

PAYX Account Clearing

Escape will automatically post a **Payroll “Sweep” Journal Entry** after payroll processing is completed for each regular, supplemental, and manual payroll. This process moves certain balances remaining in the district’s **Payroll Transfer Fund (Fund 76)** into the district’s **General Fund (Fund 01)** as a liability or receivable to be cleared. Districts should research and clear these balances each month.

To review balances in PAYX accounts, run the Fiscal 02 Account Summary by Object Balance report, filtering by unit code PAYX (or search 61johnsm report favorites for the PAYX Balances report shown below and save it as your own favorite report).

Request

1 - Report
 Report Number: Fiscal02
 Description: Account Summary by Object-Balance
 Report Sample: Fiscal02
 Report Favorite ID: PAYX Balances

2 - User Options
 Org: Online/Offline: Online
 Fiscal Year: 202X (202X/202X)
 Account Period: 12 (June)
 Unposted JEs?: No - Do NOT Include unposted JE

3 - Account Selection
 Assets and Liabilities?: Yes - Include - change Object filtering
 Restricted?: Yes - Include restricted accounts
 Fund: [blank]
 Resource: [blank]
 Year: [blank]
 Goal: [blank]
 Function: [blank]
 Object: [blank]
 School: [blank]
 Management: [blank]
 Unit: PAYX (Payroll Sweep)

4 - Account Sort/Group Options
 Fund: Fund
 Sort/Group 1: Object
 Sort/Group 2: Unit
 Sort/Group 3: [blank]
 Sort/Group 4: [blank]
 Object: [blank]

Report Favorites

To save this report, click on the Favorites drop-down menu and choose “manage”, which will bring up the “Manage Report Favorites” screen shown below. Click “Add” and then name the report, and Save. Each year you will need to update the fiscal year in the report. Each time a change is made, open the Manage Report Favorites screen again from the Favorites drop-down menu and click “Replace”, and Save.

Custom Report Distribution Option

A report favorite can be set-up to email to yourself on a scheduled day/time. Since the Payroll Sweep occurs automatically each month with the posting of payroll, this report could be set-up to email to yourself on the 1st of each month, alerting you to PAYX balances that resulted from the last payroll right away. Follow the set-up options/steps highlighted here.

Manage Report Favorites - Request/Report

Report Favorites
 1 PY Cash Ending Bal
 View Favorites

Details
 Favorite Id: Public
 PAYX Balances
 Description: PAYX balances to be cleared

Schedule
 None Daily Weekly Monthly Yearly
 Day 1 of every 1 month(s)
 The 1st of every 2 (Monday) of every 1 month(s)

Report Format
 Start: 11/1/202X End: [blank] Time: 6am

Values
 Org = 18
 Online/Offline = Online
 Fiscal Year = 20XX
 Account Period = 12
 Unposted JEs? = No - Do NOT Include unposted JE
 Assets and Liabilities? = Yes - Include - change Object filtering
 Restricted? = Yes - Include restricted accounts

Buttons: + Add, X Remove, Replace, Undo, Redo, Cancel Change, Apply Change, Cancel, Save

The Fiscal 02 report below will be generated, and Account Balances are shown on the right for each PAYX account.

A starting balance indicates that the amount(s) rolled over from the prior year (re-run the report for the prior year to review details for these balances).

Account balance should be zero for each PAYX account by fiscal year-end each year.

