

Balancing General Ledger (GL) 5188 – Savings Bond Deductions Payable

Effective 12/31/2010, the U. S. Treasury will no longer offer employer-sponsored Savings Bond payroll deductions for paper bonds, opting instead for a direct deposit option we cannot currently support. As a result of this action, State of Washington General Government agencies will no longer be offering Savings Bonds for purchase. Also, the State Payroll Revolving Account (Account 035) will no longer be used to hold savings bond deductions in reserve for employee bond purchases.

The final bond deduction will occur on the December 23, 2010 payroll process, and the Human Resource Management System (HRMS) will then make purchases and refunds to employees based on reserve balances in the system as of that date regardless of the reserve amount currently recorded in Account 035 General Ledger (GL) 5188 (Savings Bond Deductions Payable).

The following information is intended to assist agencies with understanding the bond purchase process and to assist with the reconciliation process.

It is critical that agencies reconcile all activity and balances in Account 035 GL 5188 before the final bond process is completed.

- **The target balance for each agency's GL 5188 is zero as of December 31, 2010**
- **Reconciliation and corrective action should be complete before December 17, 2010 (Payroll Day 3 for the December 23, 2010 payroll).**
- **Failure to reconcile will result in:**
 - **Cash shortages or overages in Account 035**
 - **Costly employee overpayment recovery processes**
 - **Costly manual warrant refunds to employees**
 - **Inappropriate bond purchases**

Available Reports

Enterprise Reporting (<http://reporting.ofm.wa.gov>)

Run an Enterprise General Ledger Analysis Flexible by fiscal month for the desired agency for Account 035, GL5188.

✓ *Menu Path: Financial Reports → General Ledgers → General Ledger Analysis Flexible*

The results will appear similar to the report shown in Figure 1.

General Ledger 5188 - Savings Bond Deductions Payable							Beginning Balance:	(615.00)	
FM	Proc Dte	Cur Doc No	Ref Doc No	B	B#	Acct	TC	Invoice No	Amount
1113	2010 07 06	SAVP1013		PS	001	035	350		550.00
1113	2010 07 07	PR-P1013		P2	001	035	797		(462.50)
1113	2010 07 07	PR-P1013		P2	001	035	797R		25.00
1113	2010 07 21	PR-P1014		P0	001	035	797		(462.50)
1113	2010 07 21	SAVP1014		PS	001	035	350		450.00
Total for General Ledger 5188 - Savings Bond Deductions Payable							Period Activity:	100.00	
							Ending Balance:	(515.00)	

Fig. 1: Enterprise Reporting: General Ledger Analysis Flexible excerpt for Account 035 GL 5188

HRMS Wage Type Reporter - PC00 M99 CWTR - Wage Type Reporter

- Choose variant **/GL5188RECON** using the *Get Variant* button 
- Fill in *Personnel area* and *Personnel subarea* fields with your agency data.
- In the *Payroll Period* section, *Other Period* defaults to 13/2010. Change period fields to the period being reviewed, or select the *Payroll Interval* button and complete desired date ranges.
- In the *Other selections* section, the multiple selection tool for *Wage Type* defaults to the following single values:
 - 4100 (Bond Purchase Deduction)
 - 4110 (Reserve Balance – Bond)
 - 4116 (Refund Amt – Bond)
 - 4120 (Number of Bonds Purchased) *[includes purchase amount]*

- In the *Other Selections* section, under the dialog shown by clicking the *Object selection* button, *Objects Selected* defaults to the following single values, which should not be changed:
 - Company code
 - Personnel area
 - Wage type
 - In-period
 - For-period
 - Personnel Number
 - This selection ensures that you can see the detail information for
 - Each period (useful if you are displaying more than one period)
 - Each Personnel Area (useful if you are a multi-Personnel Area agency, or are examining cross-agency activity)
 - Each Employee (useful if you would like to examine detailed employee activity)

