

100.6 Payroll Adjustments

Revision History

Version	Date	Revision Notes
1.0	07/06/2023	Draft Created
2.0	09/15/2023	Draft Updates for Financials Wave

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Business Process Overview

Payroll adjustments occur when additional information or corrections are identified by agency payroll administrators after the On-Cycle Payroll cutoff.

This document focuses on the following subprocesses:

- 100.6.1 – Record Overpayments and Recovery
- 100.6.2 – Manage ACH Returns and Reissued Warrants
- 100.6.3 – Reverse Unreconciled Warrants
- 100.6.4 – Adjust Retirement Earnings and Contributions
- 100.6.5 – Record Non-Cash, Fringe, and Other Adjustments

When a salary overpayment occurs for employees who have transferred to a new agency, the agency who requests the salary refund may need to notify the other agency and coordinate any journal entries.

Payroll Adjustments processed via On-Cycle or Off-Cycle payroll interface to General Ledger.

Below is a description of the business subprocesses that are defined in 100.2 Set Up and Maintain Employees.

100.6.1 – Record Overpayments and Recovery – Recording Overpayment recovery in the system.

100.6.2 – Manage ACH Returns and Reissued Warrants – Describes the process for when ACH is returned, or warrants are re-printed.

100.6.3 – Reverse Unreconciled Warrants – Reversing unreconciled warrants in the system.

100.6.4 – Adjust Retirement Earnings and Contributions – Adjusting Florida Retirement System (FRS) eligible earnings and contributions and sending the information to FRS.

100.6.5 – Record Non-Cash, Fringe, and Other Adjustments – Recording memo adjustments (also referred to as Manual Check) in Payroll for Non-Cash, Fringe and Other Adjustments.

Definitions for terminology used within this business process can be at [Terms and Definitions Catalog](#)¹.

Dependencies and Constraints

When a paycheck needs to be adjusted due to an over/underpayment, the hours/amount that is overpaid/underpaid should be entered using the correct earning code to allow the system to:

1. Recalculate impact to taxes.
2. Recalculate impact to FRS.
3. Adjust Year to Date (YTD) Balances

The adjusting entry must also be recorded with the correct Earnings Begin and End dates, so the adjustments are reported to FRS in the correct month and year. The system automatically calculates adjusting entries for taxes and FRS.

¹ <https://app.smartsheet.com/b/publish?EQBCT=0145b968d515454e9753d4943702576a>.

Payroll Adjustments can be processed during On-Cycle payroll as long as adjustments are loaded into Paysheet Transaction table or included in input files from the HRIS (Human Resource Information System) before the payroll cut-off.

Payroll Adjustments are expected to come through various avenues:

1. One-Time Earnings and Deductions files from HRIS
2. Direct entry or Spreadsheet Upload into Paysheet Transaction Table
3. Paycheck Reversal page
4. Record Manual Check page

Gross salary over/underpayment amounts should be calculated in the HRIS. Florida PALM will calculate Gross to Net impact of such adjustments. Considerations for adjustments include:

- Only confirmed paychecks can be adjusted or reversed.
- Checks that have cleared the bank and are reconciled cannot be reversed.
- Gross amount of the salary overpayments should be calculated in HRIS. The amount to be recovered may be sent via the Earnings file as negative hours/earnings or uploaded via Spreadsheet into the Florida PALM Payroll Transaction Table.

Business Process Flow Details

The tables below describe steps in each business subprocess as reflected on the Business Process Flow Diagrams. The tables also reflect information associated with each step describing the intent of the specific process. Florida PALM screenshots are included within the sections to allow connections to be made from specific business subprocess steps to screens within Florida PALM.

The Business Process Flow Diagrams use horizontal swim lanes to depict where activities are performed by different parties or systems. Each swim lane is titled with a role, either agency-based or within Department of Financial Services (DFS), and in some cases, are representative of an external entity or system. The swim lanes may change from page to page within a single business subprocess as more or fewer roles are required to execute sections of the business subprocess. Optionally, the process flow diagram may reflect vertical swim lanes to further designate information such as systems or time intervals.

This information should be read in conjunction with the Business Process Flow Diagrams.

