

## 6.0 Payroll (PAY)

### 6.1 General Information

<b>Process Area</b>	PAY – Payroll
<b>Process Flows</b>	<ol style="list-style-type: none"> <li>1. PAY – Employee Records</li> <li>2. PAY – Payroll Processing and Production</li> <li>3. PAY – Post-Production Payroll Adjustments</li> <li>4. PAY – Tax Reporting</li> </ol>
<b>As of</b>	05/17/2016

### 6.2 Authors and Contributors

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### 6.3 Scope

This document depicts Level 2 detailed proposed business process design for the Payroll (PAY) Process Area, which is defined in the following key subprocesses:

1. Employee Records
2. Payroll Processing and Production
3. Post-Production Payroll Adjustments
4. Tax Reporting

The scope encompasses the employee records management and payroll processing from hire to separation. The PAY Process Area has a major link to People First, the State of Florida’s web-based human resource system, as well as integration points with various other external human resource systems. The PAY Process Area relates to several other business processes managed by Florida PALM.

### 6.4 Assumptions

- The payroll module will continue to interface with, but not replace, existing personnel management systems (e.g., People First, Legislative Branch Human Resource System)
- A Self-Service Portal will be available to support employee self-service for online access to earnings statements and Form W-2’s
- The Self-Service Portal will support employee online Form W-4 withholding elections and banking information for electronic funds transfers (EFT)

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- The State will continue to process bi-weekly, monthly, supplemental, awards, State Active Duty payrolls
- Salaried employees will continue to receive payments via Electronic Funds Transfer (EFT) as required by law, unless they can demonstrate a hardship exists.
- Salaried employees will continue to be paid by exception (assumption that all predetermined hours were worked, paid prior to approval of final timesheet)
- Accounting effects of payroll processing will be captured in Florida PALM
- The Chief Financial Officer is responsible for direct payroll tax reporting for State of Florida employees
- The State will use Florida PALM to produce payments to employees for compensation and reimbursements, payments to third parties and vendors for amounts withheld and deducted from employee payroll, and payments for employer contributions and taxes
- Distribution and posting of payroll will occur in Florida PALM

## 6.5 Standardized Process Area Overview

This Process Area begins with a hiring decision made by agency management. Employee details are setup at the agency level, which creates an employee record in a FFMIS system (e.g., People First, Legislative Branch human resource system). All employee benefits records and changes to employee benefits will be maintained in People First, including Legislative Branch personnel. Changes to the personnel profile will be maintained throughout the employee's employment period through a FFMIS system, including a self-service portal.

Based on the employee's People First profile for benefits and retirement classification and employment status, the Department of Management Services, Division of Retirement (FRS) and Division of State Group Insurance (DSGI) will interface with People First providing the correct benefits and retirement codes. FRS provides authorization data for Deferred Retirement Option Program (DROP) and Optional Annuity Program (OAP)/Optional Retirement Program (ORP). The combination of the benefits and retirement codes and the FFMIS systems information form the basis for the employee record in Florida PALM.

DFS Enterprise will maintain a self-service portal to include the employees' ability to enter W-4 information on withholding allowances and elections. The self-service portal will also serve as the means for employees to set up banking information for electronic funds transfers (EFT) elections. Additions and changes through the self-service portal automatically update the employee record.

DFS Enterprise will receive deferred compensation data and mandatory deductions (e.g., court ordered child support, garnishments, student loans, tax levies) from agency businesses and external systems. These also become part of the employee record used with payroll requisitions to calculate net pay.

DFS Enterprise will receive Payroll requisitions with various types of payroll information from other personnel or related systems external to People First. Payroll information from the other personnel or related systems include payroll requisitions from the Florida Legislature and State Active Duty payroll requisition from the Department of Military Affairs. Information from these sources is used during payroll processing in Florida PALM.