Fiscal02a **Account Summary by Object-Balance**

| Balances through July (01) | | | | | Fiscal Year 202X/XX | | |
|--|--|------------------|-----------|----------|---------------------|--|--|
| FF- RRRR- Y- GGGG- FFFF- OOOO- SSS- MMM- UUUU | Description | Starting Balance | Debit | Credit | Account Balance | | |
| Fund 01 - General , Unit PAYX - Payroll Sweep | | | | | | | |
| 01- 0000- 0- - - 9200- - - - PAYX | A/R | | 532.82 | 532.82 | | | |
| | Total for Object 9200 | .00 | 532.82 | 532.82 | .00 | | |
| 01- 0000- 0- - - 9201- - - - PAYX | A/R-Prior Year | 59,411.21 | 59,411.21 | 532.82 | 58,878.39 | | |
| | Total for Object 9201 | 59,411.21 | 59,411.21 | 532.82 | 58,878.39 | | |
| | Total for Org 018, Fund General, and Unit PAYX | 59,411.21 | 59,944.03 | 1,065.64 | 58,878.39 | | |
| FF- RRRR- Y- GGGG- FFFF- OOOO- SSS- MMM- UUUU | | | | | | | |
| 01- 0000- 0- - - 9500- - - - PAYX | AP-Current | | | 105.13 | 105.13 | | |
| | Total for Object 9500 | .00 | .00 | 105.13 | 105.13 | | |
| 01- 0000- 0- - - 9501- - - - PAYX | AP-Prior Year | 5,331.80 | 5,436.93 | 5,331.80 | 105.13- | | |
| | Total for Object 9501 | 5,331.80 | 5,436.93 | 5,331.80 | 105.13- | | |
| 01- 0000- 0- - - 9577- - - - PAYX | PriorMiscConDed | | 220.27 | | 220.27- | | |
| | Total for Object 9577 | .00 | 220.27 | .00 | 220.27- | | |
| | Total for Org Fund General, and Unit PAYX | 5,331.80 | 5,657.20 | 5,436.93 | 220.27- | | |

Click on the blue hyperlink for the account to review the account details, noting the payroll transaction date(s).

Fiscal03a **Account Transaction Detail by Object-Balance**

| Detail for Dates 07/01/202X through 08/01/202X | | | | | Fiscal Year 202X/XX | | |
|--|-----------------|------------|------------------------------------|------------|---------------------|--------|-----------------|
| Ref# | Pay To Name | Journal # | Description | Trans Date | Debit | Credit | Account Balance |
| Fund 01 - General | | | | | | | |
| 01-0000-0- - - 9577- - - - PAYX | PriorMiscConDed | | | | | | |
| | | CT25-00019 | PR 07-11-202X Sweep | 07/01/2X | 53.10 | | 53.10- |
| | | CT25-00027 | PR 07-17-202X Sweep | 07/10/2X | 1.43 | | 54.53- |
| | | CT25-00055 | PR 07-31-202X Sweep | 07/31/2X | 165.74 | | 220.27- |
| | | | Account Total | 06/30/2X | 220.27 | .00 | |
| | | | Total for Org 018 and Fund General | | 220.27 | .00 | 220.27- |

To clear the balance, the PAYX account needs a credit of \$220.27. The specific benefit account(s) related to the employee(s) would receive the debit, or a vendor refund check could be credited to the PAYX liability account directly.

| Debit | Credit | Account Balance |
|--------|--------|-----------------|
| 220.27 | .00 | 220.27- |

The Transaction Date identifies the payroll in which the issue occurred and triggered the sweep. Use the Transaction date to search for the employee(s) and vendor(s) on that specific payroll to identify the action needed and the accounts for any necessary journal entries. Reference the "Payroll Sweep Journal Entry" document on page 5 for example actions related to each specific PAYX liability or receivable object code.

Recommended Reports (Enter the payroll Transaction Date in Starting Pay Date field – ex. 9-30-XX):

- Pay 18 – Vendor Liabilities (look for negative amounts in Liability column or the \$ amount)
- Pay 17 – Vendor Pay Detail (look for that vendor and identify the employee with negative)
- Pay 16 - Vendor Summary (scan for negative payment amounts)

From the Fiscal 03 example on page 2 above showing a PAYX balance in object 9577 of \$220.27 to be cleared, see example reports below identifying the vendor associated with the negative pay/refund (Pay 18) and the corresponding employee (Pay 17). Use Pay 10 to search the employee’s associated payroll and benefit accounts.

| Detail for Dates 07/01/202Xthrough 08/01/202X | | | | | Fiscal Year 202X/XX | | |
|---|---------------------------------------|-----------|---------------------|-----------------------|---------------------|--------|-----------------|
| Ref# | Pay To Name | Journal # | Description | Trans Date | Debit | Credit | Account Balance |
| Fund 01 - General | | | | | | | |
| 01-0000-0- | - | -9577- | - | -PAYX PriorMiscConDed | | | |
| | CT25-00019 | | PR 07-11-202X Sweep | 07/01/2X | 53.10 | | 53.10- |
| | CT25-00027 | | PR 07-17-202X Sweep | 07/10/2X | 1.43 | | 54.53- |
| | CT25-00055 | | PR 07-31-202X Sweep | 07/31/2X | 165.74 | | 220.27- |
| | Account Total | | | 06/30/2X | 220.27 | .00 | |
| | Total for Org ██████ and Fund General | | | | 220.27 | .00 | 220.27- |