100.6.1 – Record Overpayments and Recovery

Table 1: Record Overpayments and Recovery

100.6.1 – Record Overpayments and Recovery	
Module	Payroll
Related Module(S)	Accounts Receivable
Swim Lane – Definition	Agency Payroll Processor: Agency role responsible for ensuring employee's pay is accurate with the ability to view, enter, and update transactions.

Process Step ID	Process Step Title	Description of Process
1	Identify Overpayment	Agency Payroll Processor will identify overpayments in the source HRIS.
2	Correct Source HRIS	Agency Payroll Processor will make the necessary corrections in the source HRIS. If the employee is active, continue to step 3. If terminated, continue to step 6.
3	Notify Employee	Agency Payroll Processor will be responsible for generating letters to notify employees who were overpaid. Agencies will also work with the employee on re-payment options. After working with the employee on re-payment options, the next step is to collect the overpayment. HRIS will send over the adjustment for the overpayment via Inbound Earnings File (PRI005). If the employee chooses to repay via payroll deduction, proceed to step 4 when the repayment is ready to be processed in payroll. If the employee chooses to repay via personal check, continue to step 6.
4	Inbound Earnings File (PRI005)	The HRIS will send negative earnings records in the Inbound Earnings File (PRI005) for the overpayment amount to be recovered from the employee. The earning code sent on the file will impact tax calculation and resulting FRS adjustments. The earning begin and end date will impact the period in which the adjustment will be reported to FRS.
5	Load Negative Earnings	The system will load negative earnings from the Inbound Earnings File to the paysheet which will be processed in the next available payroll. The adjustment can be processed during 100.3 On-Cycle Payroll or 100.4 Off-Cycle Payroll depending on the timing of when the transaction is received. The overpayment adjustment is also one of the inputs to business process 100.6.4 Adjust Retirement Earnings and Contributions. Once payroll is confirmed, the system will update employee balances for end of period reporting and will report adjustments to FRS eligible earnings and contributions accordingly.
6	Calculate Net Overpayment	Agency Payroll Processor will calculate the net overpayment amount owed by the employee.

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Process Step ID	Process Step Title	Description of Process
7	Notify Employee of Net Overpayment	Agency Payroll Processor will notify the employee of the net overpayment amount.
8	Receives Personal Check	Agency Payroll Processor will receive the employee's personal check and deposit the check following the process referenced in 60.2 Deposit and Apply Receipts.
9	Process Adjustment	<p>Agency Payroll Processor will process the adjustment in Florida PALM. This step will create an adjustment to the employee's earning record. The adjustment will be processed in 100.4 Off-Cycle Payroll. The overpayment adjustment is also one of the inputs to business process 100.6.4 Adjust Retirement Earnings and Contributions.</p> <p>Once payroll is confirmed, the system will update employee balances for end of period reporting and will report adjustments to FRS eligible earnings and contributions accordingly.</p>

100.6.2 – Manage ACH Returns and Reissued Warrants

Table 2: Manage ACH Returns and Reissued Warrants

100.6.2 – Manage ACH Returns and Reissued Warrants		
Module	Payroll	
Related Module(s)	N/A	
Swim Lanes – Definition	<p>Agency Payroll Processor: Agency role responsible for ensuring employee's pay is accurate with the ability to view, enter, and update transactions.</p> <p>BOSP Payroll Processor: BOSP role responsible for auditing an employee's pay in the system with the ability to view, enter, and update transactions.</p>	
Process Step ID	Process Step Title	Description of Process
1	Agency Requests Reprint of a Warrant	<p>The Manage ACH Returns and Reissued Warrants process starts with the agency requesting to reprint a warrant. The process continues to step 3.</p> <p>The process can also start when BOSP receives notice from Cash Management that an ACH payment was returned.</p>
2	Confirm ACH Return	BOSP confirms ACH return from Cash Management after receiving notice.
3	Reprint Warrant Page	BOSP enters check ranges and/or ACH return flag and runs warrant reprint process in the reprint warrant page (see Figure 1).
4	Payroll Payment Reprint Process	After a run control is added in the reprint warrant page, the system proceeds with the payment reprint process.