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DFS Enterprise receives the payroll requisition files for gross wages and Florida PALM applies deductions and taxes based upon the data from the employee file to arrive at net pay. Deduction payments, salary payments to employees, and State Active Duty (SAD) participant payments are made by State Warrant or EFT issued through the P2P Process Area. Accounting entries for issuance of payments will be completed systematically through the P2P Process Area for payrolls executed including employer contributions (e.g., taxes, benefits, retirement) and cost allocation. All pay advices are posted on the self-service portal so that the employee can view the pay statements.

If corrections are needed to an employee's pay (e.g., overpayment, underpayment, retroactive status code change), a separate payroll requisition file is sent through People first or other FFMS systems. Noncash and other taxable wages (e.g., personal use of car, life insurance premiums over \$50,000, moving) are also reported in separate payroll requisition files. If an employee is overpaid, the amount owed by the employee to the State will be tracked in Florida PALM through the Accounts Receivable and Billing to Receipt (ARB) Process Area. Correcting entries for adjustments that do not result in a change to net pay are routed to the appropriate supporting process areas.

The PAY Process Area monitors and calculates the payroll tax liability. When the liability is due, funds are transferred to a clearing account. The Internal Revenue Service (IRS) is authorized to receive the tax remittance through its EFT Payment System (EFTPS). The PAY Process Area also prepares quarterly tax Forms 941 and annual employee Forms W-2 for tax reporting. The PAY Process Area also posts Forms W-2 on the self-service portal so that employees can view and print the W-2 for tax reporting.

## 6.6 Process Area Details

The table below describes each step in the PAY process envisioned functionality. This process consists of the following subprocesses:

1. Employee Records
2. Payroll Processing and Production
3. Post-Production Payroll Adjustments
4. Tax Reporting

The Process Step ID refers to the step as depicted in the respective Process Flow diagram.

The Process Flow diagrams use horizontal swim lanes to depict where activities are likely to be performed by different parties. Each swim lane is titled with a role either agency-based or enterprise-based. The swim lane roles may be different at an agency.

The swim lanes may change from page to page within a single Process Area as more or fewer roles are required to execute sections of the overall process. In the table below, a list of the roles involved in each section has been inserted where the process steps transition from page to page and a change occurs.

Process Flow Page 1 of 5: PAY – Employee Records	
<b>Swim Lanes – Definition</b>	<p><b>Enterprise DFS /BOSP:</b> Department of Financial Services, Bureau of State Payrolls</p> <p><b>Enterprise DMS /People First:</b> Department of Management Services: Division of Retirement (FRS) and Division of State Group Insurance (DSGI); People First Payroll System Group</p> <p><b>Agency:</b> Agency Payroll Department, Finance &amp; Accounting</p>

Process Step ID	Process Name	Description of Process	Governing Laws and Policies
PAY 1.1	Employee Hired or Update Required to Employee Record	<ul style="list-style-type: none"> <li>Agency appoints employee to an authorized position or hires other personal services (OPS) personnel</li> <li>Agency creates personnel action request (PAR) for changes to position (i.e., status, pay, deductions, date of death)</li> </ul>	•
PAY 1.2	Personnel Record Established/ Updated in Agency's HR System	<ul style="list-style-type: none"> <li>Legislature creates employee profile in HR system</li> <li>Legislature creates PAR for changes to position (i.e., status, pay, deductions, date of death)</li> <li>Legislature provides data to People First for retirement and benefit classification and to Florida PALM</li> </ul>	•
PAY 1.3	Personnel Record Established/ Updated in People First	<ul style="list-style-type: none"> <li>People First employee profile created</li> <li>PAR initiates changes to position (i.e., status, pay, deductions, date of death)</li> <li>Based on employee status and classification, FRS assigns retirement code to employee</li> <li>Based on employee status and classification, DSGI assigned benefits codes to employee</li> </ul>	•
PAY 1.4	Employee Record Established/ Updated	<ul style="list-style-type: none"> <li>Employee record is established and updated</li> <li>Any changes are updated based on employee's status and class</li> </ul>	•
PAY 1.5	Order for Collections and Other Inputs	<ul style="list-style-type: none"> <li>Data is received from external agencies for collections and garnishments (child support, court orders)</li> <li>Garnishments and collections may be updated by Enterprise DFS if no interface available between agency/external system</li> <li>Other inputs include workers' compensation and reemployment assistance benefits for calculation of retroactive payments</li> </ul>	•

