Oracle Payroll Year-End: Tips & Tricks

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Agenda

- Introductions
- MetaLink and Other Resources Available
- Patching and Testing Schedule & Strategy
- Balance Architecture & Diagnostics
- Preparing for Year End Best Practices
- Quarter and Year End Balancing Tips & Tricks
- Questions & Answers

Quick Notes

- This presentation is being given to provide best practices in order to achieve a smooth year end using Oracle Payroll.

- As the presentation is tailored to a diverse audience, information provided may not work for every company.

- The content of this presentation are based upon past experience and documents directly from Oracle, and should be used as guidelines only.

- Planning for Year-End starts on January 1st

Introductions

Karen N. Settembrino, CPP

- President, KNS KoNSulting, Inc.

- Ms. Settembrino is an HRMS Subject Matter Expert and Oracle eBusiness Suite consultant with over 28 years functional experience in Human Resources, Payroll, Benefits Administration and Financial Reporting as well as 8 years working with Oracle Applications.

- Ms. Settembrino has consulted in the manufacturing and retail verticals for large and small companies doing implementation and post production support, providing assistance in patching management and payroll year end processing. In addition, she has experience in public sector clients including higher education and K-12 schools.

Introductions

Jeff Greening

- HCM Practice Director, SmartDog Services
- Responsible for providing oversight, quality assurance, and future direction of HCM application consulting.
- Over 7 years experience with Oracle HCM modules including Human Resources, Payroll, Time & Labor, iRecruitment, Self Service, Benefits, Comp Workbench
- Experience in Manufacturing, Retail, Health Services, Customer Relationship Management, Insurance, and High technology industries

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Let's Get Started!

MetaLink and Other Resources

- **MetaLink** (https://metalink.oracle.com)
  - Research capabilities within Knowledge Browser
  - Oracle Service Request creation and monitoring
  - Patching and bug information including schedules and required patches
- **Oracle eBusiness Suite HCM Forum through peopleapps.com**
  - Listserv of questions and issues from users and consultants
  - Oracle Support monitors and answers questions

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MetaLink and Other Resources

- **OraHCMusers**
  - OraHCMusers-on@mail-list.com
  - Another listserv for users and consultants to share information and provide help

- **OHUG (www.ohug.org)**
  - Annual meeting of the Oracle HCM Users Group
  - Meeting held once a year bringing together the user community and Oracle for round table discussions, presentations and vendor forums

MetaLink and Other Resources

- **Payroll World**
  - Payroll World is an email distribution list for North American Oracle Payroll customers used to quickly disseminate information regarding product updates, patches, and statutory changes.
  - To be added to this email distribution list, send e-mail to:
    - cshrdev_uk@oracle.com
    - Subject: Oracle North American Payroll World Contact Update with your contact name, CSI number, and company name

- **American Payroll Association**
  - Annual Congress
  - Year End Classes

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Patching and Testing Schedule & Strategy

- Patching

  - Oracle development releases product updates and fixes to the HCM product on a regularly scheduled basis.

  - Each patch will have an associated ReadMe file that will describe the changes to the software

    - Mandatory Statutory Quarterly Updates
      - 31-Mar (Q1)
      - 30-Jun (Q2)
      - 30-Sep (Q3)

Patching and Testing Schedule & Strategy

- Patching continued
  - Annual family pack roll-up patch
  - Year End Phase I
    - Released 30-Sep
  - Year End Phase II
    - Released 15-Dec
    - Consists of 3 patches
      - Q4 Statutory
      - Year End
      - Year Begin – also released as separate patch

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Patching and Testing Schedule & Strategy

- Patching continued
  - Year End Phase III (Release Approx 15-Jan)
    - Most clients review the readme file to determine if any fixes / updates are required for W-2 processing. If none are required, the patch would be applied after W-2's are produced.
  - Annual JIT / GEOCODE update
    - Released September time frame
    - Must run GEOCODE Upgrade Manager annually to synchronize Oracle and Vertex.