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Process Step ID	Process Step Title	Description of Process
		Warrant Reprint – Process cancels the old warrant and issues a new warrant with a new warrant number. ACH Returns – Process cancels the ACH payment and issues a physical warrant with a new warrant number. 100.3.6 Distribute Payroll Warrants described the process to print and distribute warrants.

Figure 1: Reprint Warrant Page

100.6.3 – Reverse Unreconciled Warrants

Table 3: Reverse Unreconciled Warrants

100.6.3 – Reverse Unreconciled Warrants	
Module	Payroll
Related Module(s)	N/A
Swim Lanes – Definition	<p>Agency Payroll Approver: Agency role responsible for reviewing and approving (or denying) transactions.</p> <p>Agency Payroll Processor: Agency role responsible for ensuring employee's pay is accurate with the ability to view, enter, and update transactions.</p> <p>BOSP Payroll Maintainer: BOSP role with the ability to run and monitor payroll cycle processes and update configuration.</p>

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Process Step ID	Process Step Title	Description of Process
1	Enter Reversal	<p>Agency Payroll Processor can reverse (cancel) a warrant that is in their possession and has not cleared the bank.</p> <p>A paycheck that has been direct deposited into a bank account cannot be reversed.</p> <p>To reverse a paycheck, Agency Payroll Processor must provide valid: Employee ID Pay End Date Check Number and Pay Issue Date</p> <p>If the check is unreconciled, the process continues to Step 2.</p>
2	Reversal Notification Sent (PRW005)	Agency Payroll Approver will receive a notification that a reversal was requested and proceed to Step 3.
3	Review Reversal Page	<p>Agency Payroll Approver will review the request and either approve or deny.</p> <p>If the request is approved, continue to Step 5. Otherwise, continue to Step 4.</p>
4	Reversal Deletion Notification Sent	Agency Payroll Processor will be notified if the request for reversal has been denied and must address the reason for denial and re-submit the request.
5	Run Paycheck Reversal Process	If the reversal request is approved, the Agency Payroll Approver will run the paycheck reversal process. This process will create all the negative offset rows for the paycheck and update the paycheck status to "Reversing." The paycheck is not reversed until confirmed. The process continues to Step 6.
6	Reversal Notification Sent	BOSP Payroll Maintainer will receive notification when an agency has initiated a reversal of a paycheck. The process continues to Step 7.
7	Run Pay Confirmation	BOSP Payroll Maintainer will run Payroll Confirmation process to finalize the reversal and update Paycheck status from "Reversing" to "Reversed." See Key Reports section for the list of reports produced by this step. The process continues to Step 8.
8	Post-Confirmation Batch Processes	After the reversal is confirmed, Post-Confirm processes will trigger various processes such as Distribute Payroll Warrants (100.3.6) and Generate Payroll Accounting Distributions (100.7.2) to send information to General Ledger.

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100.6.4 – Adjust Retirement Earnings and Contributions

Table 4: Adjust Retirement Earnings and Contributions

100.6.4 – Adjust Retirement Earnings and Contributions		
Module	Payroll	
Related Module(s)	N/A	
Swim Lanes – Definition	Agency Retirement Maintainer: Agency role responsible for ensuring accuracy of retirement information.	
Process Step ID	Process Step Title	Description of Process
1	FRS Sends Variance Invoice	There are several ways a Retirement Adjustment is initiated. First scenario is FRS sends a variance invoice to agencies for FRS contribution adjustments. The remaining scenarios are covered in the following steps.
2	Retroactive Change to Retirement Code in HRIS	Agency Retirement Maintainer will make a retroactive change to retirement code in the HRIS to address the invoice sent by FRS.
3	Inbound Retirement Data File (PRI015)	Inbound interface to receive retirement benefits data.
4	Update Retirement Enrollment	The retirement enrollment in Florida PALM will be updated via the information received in the Inbound Retirement Data File.
5	Retroactive Change in FRS Eligible Earnings in HRIS	Another way a retirement adjustment is initiated is when agencies identify retroactive changes in FRS eligible earnings in the HRIS that require updates in the system. Adjustments will be entered in the paysheet to be processed via: <ul style="list-style-type: none"> a. On-Cycle Payroll (100.3) b. Off-Cycle Payroll (100.4) c. Record Overpayments and Recovery (100.6.1) d. Reverse Unreconciled Warrants (100.6.3) Continue to step 8.
6	Employee Returns from Military Leave	When an employee returns from military leave, adjustments to FRS eligible earnings and contributions are required. Adjustments will be entered in the paysheet as described in 100.4.1 Off-Cycle Processing. Continue to step 8.
7	Workers Compensation Adjustments	When workers compensation adjustments have been identified, adjustments to FRS Eligible Earnings and Contributions are required. Adjustments will be entered in the paysheet as described in 100.4.1 Off-Cycle Processing. Continue to step 8.