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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
PAY 1.6	Updated Employee Record	<ul style="list-style-type: none"> <li>Employee record is updated for W-4 elections through self-service portal</li> <li>Employee data is updated for collections and court orders</li> <li>Information from the updated employee record will be used to calculate employee pay with additional information from the payroll requisition</li> <li>Employee data is updated for payment (deductions) of collections and court orders</li> </ul>	•
PAY 1.7	Self-Service Portal	<ul style="list-style-type: none"> <li>Self-service portal is updated to include new employees and updates to existing employee records</li> <li>W-4 tax elections updated through the self-service portal and updates employee record</li> <li>Employee EFT bank information is set up/updated through self-service portal and updates P2P vendor records for payments</li> <li>Self-service portal is updated for payment statements, travel reimbursements, federal reporting forms, and receipt of money owed by the employee to the State</li> <li>Self-service portal is updated for garnishments to include original amount, payments made and balance remaining, if applicable</li> <li>Employee email set up/updated for W-2 preference and notification</li> <li>Provide Enterprise DFS ability to update W-4 withholding elections based upon IRS mandates</li> </ul>	•
PAY 1.8	Revoke W-4 Changes and Notify Employee	<ul style="list-style-type: none"> <li>If employee has IRS mandate for minimum withholding, employee cannot change W-4 elections for less withholding tax</li> <li>If employee changes W-4 elections for less withholding, revoke changes and notify employee</li> <li>If employee changes W-4 elections for greater withholding, accept changes and update self-service portal and employee record.</li> </ul>	•

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Process Flow Page 2 of 5: PAY – Payroll Processing and Production	
<b>Swim Lanes – Definition</b>	<p><b>Enterprise DFS /BOSP:</b> Department of Financial Services, Bureau of State Payrolls</p> <p><b>Enterprise DMS /People First:</b> Department of Management Services: Division of Retirement (FRS) and Division of State Group Insurance (DSGI); People First Payroll System Group</p> <p><b>Agency:</b> Agency Payroll Department, Finance &amp; Accounting</p>

Process Step ID	Process Name	Description of Process	Governing Laws and Policies
PAY 2.1	Run Pre-Production Payroll	<ul style="list-style-type: none"> <li>• Payroll requisitions are received from People First, the Legislature, Military Affairs (if applicable for the payroll)</li> <li>• Agencies submit settlements via payroll requisition when applicable</li> <li>• Agencies submit beneficiary payment requisitions when applicable</li> <li>• Information from the requisition file is used with the employee record to calculate the payroll, settlements and beneficiary payments</li> <li>• Payments for taxable nonwage earnings (moving, travel) in from P2P to calculate taxes and add to reportable earnings with payroll</li> <li>• Employee Records are accessed during the pre-production run</li> </ul>	•
PAY CP 2.2	Verification of Calculated Pay to Requisitions	<ul style="list-style-type: none"> <li>• The payroll requisitions are loaded to a pre-production status where data and calculation edits are applied</li> </ul>	•
PAY 2.3	Agency Notified of Simulated Run & Warning Messages	<ul style="list-style-type: none"> <li>• Agencies will be notified that preliminary payroll file is ready for proofing</li> <li>• Agencies will be notified of edit warnings and fatal errors that would prevent payroll from processing</li> <li>• Payroll data goes to BUD for budget check</li> </ul>	•
PAY 2.4	Authorized Agency User Validates Payroll, Correct Errors, Update Budget	<ul style="list-style-type: none"> <li>• Agencies review payroll calculation file</li> <li>• Agencies review edits and correct fatal errors</li> <li>• Agencies are required to correct budget insufficiencies for payroll to process</li> <li>• Agencies validate final payroll file</li> </ul>	•