Example 1:

Pay18a

Vendor Liabilities

| Pay Date 07/11/202X | | | | | | | | Fiscal Year 202X/XX | |
|-----------------------------|--------|----------|--------|--------|----------|----------|-----------|---------------------|--|
| Vendor | Id | Code | EE Obj | ER Obj | Employee | Employer | Liability | Check | |
| Federal Income Tax | 999012 | FIT | 9587 | 9587 | 85.30 | | 85.30 | | |
| Medicare EE Contribution | 999015 | MEDICARE | 9533 | 9533 | 32.81 | | 32.81 | | |
| Medicare ER Contribution | 999016 | MEDICARE | 9533 | 9533 | | 32.81 | 32.81 | | |
| SISC - Defined Benefit Plan | 99980A | Combined | 9577 | 9577 | 18.17- | 34.93- | 53.10- | | |

Pay17a

Vendor Pay Detail

| Pay Date 07/11/202Xthrough 07/11/202X | | | | | | | Fiscal Year 202X/XX | | |
|---------------------------------------|----------|--------------|-----------|----------|----------|--------|---------------------|---|--|
| Employee | (ID)SSN4 | Code (Opt) | CR Object | Employee | Employer | Total | Description | | |
| 99980A - SISC - Defined Benefit Plan | | Combined (C) | 9577 | 18.17- | 34.93- | 53.10- | SISC DB ARP | | |
| Total for Pay Date 07/11/202X | | | | 18.17- | 34.93- | 53.10- | Employee Count | 1 | |

Example 2:

Pay18a

Vendor Liabilities

| Pay Date 07/31/202X | | | | | | | | Fiscal Year 202X/XX | |
|--------------------------------|--------|----------|--------|--------|----------|----------|-----------|---------------------|--|
| Vendor | Id | Code | EE Obj | ER Obj | Employee | Employer | Liability | Check | |
| ACSA - Assn Of Ca School Admin | 999514 | Combined | 9577 | 9577 | 165.74- | | 165.74- | | |

Pay17a

Vendor Pay Detail

| Pay Date 07/31/202Xthrough 07/31/202X | | | | | | | Fiscal Year 202X/XX | | |
|---|----------|--------------|-----------|----------|----------|---------|---------------------|---|--|
| Employee | (ID)SSN4 | Code (Opt) | CR Object | Employee | Employer | Total | Description | | |
| 999514 - ACSA - Assn Of Ca School Admin | | Combined (C) | 9577 | 165.74- | | 165.74- | Ref ACSA Jun dues | | |
| Total for Pay Date 07/31/202X | | | | 165.74- | .00 | 165.74- | Employee Count | 1 | |

In both examples above, the PAYX balance in object 9577 is the result of a refund due to an employee from a vendor such as SISC or ACSA. An adjustment was posted in payroll to initiate the refund, which resulted in a negative vendor check. The balance remains in the payroll transfer fund (Fund 76) because the system cannot print a negative warrant. The sweep automatically moves the debit balance to the PAYX liability account in the district's general fund. Once received, the vendor refund check can be credited to the PAYX account to resolve the balance, or in some cases a journal entry may be needed to move the balance back to the corresponding employee's benefit account.

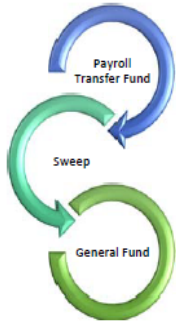
- See page 5 for examples of payroll items that cause balances in the PAYX accounts and recommended actions to resolve them.

SBAS Process: Each month, the SBAS payroll team reviews the automatic payroll sweep journal entries and resulting PAYX balances. Our process is to inform the district CBO of these balances each month via email, and attach reports showing the vendor/employee that correspond to the PAYX balance(s).

