 7	Direct Deposit Security	This is a new section.
pg. 10	Originator Responsibilities	Employee responsibilities have been added to this table.
pg. 12	Glossary	Deletion must be requested at least 3 days prior to the effective date.
pg. 14	Key to Routing Numbers	If an error message is displayed when an agency attempts to enter a bank routing number that is not in the database, the agency should submit a request to SPO to have the routing number added. SPO will coordinate with Post Production Support to have the routing number added.
pg. 15	Pre-Notes - Overview	All new account submissions will go through the prenote process. In addition, changes to account information will also be prenoted. Changes to deposits going to existing accounts will not be pre-noted. It may take up to two payroll cycles before the prenote is complete.
	ACH Cycle	Various updates have been made to the ACH cycle including terminology changes.
pg. 17	Direct Deposit Accounts	This is a new section explaining how the direct deposit accounts work. Additionally, employees are limited to a total of ten (10) direct deposit distributions. The "Entering and Updating Direct Deposits" Job Aid can be reviewed for detailed information.
	Reports	List of reports updated for Cardinal HCM.

pg. 18	Stop Payments	The criteria has been added that "Requests received more than five business days after the effective date of the payment will be returned to the agency for collection."
pg. 19	Exception Processing	In the event the full amount of the payment to the employee is not returned, the agency will be required to continue collection efforts and if necessary, submit a request to DOA SPO for a balance adjustment for the amount that was returned.
	Stop Payment Documentation	Stop payment documentation will now be submitted on SharePoint instead of via faxing. Ensure that all required fields are completed and that it is signed by the Agency Fiscal Officer or Proxy.
pg. 21		Suggested Additional Resources section added.
		CARS to Cardinal Transition section eliminated.
50465	GENERAL DEDUCTIONS	
Page	Section	Changes
Overall		This is a new topic that combines several topics from other CAPP topics. It includes Optional life insurance, Parking & transportation, and miscellaneous employee deductions.
50515	SPECIAL PAYMENTS	
Page	Section	Changes
Overall		CIPPS references removed and references to Cardinal HCM added.
		Special Payments can be processed in one of two ways in Cardinal HCM: - Additional Pay - SPOT This topic has been updated to discuss the differences in both types of processing. Procedures for SPOT processing are detailed in the "Single-Use Online Payroll Tool (SPOT)" job aid. Procedures for processing additional pay are covered in the "Processing Additional Pays" job aid. Imputed Life is considered a benefit in Cardinal HCM, and not a Special Payment, and is established through a nightly process. It is covered in CAPP Topic 50430, Retirement. Various codes are updated throughout the topic.
pgs. 8-9	Deceased Pay Guidelines	Numerous updates have been made to this section including thresholds and criteria for different payments.

pg. 9	Deceased Payments	In the event an active employee dies, ALL payments (regular, overtime, annual leave, sick leave, etc.), for both current and prior year, are now made through Accounts Payable for 1099 reporting. Payments made for the current year must be recorded in Cardinal HCM for W2 reporting by entering the transaction in SPOT as an earnings and then as a deduction (DUEAGY) to have a net zero effect. Tax adjustments need to be coordinated with SPO.
pg. 10	Taxable Non-Cash Fringe Benefits	This topics was moved from page 4 and renamed from "Taxable Benefits".
pg. 12		Suggested Additional Resources section added.
		CARS to Cardinal Transition section eliminated.
50530	VOID PAYMENTS	
Page	Section	Changes
Overall		CIPPS references removed and references to Cardinal HCM added.
Pg. 2	Introduction	<p>The Introduction has been updated, with verbiage moved from another section, to say that 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.</p> <p>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.</p>
pg. 4	Form Completion	Tables are updated to include additional fields.
pg. 5	Form Submission	Forms should be submitted to SPO via SharePoint.
pg. 6	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.
pg. 7		Suggested Additional Resources section added.
		CARS to Cardinal Transition section eliminated.

50605	TAX AND DEDUCTION OVERRIDES	
Page	Section	Changes
Overall		CIPPS references removed and references to Cardinal HCM added.
pg. 2	Tax Overrides	Tax overrides are now entered into Cardinal HCM by State Payroll Operations (SPO). The agency should request a tax override from SPO by submitting a completed Tax Adjustments on Paysheet form.
pg. 2	Deduction Overrides	The agency will enter deduction overrides for both benefit and general deductions into Cardinal HCM using the Single-Use Payroll Online Tool (SPOT). Refer to the "Using the Single-Use Payroll Online Tool (SPOT)" Job Aid for detailed instructions.
pg. 3	Override Queries and Override Report	Queries and a report are identified to help with overrides.
pg. 4		Suggested Additional Resources section added.
		CARS to Cardinal Transition section eliminated.
70105	AGENCY-BASED ACCOUNTING SYSTEMS	
Page	Section	Changes
Overall		CIPPS references removed and references to Cardinal HCM added.
70220	SECURITY	
Page	Section	Changes
pg. 11	Security Handbook	Updated with HCM roles.