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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
PAY CP 2.5	DFS Override of Negative Budget	<ul style="list-style-type: none"> <li>DFS has ability to correct budget for insufficiencies in order for payroll to process if agencies did not correct in time for payroll to process and post to budget</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
PAY 2.6	Run Production Payroll to Compute Gross	<ul style="list-style-type: none"> <li>Payments with critical errors that agencies did not correct are dropped from final pay</li> <li>Agencies/Legislature are notified of payments that are dropped from payroll due to uncorrected errors that would prevent payroll from running</li> <li>Final payroll calculated for each employee's gross wages</li> <li>Payroll budget is updated to release appropriations</li> <li>Payroll requisition file used for calculation of net pay</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
PAY 2.7	Agency Corrects Dropped Pay and Adds to Next Payroll Requisition	<ul style="list-style-type: none"> <li>Agency makes corrections to dropped payments</li> <li>Agency includes corrected pay in next payroll run</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

**Process Flow Page 3 of 5: PAY – Payroll Processing and Production (continued)**

<b>Swim Lanes – Definition</b>	<p><b>Enterprise DFS /BOSP:</b> Department of Financial Services, Bureau of State Payrolls</p> <p><b>Agency:</b> Agency Payroll Department, Finance &amp; Accounting</p>
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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
PAY 2.8	Apply Tax-Exempt Deductions	<ul style="list-style-type: none"> <li>The deduction for the employee's retirement contribution is calculated and deducted from gross pay</li> <li>The employee Flexible Spending Account amounts are withheld from employees' payroll to fund Flexible Spending benefits accounts</li> <li>Deferred compensation is applied and deducted from the employee's gross pay</li> <li>The tax-exempt deductions for the employees (e.g., deferred compensation, insurance, employee's retirement contribution) are processed to reduce participating employees' taxable gross pay</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
		in accordance with the Internal Revenue Code <ul style="list-style-type: none"> <li>• The employer contribution amounts for benefits are calculated</li> <li>• The employer retirement contribution calculations are made</li> </ul>	
PAY 2.9	Calculate Adjusted Taxable Gross Pay	<ul style="list-style-type: none"> <li>• After tax-exempt deductions have been applied to the gross pay, the adjusted taxable gross pay is calculated for each employee</li> </ul>	•
PAY 2.10	Calculate and Apply W-4 & FICA Tax Withholdings	<ul style="list-style-type: none"> <li>• Social security and Medicare tax withholdings are deducted from the adjusted taxable gross pay</li> <li>• The social security and Medicare taxes for the employer are calculated</li> <li>• The W-4 Tax withholdings are deducted from the adjusted gross pay.</li> <li>• IRS rules are applied for social security and Medicare taxes on beneficiary payments depending on timing of payment (e.g., year of death, after calendar year of death)</li> </ul>	•
PAY 2.11	Apply Garnishments	<ul style="list-style-type: none"> <li>• Garnishments are applied for payment to recipients of the amounts deducted from the employees' payroll</li> <li>• Apply rules from federal Consumer Collections Protection Act (CCPA) for garnishment limitations</li> <li>• Rules for deductions are applied to beneficiary payments for deceased employees</li> </ul>	•
PAY 2.12	Apply Post-Tax Deductions	<ul style="list-style-type: none"> <li>• Post tax elective deductions (e.g., supplemental life insurance, union dues etc.) are applied</li> </ul>	•
PAY 2.13	Calculate Net Payroll	<ul style="list-style-type: none"> <li>• After post tax deductions are applied, the net payroll amount is calculated for each employee</li> </ul>	•
PAY 2.14	Recalculate Net Using Prioritization For Deductions	<ul style="list-style-type: none"> <li>• If, after all deductions, the net pay is below zero, the process begins again by reducing or eliminating deductions based on specified drop prioritization</li> </ul>	•
PAY CP 2.15	Preliminary Payroll Register Generated	<ul style="list-style-type: none"> <li>• Report the payroll detail by funding source, employee, earnings type, and amounts for gross salary charge to net pay as well as deductions</li> </ul>	•