District process: It is the district's responsibility to take the action needed to clear the PAYX liability or receivable balances each month. For assistance, please contact Myron in SABS at 805-964-4710, ext. 5280 or www.sbceo.org/sbas.



Note: PAYX balances that are not cleared will roll forward to the next fiscal year and will continue to do so until they are cleared. It is important to review these balances on a monthly basis and clear them timely



Payroll “Sweep” Journal Entry

Escape will automatically post a Payroll “Sweep” Journal Entry after payroll processing is completed for each regular, supplemental, and manual payroll. This process moves certain balances remaining in the district’s Payroll Transfer Fund (Fund 76) into the district’s General Fund (Fund 01) according to the table below. Each district will be responsible for researching and clearing balances each month.

| | Why do balances remain? | Sweep Journal Entry (Automatic posting by Escape) | | To research payroll detail... |
|---|--|--|------------------------|--|
| | | FROM | TO | |
| | | Payroll Transfer Fund | General Fund | |
| 9200 Accounts Receivable (AR) | <p>A pay adjustment entered using the Deduction ID “Repay” or “Repay CY” will result in a Journal Entry (JE) affecting AR (object 9200).</p> <ul style="list-style-type: none"> » A positive (+) repay adjustment <i>reduces</i> net pay [Debit (+) 9200] e.g. <i>Dock to the employees’ wages due to a previous overpayment (Repay)</i> » A negative (-) repay adjustment <i>increases</i> net pay [Credit (-) 9200] e.g. <i>District “loans” STRS contribution to be recaptured from employee (Repay CY)</i> <p>JEs to setup an AR (enter repay deduction) and reverse an AR (repayment via payroll) are both posted by Escape during payroll processing. These JEs will net to zero unless repayment is spread over more than one pay date.</p> | 76- - - -9200- - - | 01- - - -9200- - -PAYX | <p>Step 1: Finance > Fiscal> Account: Search by Fund 01/ Object 9200/ Unit PAYX and drill down on the account detail to identify the pay date.</p> <p>Step 2: HR/Payroll > Reports > Payroll > Payroll Vendor Detail Report (Pay17): Search by Pay Date and Object 9200 to identify the employee(s). The comment will help describe the nature of the adjustment.</p> |
| 9534 Health & Welfare (H&W) Liability | <p>Each district has chosen to issue a warrant directly from the Payroll Transfer Fund (PTF) or transfer the balance collected to another district fund.</p> <ul style="list-style-type: none"> » If the district has opted to issue warrants directly from the PTF and has processed a payroll adjustment that results in a negative vendor payment (i.e. employee refund or employee cancelled warrant) the balance will remain in the PTF since the system cannot print a “negative” vendor check. » If the district has opted to transfer the balance to another fund (such as Fund 01 or Fund 67), the entire amount (+/-) is moved out of the PTF and negative balances would net against positive balances in the receiving fund. | 76- - - -9534- - - | 01- - - -9534- - -PAYX | <p>Step 1: Finance > Fiscal> Account: Search by Fund 01/ Object 9534/ Unit PAYX and drill down on the account detail to identify the pay date.</p> <p>Step 2: HR/Payroll > Reports > Payroll > Payroll Vendor Detail Report (Pay17): Search by Pay Date and Object 9534 to identify the employee(s) and vendor.</p> <p><i>TIP: Generate a Vendor Summary (Pay16) and scan for negative payment amounts.</i></p> |
| 9577 All Other Contributions & Deductions Liability | <p>A warrant is issued to the benefit provider directly from the PTF for all other deductions and contributions. There is no transfer option available.</p> <p>If the district has processed a payroll adjustment that results in a negative vendor payment (i.e. employee refund or employee cancelled warrant) the balance will remain in the PTF since the system cannot print a “negative” vendor check.</p> | 76- - - -9577- - - | 01- - - -9577- - -PAYX | Same as above |
| 9539 OPEB Liability | Same as Health & Welfare Liability (object 9534). | 76- - - -9539- - - | 01- - - -9539- - -PAYX | Same as above |

The remaining accounts in the District’s Payroll Transfer Fund contain monies that affect SBCEO trust funds. Therefore, School Business Advisory Services staff will investigate and clear any remaining balances.