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Process Step ID	Process Step Title	Description of Process
8	FRS Retro Calculation Program	<p>Change in retirement code, FRS eligible earnings, military leave, and workers compensation adjustments will trigger the system to re-calculate FRS eligible earnings and contributions for the period(s) impacted.</p> <p>The program will insert deduction override rows to the Paysheet Transaction Table to adjust FRS contribution amounts. These adjustments may be processed in 100.3 On-Cycle Payroll or in 100.4 Off-Cycle Payroll.</p> <p>Continue to step 8.</p>
9	FRS Retro Active Adjustments Program	<p>This program will identify all retroactive adjustments and update FRS table with the amounts and month and year they should be reported to FRS.</p> <p>Agencies can use records stored in this table for reconciliation. If needed, agencies can request records be updated in this table before they are sent to FRS.</p>
10	Outbound Monthly Retirement Plan File (PRI030)	Outbound monthly interface to send retirement reporting data to Department of Management Services, Division of Retirement.

100.6.5 – Record Non-Cash, Fringe, and Other Adjustments

Table 5: Record Non-Cash, Fringe, and Other Adjustments

100.6.5 – Record Non-Cash, Fringe, and Other Adjustments		
Module	Payroll	
Related Module(s)	Accounts Payable	
Swim Lanes – Definition	<p>Agency Payroll Approver: Agency role responsible for reviewing and approving (or denying) transactions.</p> <p>Agency Payroll Processor: Agency role responsible for ensuring employee's pay is accurate with the ability to view, enter, and update transactions.</p> <p>BOSP Payroll Maintainer: BOSP role with the ability to run and monitor payroll cycle processes and update configuration.</p>	
Process Step ID	Process Step Title	Description of Process
1	Enter Non-Cash Adjustment in Paysheet	<p>There are two ways Non-Cash, Fringe, and Other Adjustments are initiated. The first scenario is Agency Payroll Processor creates an adjustment using the manual check page in Florida PALM to record non-cash, fringe, and other adjustments.</p> <p>Upon saving, the system will generate the approval workflow. The process continues to Step 2.</p>
2	Non-Cash Adjustment	The system will notify the Agency Payroll Approver to approve or deny the request and continues to Step 3.

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Process Step ID	Process Step Title	Description of Process
	Notification Sent (PRW006)	
3	Review Paysheet	Agency Payroll Approver reviews non-cash, fringe or other adjustments and approves or denies the transaction. If the transaction is approved, the paysheet will be processed during the weekly supplemental payroll to update employee's balances.
4	Receive Denial Notification	If the request for a non-cash, fringe, or other adjustment is denied, paysheet entry will be deleted and denial notification sent to Agency Payroll Processor.
5	Load Non-Cash Expenses	The second scenario to record Non-Cash, Fringe, and Other Adjustments is for employee non-cash expense payments (i.e., moving expenses) made in the Accounts Payable module to suppliers. Process Vouchers (30.3.1) describes the details of processing vouchers in Accounts Payable. This process produces an AP Payments file (AP0031). Continue to process Step 6.
6	Inbound Moving Expense Reimbursement (PRI051)	This interface will extract moving expense reimbursements from the AP Payments file and load into Expense Reimbursement table. Continue to process Step 7.
7	Load Non-Cash Expenses	BOSP Payroll Maintainer will run the process to load non-cash expenses. These non-cash expenses will be processed in the next Supplemental Payroll to update employee's balances as described in 100.3 On-Cycle Payroll.