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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
	and Reviewed	<ul style="list-style-type: none"> <li>Notify agencies preliminary payroll register ready for review</li> </ul>	
PAY 2.16	Agency Cancellations /Adjustments Completed	<ul style="list-style-type: none"> <li>Agency payroll staff reviews the payroll run for quality and to identify any corrections needed</li> <li>If a payroll correction is needed, agency payroll staff will apply corrections or cancellations as needed</li> </ul>	•
PAY 2.17	Final Payroll Register Generated	<ul style="list-style-type: none"> <li>Report the payroll detail by funding source, employee, earnings type, and amounts for gross salary charge to net pay as well as deductions</li> <li>Final register generates accrual accounting in R2R for financial transactions. Posts to state's chart of account code structure based upon payroll input and final register. Set up tax liability for employer and employee portion of taxes, employee deductions and garnishments.</li> <li>Pay records for deduction vendors, garnishment recipients, DSGI, FRS are generated and payments run through P2P</li> <li>Employee record is updated</li> <li>Payroll register provides data to monitor and calculate tax liability</li> <li>Pay records for employees are generated and passed to P2P</li> <li>Warrants will be produced and made available prior to the payroll date</li> </ul>	•
PAY CP 2.18	Enterprise DFS Makes Coding Update	<ul style="list-style-type: none"> <li>P2P will run the payroll/payments as scheduled through integration of the employee record for EFT</li> <li>A cash check will be initiated in P2P to verify that the agency has sufficient cash to cover the payroll/payments</li> <li>If the agency's cash check fails, P2P will route back to Enterprise DFS for handling</li> <li>In cases where a cash check fails, Enterprise DFS will adjust accounting in order to pay from funding source with sufficient cash available to cover the payroll/payments</li> </ul>	•

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Process Flow Page 4 of 5: PAY – Post-Production Payroll Adjustments	
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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
PAY 3.1	Adjustments and Cancellations Calculated by Agency or Legislature	<ul style="list-style-type: none"> <li>• State agencies and Legislature calculate cancellations and adjustments</li> <li>• Agencies and Legislature make changes as agency rules apply</li> <li>• Cancellations and adjustments entered or batch uploaded into People First or Florida PALM</li> </ul>	•
PAY 3.2	Adjustments and Corrections Provided by FRS and DSGI	<ul style="list-style-type: none"> <li>• FRS provides People First updated or adjusted retirement codes and/or effective dates</li> <li>• DSGI provides People First updated or adjusted benefits codes and/or effective dates</li> </ul>	•
PAY 3.3	Batch Upload into PALM Payroll	<ul style="list-style-type: none"> <li>• Batch process adjustments and cancellations from agencies, FRS and DSGI</li> </ul>	•
PAY 3.4	Process Data for Other Pay, Adjustments and Coding	<ul style="list-style-type: none"> <li>• Data processed for adjustments to benefit or retirement codes, incorrect leave codes</li> <li>• Data processed for noncash taxable benefits (personal use of car, life insurance premium greater than \$50,000) from R2R</li> <li>• Inter-agency due to/from set up from cancellations and adjustments (e.g., benefits, retirement)</li> <li>• Employee records updated</li> <li>• To R2R to account for financial transactions</li> </ul>	•
PAY 3.5	Correct Original Payroll for Cancellations and Adjustments	<ul style="list-style-type: none"> <li>• Agency requisition for adjustment or cancellation of original payroll in People First or HR system. This occurs after the employee has been paid</li> <li>• Adjustment resulting in underpayment to the employee flows through as a new payroll requisition</li> </ul>	•

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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
		<ul style="list-style-type: none"> <li>• Adjusting journal entries from overpayment reversed through adjusting journal entries</li> <li>• Employee records updated</li> <li>• Accounting entries flow to tax reporting to update tax liability for monitoring</li> <li>• Records set up in ARB for cancellations and adjustments from vendors (bank, deductions, benefits) and/or the employee</li> <li>• Inter-agency due to/from set up for benefits and retirement from cancellations and adjustments</li> <li>• For cancellations and adjustments to pay that occurred in the current quarter, new taxable gross and tax amounts update the tax reporting files for forms 941 and W-2</li> <li>• For cancellations and adjustments to pay that occurred in prior quarters within the current calendar year, new taxable gross and tax amounts update the tax reporting files for form W-2 and generate form 941X</li> <li>• For cancellations and adjustments to pay that occurred in prior calendar years, taxable gross and taxable amounts generate tax reporting files for forms 941X and W-2c</li> <li>• Employee overpayments are set up as receivable. These may also be set up as a collection amount in the employee record and deducted from the employee's future pay.</li> </ul>	

**Process Flow Page 5 of 5: PAY – Tax Reporting**

<b>Swim Lanes – Definition</b>	<b>Enterprise DFS/BOSP:</b> Department of Financial Services, Bureau of State Payrolls
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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
PAY 4.1	Monitor and Calculate Tax Liability; Monitor Cancellations	<ul style="list-style-type: none"> <li>• Payroll tax liability calculated based upon inputs from payroll register, other taxable income (moving, insurance premiums over \$50,000), cancellations, and adjustments</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
	and Adjustments for Form W-2c	<ul style="list-style-type: none"> <li>• Monitor employee and employer portion of payroll taxes on daily basis</li> <li>• Calculate payroll tax liability</li> <li>• Adjust tax liability for cancellations and adjustments based on overpayments and underpayments from Forms 941X</li> </ul>	
PAY 4.2	Generate Tax Deposit Report	<ul style="list-style-type: none"> <li>• Generate payroll tax liability report detailed by federal withholding, social security, and Medicare taxes; retain for reconciliation and audit</li> <li>• Prepare requisition for transfer of funds into the payroll tax trust funds</li> <li>• Schedule deposit date after total tax deposit reaches IRS remittance threshold</li> </ul>	•
PAY CP 4.3	Transfer of Funds to WH, SS & Medicare Trust Funds; Transfer to Clearing Account	<ul style="list-style-type: none"> <li>• Funds transferred into the Payroll Federal Withholding Tax Trust Fund, Payroll Social Security Tax Trust Fund, Payroll Medicare Tax Trust Fund, and Pretax Benefits Trust Fund</li> <li>• Transfer of cash for total tax due from the three payroll tax trust funds into the tax clearing account</li> <li>• Payroll subsidiary ledger is updated to reflect the accounting entry for the payment of tax liability</li> </ul>	•
PAY CP 4.4	Perform Account Reconciliation	<ul style="list-style-type: none"> <li>• Reconcile payroll taxes to tax liabilities</li> <li>• Reconcile requisitions into tax trust funds</li> <li>• Reconcile transfers from tax trust funds to tax clearing account</li> <li>• Reconcile federal deposits to tax clearing account</li> <li>• Cash reconciliations</li> </ul>	•
PAY 4.5	Generate Quarterly Wage File	<ul style="list-style-type: none"> <li>• Generate file from payroll sub ledger that includes employees' taxable gross for federal wages, and wages subject to social security and Medicare tax</li> <li>• Generate file from payroll sub ledger that includes employee and employer portions of federal withholding, social security tax, and Medicare tax</li> </ul>	•
PAY 4.6	Prepare Quarterly Form 941/941X and Schedule B	<ul style="list-style-type: none"> <li>• Adjust wages and taxes for adjustments and cancellations made for wages paid in the current quarter</li> </ul>	•

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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
		<ul style="list-style-type: none"> <li>• Generate Form 941 and Schedule B for current quarter wages, taxes, and tax deposits</li> <li>• Generate Form 941X and amended Schedule B for each prior quarter based on adjustments and cancellations</li> <li>• Calculate tax overpayment or underpayment by agencies.</li> </ul>	
PAY 4.7	Offset Subsequent Tax Liability from 941X	<ul style="list-style-type: none"> <li>• Set up inter-agency due to/from based on tax overpayment from forms 941X</li> <li>• Offset subsequent tax liability based on tax overpayment from Forms 941X</li> </ul>	•
PAY 4.8	Update Form W-2 Tax Reporting Configuration	<ul style="list-style-type: none"> <li>• Update format of Form W-2 for changes in reporting as authorized by IRS and SSA</li> <li>• Updates to form reviewed for accuracy and approved by Enterprise DFS</li> <li>• Retain format for Forms W-2 for previous years for issuance of Forms W-2c based on cancellations and adjustments</li> </ul>	•
PAY 4.9	Prepare Forms W-2/W-2c and Distribute to Employees	<ul style="list-style-type: none"> <li>• W-2 (Wage and Tax statement) is generated for each employee at the end of the tax year</li> <li>• Print W-2 for employees who did not opt to receive forms electronically, distribute to agencies for delivery</li> <li>• Upon processing adjustments and cancellations, prepare Form W-2c. Although this is a correction of a prior year's form W-2, forms W-2c are prepared as soon as the correction is made, regardless of time of year.</li> <li>• Post Forms W-2/W-2c to self-service portal</li> <li>• Beneficiary payments reported on 1099 form through P2P</li> </ul>	•
PAY 4.10	Forms W-2 Email Notification	<ul style="list-style-type: none"> <li>• Email notification system generates emails to all employees who opt for electronic copy of W-2</li> <li>• Email notification system generates emails for W-2c to effected employees who opt for electronic copy of W-2. This is generated as soon as W-2c is posted and not at year end.</li> <li>• Notification indicates W-2/W-2c is available on self-service portal</li> </ul>	•

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Process Step ID	Process Name	Description of Process	Governing Laws and Policies
PAY 4.11	Invalid Email Notification	<ul style="list-style-type: none"> <li>• Print notification and mail to employee if email notification failed due to invalid email address</li> <li>• Notification indicated invalid email address and indicates W-2 is available on the self-service portal</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>

### 6.7 Integration

Integration ID	FFMIS or Key System	Integration Description
PAY IP 1	People First	<ul style="list-style-type: none"> <li>• People First provides employee personnel data, retirement information derived from FRS and benefit information derived from DSGI</li> <li>• Final payroll register and issuance of payments are provided to People First after payroll has been run</li> </ul>
PAY IP 2	Deferred Compensation	<ul style="list-style-type: none"> <li>• Deferred Compensation records for employees are provided</li> </ul>
PAY IP 3	Agency Business Systems & External Systems	<ul style="list-style-type: none"> <li>• Information provided from Department of Revenue for child support and from other sources providing records of garnishments</li> <li>• Information provided from Department of Economic Opportunity for reemployment assistance providing records used in calculating retroactive payments.</li> <li>• Final payroll register and issuance of payments are provided to agency business and external systems after payroll has been run</li> </ul>
PAY IP 4	People First and Agency HR Systems (Payroll Requisitions)	<ul style="list-style-type: none"> <li>• Agencies prepare files for biweekly, monthly, and supplemental payroll</li> <li>• Enterprise DFS receives payroll files from People First and other HR systems</li> <li>• Files to correct previously issued payroll for cancellation and adjustments resulting in underpayments or overpayments are submitted with supplemental payroll</li> <li>• Payments for non-wage taxable earnings (e.g., moving, subsistence, travel) are submitted with supplemental payroll</li> </ul>
PAY IP 5	Consolidated Vendor System (DFS)	<ul style="list-style-type: none"> <li>• Specified payroll details are uploaded for vendor (other governmental entities, external businesses and collection recipients) access</li> </ul>