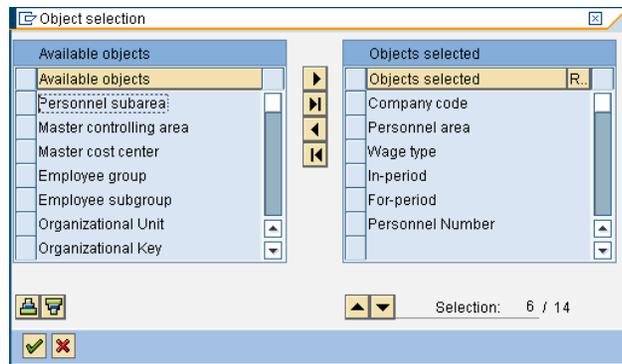


Fig. 2: Object Selection Dialog

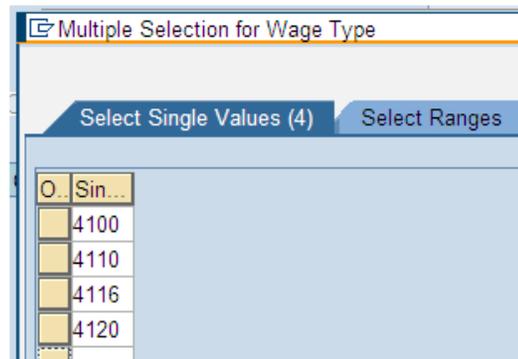
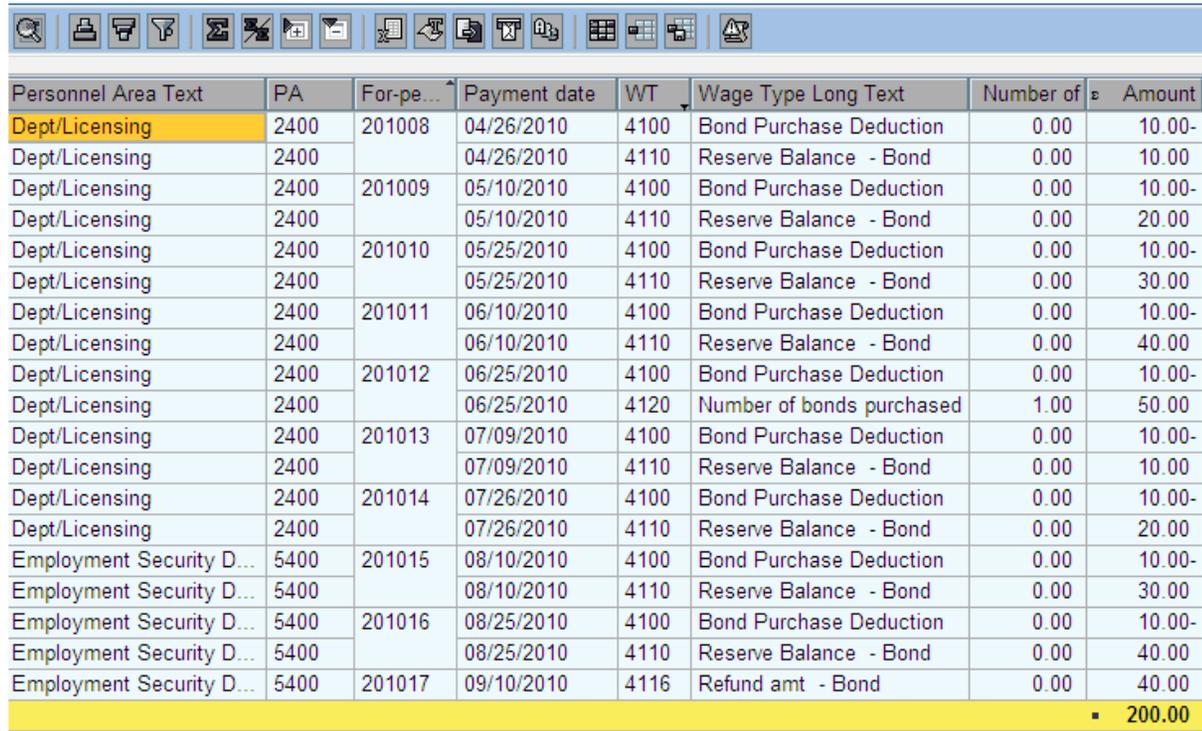


Fig. 3: Multiple Wage Types Selected

Example: What does the Wage Type Reporter show about the flow of savings bond deductions?

