The purpose of this job aid is to suggest a standard payroll financial reconciliation process to compare two separate reports which should have the same total payroll expense amounts:

1) the payroll expense amount by budget code per the North Carolina Financial System (NCFS), and

2) the total payroll expense by Business Area processed by the Integrated HR-Payroll System as shown in ZFIR018.

Use of the recommended Integrated HR-Payroll System ZFIR018 report along with NCFS data will allow agencies to view and reconcile:

*   to the agency payroll expenses **posted** as shown in the NCFS general ledger (use FBR Daily Disbursements Report).
*   to the total payroll expense **processed** by the Integrated HR-Payroll System (use Integrated HR/PY System ZFIR018 Payroll Postings Report).

The goal of this process is to allow for each agency to create and document a process that allows them to identify and reconcile payroll related expenses for their agency.

In the Integrated HR-Payroll system, it is advisable for the person(s) responsible for the financial payroll reconciliation process to have access to needed payroll, financial, and human resources information – within Segregation of Duties constraints. There are two options for making this data available to the reviewer: allow security access for the reviewer to create reports from all three of the functional areas (payroll, finance, and human resources) or have representatives from these areas provide the reviewer with the data. Each agency will need to decide how to approach this requirement.

Step One – Query NCFS by Agency and Budget Code to determine the payroll amount posted

A daily check of NCFS is necessary because in addition to the published monthly and biweekly payroll calendar pay dates, the Integrated HR-Payroll System runs off cycle payroll postings. After a payroll run is processed, NCFS generates a requisition for agency dollars necessary to pay OSC for the agency expense generated in the payroll run(s). The FBR Daily Disbursement (Requisition) Report summarizes the payroll expense totals by budget code. A good practice is to add all the agency budget code amounts together to calculate the total agency payroll expense due to OSC. The FBR Daily Disbursement Report should also be totaled by payroll liabilities and payroll expenses.

Procedures to run the NCFS Daily Disbursement Report can be located on the NCFS Help Documents page.

Step Two – Compare NCFS Requisition Amounts to ZFIR018

Use the Integrated HR-Payroll System transaction ZFIR018 to view the agency posted payroll expense by Business Area, SAP Account Number, Cost Center, Internal Order, Employee, etc. The total report amount by Business Area should match:

1. the NCFS Requisition amount (sum of all agency Budget Codes in Step One)

2. the NCFS Account Line-Item detail (5*expense accounts in Step One)

If there are any discrepancies between these amounts, the reviewer should create a ticket with BEST.

ZFIR018 report variants for all payroll posting runs are created after each payroll for agency use. The variants are named to match the day the requisitions are posted in NCFS. The variants contain the payroll run numbers for the posting entries for that day. After selecting the variant, the agency will need to key in the required fields for their own agency, cost center, etc. for what they wish to see. Placing 00* and ZZ* (ZZ representing the agency identifier) in the Fund field will show total agency expenditures for that date and will match the total requisitions and total posted in NCFS for that payroll.

Variants are set up for each payroll run, including off cycle runs. Variants also exist for: Monthly amounts that contain all payroll expenses (excluding health benefits) that have posted during the month; Health benefits (medical) that post at the first of each month; Quarterly amounts with all payroll expenses excluding health benefits; Quarterly for just Health benefits; and a Fiscal Year annual. Names are:

/231031 NCFS	REQS POSTED 10 31 23	(Payroll posting)
/2310MM TOTAL	TOTAL PAYROLL POSTINGS 10 2023	(Monthly posting)
/231106 NCFS M	REQS POSTED 11 06 23 MEDICAL	(Health Insurance posting)
/2312QQ QTR 2	Oct - Dec 2023 Excludes Med	(Quarterly excluding medical)
/2312QQ QTR 2M	Oct - Dec 2023 Medical	(Quarterly medical)
/2406YY FY3-4	FY 7/23- 6/24 Excludes Medical	(FY Annual excluding medical)
/2406YY FY3-4M	FY 7/23- 6/24 MEDICAL	(FY Annual medical)

The naming convention shows variants in the order created. **It is important to note that variants created prior to NCFS R/3 implementation (10/2/2023) will retain the previous naming convention (i.e., CMCS).** If desired, the user can click on the sort in descending order button to bring the most recent variant (by year) to the top of the list.

Reminder- Posting of the health benefits in the Integrated HR-Payroll System occurs on the same day as the payroll posting date but the health benefit entries (e.g., SAP account 50156000, NCFS account 51560000) are future dated to the next month in NCFS. This is the reason for setting up separate variants for each. The payroll runs must match the date in NCFS, not the actual Integrated HR-Payroll System pay date.

See below for a screen shot of ZFIR018 and a sample of variant selections: