

Benefits Account 2003.00GEN Reconciliation

Introductory Notes:

2003.00GEN is the account used to record benefit deductions and memos, and payment of invoices for those benefits. The benefits recorded in this account are medical, dental, vision, life (employer and voluntary), and critical illness. The deductions/memos should post to this account through payroll posting of the Paycom GL report upload. There may also be journal entries you have done to record the employer portion (memo) of the benefits when it did not process through payroll (if any). The invoices will post to this account when they are entered in to ParishSOFT.

Occasionally, when you have a new hire, the deductions and memos will not occur on the first payroll they are effective due to the timing between the 31 days they have to choose benefits and the payroll processing timeline. In these instances, you will need to be sure to take double deductions and memos on the next payroll (or you can do a journal entry for the employer portion-memo and do a double deduction for the employee share only). Also, for schools with benefited employees who do not work in the summer there will be variances on this reconciliation until either you have done the additional deductions for the summer coverage, or the employee has paid their share of the benefits and you have completed journal entries for the employer's share, both of which should be posted to account 2003.00GEN.

Spreadsheet Setup:

Top Section (Reconciling Monthly per payroll 2003.00GEN)

Column B, C: Employee name

Column D: Benefit effective date.

Column E: Total to be paid to the Welfare Benefit Trust for the fiscal year.

- Once open enrollment is completed (or a new hire has enrolled) you can find this amount in Paycom for each eligible employee by the following:
 - Go to Make Employee Changes and select the employee. Go to form 13- Employee Benefits. Add total of Approved Benefits "Monthly 100% amount" for the fiscal year reconciling, and multiply by the number of months of coverage for the year. Do not include FSA Health or FSA Dependent as these are posted to a different GL account and are billed separately by the Welfare Benefit Trust.

Column F: Make any adjustment as the year progresses (adding/removing benefits for life event changes, termination)

Column G: Adjusted amount – this is a formula and will automatically calculate from columns E and F.

Columns H-S: These columns are utilized in the reconciliation process as described below under “Monthly Reconciliation.”

Column T: This is a formula that calculates the difference between the amount to be paid to the Welfare Benefit Trust for the year and the amount processed through payroll to date.

Column U: This column contains the deductions and memos to be processed through payroll for the fiscal year. This amount should be entered as follows:

- In Paycom run the Benefit Confirmation Report for the year with the following filters:
 - PDF - Year (2022 for fiscal year 2022/2023) – Employee Status Active and On Leave – DOL status Full Time – select your parish under Labor Allocation Payroll Profile (if you see multiple parishes) – Generate Report.
 - For each employee enter the total approved benefit employer cost and employee deduction except for lay pension and any FSAs. Multiply this by the number of pay periods of coverage for the employee (i.e. 26 for effective date 7/1/22, etc.)

Column V: This is a formula showing the difference between columns T and U. This should be a small amount due to rounding for employees whose benefits are effective on July 1st. This could/will be a larger amount for employees who do not have full year benefit coverage (late hires, terms) and those who have changes during the year for life change events. It is recommended that you enter the amount and a comment about the difference in column W so that you can track throughout the year (see Sample Reconciliation #1 tab). This is helpful in knowing when life change events occur.

Note: If you need to add/insert a row for an employee after the initial setup of the spreadsheet be sure to include them in both the top and bottom sections.

Bottom Section (Welfare Benefit Trust Billings)

Column B-G: The amounts in this section should be set up based on your expectation for the billing based on what the employee has selected in Paycom, not on the actual billing. Therefore, this information is copied from the above top section. Be sure to copy any adjustments made in column F along with the total in column G if adjustments are made after initial setup.

Columns H-S: These columns are utilized in the reconciliation process as described below under “Monthly Reconciliation.”

Column T: This is a formula that calculates the difference between the amount to be paid to the Welfare Benefit Trust for the year and the invoices processed to date.

Column U: This is a formula dividing column G for that row by the number of months of coverage times the number of months coverage remaining (i.e. $(G38/12)*12$ for 12 months of coverage, $(G38/10)*10$ for 10 months of coverage. The number of months remaining will reduce as you pay invoices.

Column V: This difference should always be zero unless you are waiting for an adjustment to be made to the billing (i.e. for new hires, terms, life change events).

Monthly Reconciliation:

Note: If you do not have a zero balance in account 2003.00GEN at the beginning of the fiscal year, you need to prepare this reconciliation for the prior year(s) where there was a balance that carried forward to the new year, and clear that balance.

Top Section

Columns H – S: Each month after the last payroll run the “Deduction Report” in Paycom by pay date for the month reconciling, with a sort by employee code. For each employee, enter their benefits deductions and memos: total minus lay pension, FSA, 403b, garnishments, and any miscellaneous deductions (in other words, only enter deductions/memos for items on the Welfare Benefit Trust billing). Also input here any journal entries done to record the employer portion of benefits that did not process through payroll (if any). The total should be what went into 2003.00GEN for the month.

Column U: Reduce the multiplier (26 at the beginning of the year for employee with benefits effective 7/1) to the number of payrolls remaining in the year. For example, if there are 3 payrolls in July, once you have entered the deductions/memos for July in column H reduce the multiplier from 26 to 23.

Column V: This should be the same amount as you had when you set up the spreadsheet. If not, make sure you entered the deductions/memos and number of pay periods (PP) left correctly. Changes in coverage during the year (life event and terminations) will also affect this and probably change the amount in this column.

Grand Total Row: This is a formula adding all the amounts entered for the month in the column above.

Per GL 2003 (total posted through journal entries) Row: In ParishSOFT, look at account 2003.00GEN and add the amount posted through journal entries for the month.

Difference Row: This is the difference between the grand total row and the per GL 2003 (total posted through journal entries) row. This should always be zero. If it is not, double check your entries.

Bottom Section

Column H-S: each month when you receive and process the invoice from the Welfare Benefits Trust, enter the total amount billed for each employee. The total for the column should equal the total of the invoice.

- Note: if you have adjustments on the invoice for a prior year billing you will need to add a row to input those adjustments so that your total invoice amount is correct.

Column U: Reduce the multiplier to the number of months remaining to be billed.

Column V: The difference should be zero unless you are waiting for an adjustment to be made on the invoice.

In Columns H-S there will be differences between the "Grand Total Payroll/JE" and the "Total of Bill" (at the bottom of the section) all year as payroll is 26 pay periods and the invoices are 12 months. This difference is totaled in column T. Below that total enter the balance of account 2003.00GEN in ParishSOFT for the month you are reconciling in the cell to the left of the description (Debit Balance)/Credit Balance per ParishSoft.

- The Variance beneath this cell should be zero. Double check your input on the spreadsheet if it is not. Another thing that could make this variance incorrect is having something posted in ParishSOFT incorrectly.

Final Notes:

Account 2003.00GEN should be zero at the beginning and end of each fiscal year. If there is a difference between the deductions/memos in payroll and the invoices due to rounding, change in benefit coverage for an employee, and/or benefit coverage for less than a full year, this will show as a balance in the general ledger at year end and this amount should match the amount in the total calculated difference in the top section of the reconciliation. You should determine why if this does not match and make any necessary corrections to your reconciliation or the general ledger so that they match. Once matching, record a journal entry at year-end to zero out these differences. The only exception would be if you are waiting for either an adjustment from the Welfare Benefit Trust, or for a payment from an employee who is on leave without pay or did not work in June to have deductions taken.