Patching and Testing Schedule & Strategy

- Patching continued
  - Vertex
    - Monthly updates with legislative changes for tax rates
    - Annual Quantum update
      - Quantum is the program that is used by Oracle in the tax calculation process
      - Vertex is the company that writes and owns the Quantum program

Patching and Testing Schedule & Strategy

- Patching Strategy
  - Because the patches are released with tight time frames at year end, the recommended strategy for patching is as follows:
    - Apply Rollup patch to Test Environment with plan to migrate to production by September 30th
    - Apply Year End Phase I, Annual GEOCODE update and Annual Quantum update to test environment with plan to migrate to production by November 30th along with the October Vertex Update.
    - Apply Year End Phase II and Year Begin to test environment with plan to migrate to production in the period between the running of the last payroll of the current year and before the first payroll of the new year is run.
    - Year End Phase III should be reviewed for year end fixes/changes, otherwise migrate to production after W-2's are printed.

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Patching and Testing Schedule & Strategy

- Patch Testing Strategy
  - Each category of patches requires a different level of testing:
    - Quarterly statutory updates:
      - Specific to payroll only and do not have a new HRGLOBAL driver, therefore only limited HR, Payroll and Benefits testing should be completed basis upon the specific changes in the readme.
    - Vertex monthly updates
      - Specific to payroll tax program changes, therefore only payroll testing should be completed based upon the specific changes in the file.

Patching and Testing Schedule & Strategy

- ## Patch Testing Strategy
  - Each category of patches requires a different level of testing:
    - Annual Rollup Patch and Year End Phase I:
      - Significant program changes and new HRGLOBAL drivers; therefore full regression testing, including all other modules installed outside of the HCM suite of products, is highly recommended
    - Annual GEOCODE
      - Update is specific to payroll only and do not have a new HRGLOBAL driver, therefore only HR, Payroll and Benefits testing should be completed.

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Balance Architecture and Diagnostics

- Run Balance Architecture
  - Oracle stores the results of the Payroll Run process in balances for easier retrieval for reporting purposes.
  - The balances are stored by dimension which is a reference of time. (period-to-date, month-to-date, etc.)
  - In addition to storing the balances by dimension, Oracle also creates the balances by assignment and by group level
  - For faster, more reliable and accurate data retrieval, the run balances must be maintained. If one balance becomes invalid, either at the assignment or group level, reports will run slower because of different processing rules

Balance Architecture and Diagnostics

- Run Balance Architecture continued
  - In order to maintain the balances, the Run Balance Architecture Diagnostic report must be run
  - Once the report is run, any invalid balances must be corrected using the Generate Run Balance process
  - Any balances with a date older than 01-Dec of the year prior to the current year should have their dates adjusted using the Adjust Balance Dates process.
  - Oracle recommends the dates be no earlier than 18 to 24 months prior to the current year.

Preparing for Year End Best Practices

- Preparation
  - Starting to plan begins on January 1
  - Establish a year end committee
    - Include HR, Payroll, IT, AP, Benefits and any other area that might affect W-2 creation and distribution
  - Create a timeline
    - Include:
      - Patching requirements and schedule
      - First payroll of new year and last payroll of old year
      - Holidays from November until February and how they affect your payroll processing
      - Deadline for third party files (including test files)
  - Process Social Security number verification
  - Schedule adjustments for items like GTL, Relocation, Stock, Third Party Sick Pay, etc.

Preparing for Year End Best Practices

- Preparation continued
    - Communicate the deadline for all voids and reversals
        - Set a deadline for all checks to be voided that have not been processed through the system
    - Update SSA and Magnetic Media requirements for all states
        - Include W-2 files and 1099 requirements
    - Communicate to employees regarding verifying and updating W-4 and W-5 forms and addresses
    - Work with Accounts Payable to determine any taxable wage payments made through AP
    - If printing W-2's in house, order Oracle supported W-2 forms and envelopes
    - Verify W-2 feeds for boxes such as Dependent Care, 401k, 403b, Qualified Moving Expenses, etc.
    - Verify deceased employees are marked correctly and will receive 1099's