Accounting Events

Accounting events originate during transaction processing in the applicable source module. The accounting events impact the source module, Commitment Control ledgers, and the General ledger (Actuals).

- Source Module accounting entries require user input (U) of the primary line (i.e., expenditure, revenues) with an automated system (S) offsetting line (i.e., payable, receivable) during transaction entry. The source model transaction must pass Edit Check, Budget Check, and Cash Check (on applicable entries) prior to posting the transaction.
- The Run Budget Check (Commitment Control) process automatically affects balances in the appropriate budget ledger (i.e., appropriation, spendable cash) if the transaction passes the budget check process.
- After the transaction is posted in the source module, an automated system process summarizes and posts the entries in the General Ledger module to the Actuals Ledger.

The table below provides the most common accounting events applicable to this business process.

Table 6: Accounting Events Included on Business Process Flow Diagrams

Acct Event ID	Accounting Event	Source Module Accounting Entry	Commitment Control Ledger(s) Impact	General Ledger (Actuals) Entry
PR08	ACH Return - Enterprise Fund	Debit: Cash Clearing (S) Credit: Cash (S)	Decreases/Increases Spendable Cash	Debit: Cash Clearing Credit: Cash
PR08	ACH Reissue as a Warrant - Enterprise Fund	Debit: Cash (S) Credit: Cash Clearing (S)	Decreases/Increases Spendable Cash	Debit: Cash Credit: Cash Clearing
PR09	Warrant Cancel for Reissue - Enterprise Fund	Debit: Cash Clearing (S) Credit: Cash (S)	Decreases/Increases Spendable Cash	Debit: Cash Clearing Credit: Cash
PR09	Warrant Reissue - Enterprise Fund	Debit: Cash (S) Credit: Cash Clearing (S)	Decreases/Increases Spendable Cash	Debit: Cash Credit: Cash Clearing
PR10	Payroll Reversal - Current Year - Agency Fund	Debit: Cash (S) Credit: Net Payroll Liability (S)	Increases Spendable Cash	Debit: Cash Credit: Net Payroll Liability
PR10	Payroll Reversal - Current Year - Agency Fund	Debit: Net Payroll Liability (S) Credit: Payroll Expense (S)	Increases Available Appropriation, Allotment, and Release balances	Debit: Net Payroll Liability Credit: Payroll Expense

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Acct Event ID	Accounting Event	Source Module Accounting Entry	Commitment Control Ledger(s) Impact	General Ledger (Actuals) Entry
PR10	Payroll Reversal - Current Year - Enterprise Fund	Debit: Cash Clearing (S) Credit: Cash (S)	Decreases/Increases Spendable Cash	Debit: Cash Clearing Credit: Cash
PR11	Payroll Reversal - Prior Year - Agency Fund	Debit: Cash (S) Credit: Net Payroll Liability (S)	Increases Spendable Cash	Debit: Cash Credit: Net Payroll Liability
PR11	Payroll Reversal - Prior Year - Agency Fund	Debit: Net Payroll Liability (S) Credit: Revenue (S)	Increases Collected Revenue	Debit: Net Payroll Liability Credit: Revenue
PR11	Payroll Reversal - Prior Year - Enterprise Fund	Debit: Cash Clearing (S) Credit: Cash (S)	Decreases/Increases Spendable Cash	Debit: Cash Clearing Credit: Cash

Key Reports

Key Reports are displayed as icons with the Report Number on the Business Process Flow Diagrams. The table below provides the reports identified to be produced at a particular process step or is used to support the completion of a process step.

Table 7: Key Reports Included on Business Process Flow Diagrams

Report Number	Report RICEFW ID	Report Description	Report Source	Report Frequency	Audience
R1	PRR016	Payroll Deduction Register - lists amount of money deducted from each employee paycheck for general deductions, garnishments, and benefits	PeopleSoft	Biweekly, Monthly, and Supplemental On-Cycles	Agency, BOSP
R2	PRR018	Payroll Register - lists paycheck data by name, emp ID, and department ID for both BOSP and individual agencies.	PeopleSoft	Biweekly, Monthly, and Supplemental On-Cycles	Agency, BOSP
R3	PRR002	Payroll Check Register - lists checks in check number order for the pay period for both BOSP and individual agencies.	PeopleSoft	Biweekly, Monthly, and Supplemental On-Cycles	Agency, BOSP
R4	PRR007	Payroll Other Earnings Register - lists detailed wages outside regular/overtime earnings for both BOSP and individual agencies.	PeopleSoft	Biweekly, Monthly, and Supplemental On-Cycles	Agency, BOSP