Wage Type Reporter



Personnel Area Text	PA	For-pe...	Payment date	WT	Wage Type Long Text	Number of s	Amount
Dept/Licensing	2400	201008	04/26/2010	4100	Bond Purchase Deduction	0.00	10.00-
Dept/Licensing	2400		04/26/2010	4110	Reserve Balance - Bond	0.00	10.00
Dept/Licensing	2400	201009	05/10/2010	4100	Bond Purchase Deduction	0.00	10.00-
Dept/Licensing	2400		05/10/2010	4110	Reserve Balance - Bond	0.00	20.00
Dept/Licensing	2400	201010	05/25/2010	4100	Bond Purchase Deduction	0.00	10.00-
Dept/Licensing	2400		05/25/2010	4110	Reserve Balance - Bond	0.00	30.00
Dept/Licensing	2400	201011	06/10/2010	4100	Bond Purchase Deduction	0.00	10.00-
Dept/Licensing	2400		06/10/2010	4110	Reserve Balance - Bond	0.00	40.00
Dept/Licensing	2400	201012	06/25/2010	4100	Bond Purchase Deduction	0.00	10.00-
Dept/Licensing	2400		06/25/2010	4120	Number of bonds purchased	1.00	50.00
Dept/Licensing	2400	201013	07/09/2010	4100	Bond Purchase Deduction	0.00	10.00-
Dept/Licensing	2400		07/09/2010	4110	Reserve Balance - Bond	0.00	10.00
Dept/Licensing	2400	201014	07/26/2010	4100	Bond Purchase Deduction	0.00	10.00-
Dept/Licensing	2400		07/26/2010	4110	Reserve Balance - Bond	0.00	20.00
Employment Security D...	5400	201015	08/10/2010	4100	Bond Purchase Deduction	0.00	10.00-
Employment Security D...	5400		08/10/2010	4110	Reserve Balance - Bond	0.00	30.00
Employment Security D...	5400	201016	08/25/2010	4100	Bond Purchase Deduction	0.00	10.00-
Employment Security D...	5400		08/25/2010	4110	Reserve Balance - Bond	0.00	40.00
Employment Security D...	5400	201017	09/10/2010	4116	Refund amt - Bond	0.00	40.00
							200.00

Fig. 5: Sample report result with employee names and Personnel Number hidden, and Personnel Area Text added.

- Employee has bond deductions at Agency 2400
- As the employee accumulates bond deductions the reserve balance increases...
 - Period 8, \$10 deduction, \$10 reserve
 - Period 9, \$10 deduction, \$20 reserve
- ...until there is enough to make a purchase
 - Period 12, \$10 deduction, \$50 purchase
 - No reserve!

- Two deductions on Period 13 and 14 at DOL for \$20. Ending reserve balance of \$20.
- Employee transfers to ESD Period 15
 - \$10 deduction
 - \$30 reserve balance
 - Reserve balance entry is reported at gaining agency
 - \$30 reported balance is made up of \$10 deduction at gaining, \$20 in deductions at losing.
- There is no financial transaction triggered by a transfer.
 - All funds deducted at losing agency remain at losing agency (in this case, \$20 at DOL that hasn't transferred)
 - Purchases or refunds occur at current or gaining agency (in this case, \$40 refund in Period 15 against deductions of \$20 at ESD)
 - DOL must write a Journal Voucher to transfer \$20 to ESD
 - HRMS manages bonds very well, so it's extremely unlikely agencies should issue a manual refund to an employee
 - If you refund an employee inappropriately, your agency will be responsible to recover funds
 - Cooperation between agencies is your key to success
- Therefore:
 - **Every time** there is a transfer of a bond holder employee between agencies, and the bond holder has a reserve balance, there will be a difference between the Wage Type Reporter total for WT4110 **Reserve Balance – Bond**, and the balance in GL 5188.
 - A JV must be written to transfer money from the losing agency to the gaining agency.
 - Reconciliation is best begun from the earliest un-reconciled period.
- How can I identify and fix balances for transferred employees?
 - **Losing agency:** if possible, check and reconcile the reserve balance during the last period before the employee transfers, and JV the balance to the gaining agency
 - **Gaining agency:** check to see if each gained employee has bond balances transferring in on first payroll; notify losing agency and work together to resolve
 - **Either agency:** Reconcile 5188 and note whether the ending balance matches your reserve balance. If out of balance, individually verify and reconcile bond activity for all employees who left the agency in the last period.

Comparing Enterprise Activity with HRMS Activity

The “SAVP” documents represent bond purchases

- Employee money leaving Account 035 to purchase bonds
- Debit total for AFRS Transaction Code (TC) 350 should match the pay period total of WT4120 ***Number of bonds purchased***.
- Purchases will *not* occur after 12/31/2010.

The PR-PXXXX documents represent bond deductions and refunds

- Employee money coming into Account 035 for bond deductions, waiting for purchase, or money going back to employee for refunds
- Credits (TC 797) should match the pay period total of WT4100 ***Bond Purchase Deduction***
- Refunds (TC 797R) should match the pay period total of WT4116 ***Refund amt – Bond***

The Ending Balance should match the 25th payroll Wage Type Reporter total for WT4110 ***Reserve Balance – Bond***.

See Figure 6 for an illustration of the relationship between the Wage Type Reporter and the AFRS activity reported in Enterprise Reporting.