Preparing for Year End Best Practices

- Processing recommendations
  - Run a mock year end every quarter
    - Run the year end processes in a test environment and run the register to compare against year-to-date totals every quarter
  - Run the balancing reports recommended by Oracle on a periodic basis
  - Balance every payroll run
  - If possible, use a control spreadsheet to compare against reports
    - The spreadsheet should be tailored to what works best for ease of reconciliation.
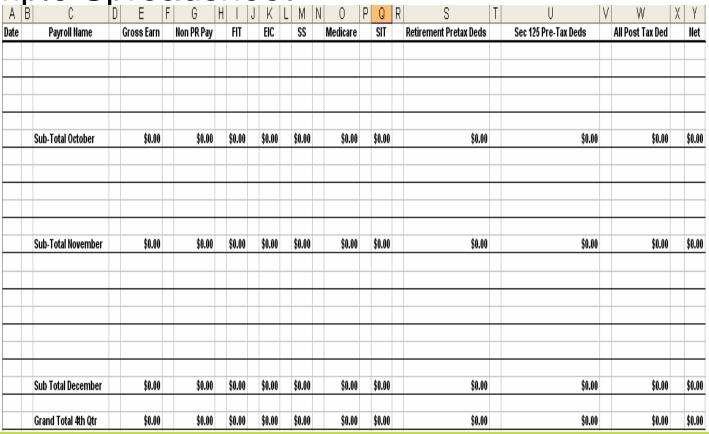
Preparing for Year End Best Practices

- Sample Spreadsheet

Date	Payroll Name	Gross Earn	Non PR Pay	FIT	EIC	SS	Medicare	SIT	Retirement Pretax Deds	Sec 125 Pre-Tax Deds	All Post Tax Ded	Net
	Sub-Total October	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Sub-Total November	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Sub Total December	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Grand Total 4th Qtr	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

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Quarter and Year End Balancing Tips and Tricks

- End of Year Documentation from Oracle
  - User Guide released in Sept/October Timeframe
    - Lists the steps needed to run the all of the processes & reports Pre-Payroll Reports

- Reports used to identify possible payroll issues
  - Run Balance Architecture Diagnostic Report
  - Invalid Address Report
  - Unacceptable Tax Balance Report
  - Over Limit Report

Quarter and Year End Balancing Tips and Tricks

- Balance every payroll run
  - Reports used to balance payroll
    - US Gross to Net
    - Payroll Register Totals Report
    - Federal and State Tax Remittance Report Manager
    - Local Tax Remittance Report Manager
    - Payment Register
    - NACHA Report
    - Costing Summary

Quarter and Year End Balancing Tips and Tricks

- Quarterly Balancing
  - Reports used to balance quarterly
    - US Gross to Net (pdf version)
    - Payroll Register Totals Report
    - Federal and State Tax Remittance Report Manager
    - Local Tax Remittance Report Manager
    - GRE Totals
    - Quarterly Tax Return Worksheet (Form 941)
    - Unacceptable Tax Balance Report
    - Over Limit Report
    - State Quarterly Wage Listings (SQWL's)

Quarter and Year End Balancing Tips and Tricks

- Quarterly Balancing continued
  - Mock Year End
    - A copy of production right after the last payroll of the quarter should be loaded to a test environment
    - Run the Year End PreProcess
    - Run the W-2 Exception Report to determine if there are any errors that should be fixed
    - Run the W-2 Register report
    - Compare the W-2 Register totals against the Federal and State Tax Remittance report and the GRE Totals report to identify any discrepancies

Quarter and Year End Balancing Tips and Tricks

- Year End Balancing
  - Reports used to balance for year end
    - US Gross to Net
    - Payroll Register Totals Report
    - Federal and State Tax Remittance Report Manager
    - Local Tax Remittance Report Manager
    - GRE Totals
    - Unacceptable Tax Balance Report
    - Over Limit Report
    - W-2 Register Totals
    - Annual FUTA Tax Return (form 940)

Quarter and Year End Balancing Tips and Tricks

- Year End Balancing continued
  - Mock Year End
    - A copy of production right after the last payroll of the year should be loaded to a test environment
    - Run the Year End PreProcess
    - Run the W-2 Exception Report to determine if there are any errors that should be fixed
    - Run the W-2 Register report
    - Compare the W-2 Register totals against the Federal and State Tax Remittance report and the GRE Totals report to identify any discrepancies
    - Fix the errors in production before final run

Questions & Answers

Thank you for attending!

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