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Report Number	Report RICEFW ID	Report Description	Report Source	Report Frequency	Audience
				Supplemental On-Cycles	
R5	PRR029	Payroll Error Messages - lists system errors messages during the payroll processes Pre-Calculation, Final Calculation, or Pre-Confirm for both BOSP and individual agencies.	PeopleSoft	Biweekly, Monthly, and Supplemental On-Cycles	Agency, BOSP
R6	PRR012	Payroll Summary - lists summary of U.S. Paychecks detail by Run ID. Includes amounts, earnings, employee deductions, employer contributions, and employee/employer tax for both BOSP and individual agencies.	PeopleSoft	Biweekly, Monthly, and Supplemental On-Cycles	Agency

Note: A complete list of reports may be found in the [Reports Catalog](#)².

Conversions

The table below identifies the Conversions related to this Business Process. These items are not included within the Business Flow Diagrams; however, these items are important elements of each Business Process.

Table 8: Data Converted from External System to Florida PALM

Conversion Number	Conversion Description	Source
N/A		

Note: A complete list of conversions may be found in the [Catalog of Conversions](#)³.

² <https://app.smartsheet.com/b/publish?EQBCT=a8d51896f0144ef6a87314b3c7824ba5>

³ <https://app.smartsheet.com/b/publish?EQBCT=78f9327c658040d0bc1e8cc829e51efa>

Interfaces

The table below provides the Interface IDs for each interface identified on the Business Process Flow Diagrams.

Table 9: Interfaces Included on Business Process Flow Diagrams

Interface Number	Interface Description	Interface Frequency	Source	Target
PRI005	Inbound Earnings File – Inbound interfaces for employee earnings data for each payroll cycle.	Daily	Agency Business Systems	Florida PALM
PRI015	Inbound Retirement Data File – Inbound interface to receive retirement benefits data.	Daily	HRIS (People First, Highline)	Florida PALM
PRI030	Outbound Monthly Retirement Plan File – Outbound monthly interface to send retirement reporting data to the Department of Management Services, Division of Retirement	Monthly	Florida PALM	Florida Retirement System
PRI051	Inbound Moving Expense Reimbursement – Inbound interface that will extract Moving Expense Reimbursement from AP Payment file and load into Expense Reimbursement table in HCM.	Daily	Florida PALM	Florida PALM

Note: A complete list of interfaces may be found in the [Catalog of Interface Offerings](#)⁴.

⁴ <https://app.smartsheet.com/b/publish?EQBCT=78f9327c658040d0bc1e8cc829e51efa>

Forms

The table below provides the Form Numbers for any forms identified on the Business Process Flow Diagrams.

Table 10: Forms Included on Business Process Flow Diagrams

Form Number	Form Description	Audience
PRF004	Payment Cancellation Request Form - Request form used by agencies to request a payroll payment cancellation.	Agency, BOSP

Workflows

The table below provides the Workflow Numbers for any workflows identified on the Business Process Flow Diagrams.

Table 11: Workflows Included on Business Process Flow Diagrams

Workflow Number	Workflow Description	Audience
PRW004	Payment Cancellation Workflow - Workflow that routes the Payment Cancellation Request Form through the approval workflow between Agencies and DFS.	Agency, BOSP
PRW005	Paycheck Reversal Workflow – Workflow to support the routing, approval, and processing of a Paycheck Reversal.	Agency, BOSP
PRW006	Manual Check Workflow – Workflow to support the routing, approval, and processing of a manual check.	Agency

Agency Configurations

The table below identifies the Agency Configurations related to this Business Process. These items are not included within the Business Flow Diagrams; however, these items are important elements of each Business Process.

Table 12: Configurations Defined and/or Maintained by Agencies

Configuration Number	Configuration Description	Configuration Maintainer
N/A		

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