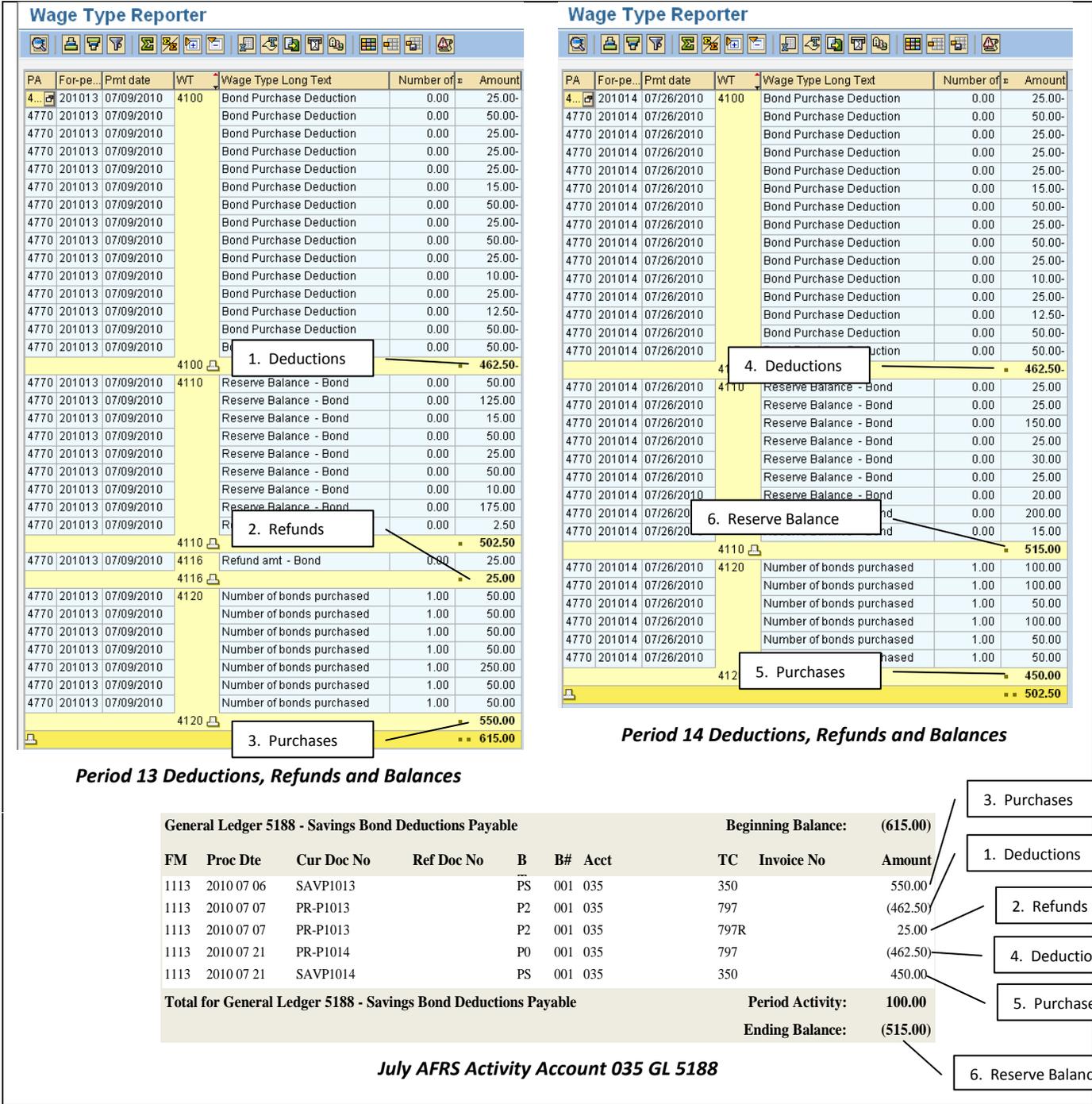


Figure 6: Review each period's activity (deductions and purchases) and reserve balances, comparing to GL 5188.

If your Enterprise ending balance *matches* the HRMS reserve balance, your general ledger is *in balance*.

If the balances *do not match*, compare and reconcile at the employee level.

Ending Savings Bond Deductions

DOP and OFM recommend all bond deductions be end dated *no later than 11/30/2010* so that all refunds will take place no later than the payroll for December 23, 2010, when the bond deduction program will be ended.

End date Infotypes 0103 – Bond Purchases and 0104 – Bond Denominations.

- If a deduction in the current period will bring the reserve balance for the employee high enough to trigger a bond purchase, use the last day of the **current** pay period as the end date. The purchase will occur, and the employee will receive one final bond.
- If a deduction in the current period will *not* be sufficient to trigger a bond purchase, use the last day of the **previous** pay period as the end date. HRMS will automatically refund the reserve balance amount on the next paycheck.

Questions?

HRMS

Contact DOP Service Center at servicecenter@dop.wa.gov

Account 035 Reconciliation or Enterprise Reporting

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