Payroll Suspense Responsibilities and Training

Colleges/Divisions are required to clear payroll suspense posted to their cost centers by the end of each fiscal year. To ensure payroll suspense is cleared in a timely manner, the following procedures will be followed.

General Accounting Responsibilities

Monthly, General Accounting will review Payroll Suspense Balances of Colleges/Divisions and notify the Colleges/Divisions of their balances.

College/Division Responsibilities

After the close of each accounting period, Colleges/Divisions will review payroll suspense transactions posted to their departmental cost centers. To identify the payroll suspense transactions, Colleges/Division will run the following reports:

1.   Fiscal Year Suspense Report (Generated via HRMS system)
2.   1074 Report for Payroll Suspense Cost Centers (Generated via PeopleSoft Finance)

The FY Suspense Report provides a list of payroll transaction by Employee ID, Employee Name, Check Advice, Position Number, Transaction Amount, and identifies which transactions are in Suspense by an asterisk(*).

The 1074 Report provides a listing of posted payroll transactions to the General Ledger and transactions encumbered to the Payroll Suspense cost centers.

Colleges/Divisions should review both reports and reconcile any differences between the reports. After reviewing the reports, payroll suspense transaction should be reallocated to an appropriate cost center by submitting an ERAF.

Mandatory Training for Departments with Payroll Suspense Balances Over $25,000

Departments that have payroll suspense balances greater than $25,000 in August of each fiscal year will be contacted by August 15 for mandatory classroom training to clear their department's payroll suspense balances.

The training will encompass the following:

1.   How to identify payroll suspense transactions in HRMS and PeopleSoft Finance by running the following reports:
     a.   Fiscal Year Suspense Report
     b.   1074 Report
2.   How to prepare a ERAF to process a payroll reallocation

Overview of ERAF Process

ERAFs are submitted via the HRMS System and are approved by a workflow approval process. The General Accounting Department is the final approver of the ERAFs. An ERAF may be final approved but the transaction recorded on this form will not be posted to a departments cost center until the Payroll Department generates the reallocation process in HRMS.

Weekly, the Payroll Department runs the reallocation process. This process batches the ERAF transactions to accounting lines and creates a HR journal.   The Payroll Department is responsible for posting this journal. Payroll reallocations will not appear on the 1074 Report until the Payroll Departments posts the HR journal.