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Integration ID	FFMIS or Key System	Integration Description
		<ul style="list-style-type: none"> <li>Data includes: details to deduction vendors (other governmental entities, external businesses and collection recipients) to support employee payments and notify vendors of dropped and prorated deductions/collections</li> </ul>
PAY IP 6	Internal Revenue Service	<ul style="list-style-type: none"> <li>Authorize IRS through the Electronic Funds Transfer Payment System (EFTPS) to receive total tax remittance from the tax clearing account</li> </ul>
PAY IP 7	Internal Revenue Service	<ul style="list-style-type: none"> <li>File Form 941/Schedule B and Form 941X/Amended Schedule B with IRS quarterly</li> </ul>
PAY IP 8	Social Security Administration	<ul style="list-style-type: none"> <li>Forms W-2 file is transmitted to the Social Security Administration annually</li> <li>Forms W-2c files are transmitted to the Social Security Administration Quarterly</li> </ul>

### 6.8 Control Points

Control Pt. ID	Control Point Description
PAY CP 2.2	Verification of Calculated Pay to Requisitions
PAY CP 2.5	DFS Override of Negative Budget
PAY CP 2.14	Preliminary Payroll Register Generated and Reviewed
PAY CP 2.17	Enterprise DFS Makes Coding Update
PAY CP 4.3	Transfer of Funds to Withholding, Social Security, and Medicare Trust Funds
PAY CP 4.4	Perform Account Reconciliation

### 6.9 Reporting

Report No.	Description	Frequency and Triggering Event	Audience(s)	Classification	Governing Laws and Policies
PAY R1	Exception Report to identify errors occurring when loading data from the vendor for deferred compensation	On-Demand	BOSP	Operational	
PAY R2	Exception Report to identify errors occurring when loading data from	On-Demand	BOSP	Operational	

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Report No.	Description	Frequency and Triggering Event	Audience(s)	Classification	Governing Laws and Policies
	Agency Business & External Systems				
PAY R3	Exception Report to identify errors occurring when sending data to People First and Agency Business & External Systems	On-Demand	BOSP	Operational	
PAY R4	Exception Report to identify errors occurring when loading Payroll Requisitions for the payroll runs	On-Demand	BOSP	Operational	
PAY R5	Error Report identifying payroll parameter violations during the payroll run	On-Demand	BOSP	Operational	
PAY R6	Preliminary Payroll Summary Report	On-Demand	BOSP, Agency Payroll	Operational	
PAY R7	Preliminary W-4 Withholding	On-Demand	BOSP, Agency Payroll	Operational	
PAY R8	Preliminary Deduction Register Report	On-Demand	BOSP, Agency Payroll	Operational	
PAY R9	Preliminary Pre-Tax Benefit Report	On-Demand	BOSP, Agency Payroll	Operational	
PAY R10	Preliminary Cash Requirements Report	On-Demand, Periodic	BOSP, Agency Payroll	Operational	
PAY R11	Exception Report to identify errors occurring when loading Payroll Budget requirements for payroll production	On-Demand	BOSP	Operational	
PAY R12	Dropped Payment Report showing	On-Demand	BOSP,	Operational	

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Report No.	Description	Frequency and Triggering Event	Audience(s)	Classification	Governing Laws and Policies
	payments not corrected for errors that prevent payroll from processing		Agency Payroll		
PAY R13	Exception Report to identify errors occurring during the preliminary payroll run and garnishment proration pursuant to CCPA	On-Demand, Periodic	BOSP, Agency Payroll	Operational	
PAY R14	Negative payment correction report showing dropped deductions	On-Demand	BOSP, Agency Payroll	Operational	
PAY R15	Payroll Payments Reconciliation Report	On-Demand	BOSP	Operational	
PAY R16	Vendor Deduction Reconciliation Report	On-Demand, Periodic	BOSP	Operational	
PAY R17	Vendor dropped and prorated deduction report	On-Demand, Periodic	BOSP, Agency Payroll, Vendors	Operational, Management	
PAY R18	Tax Deposit Report	On-Demand, Periodic	BOSP	Operational, Management, Transparency	
PAY R19	Tax Deposit Reconciliation Report	On-Demand, Periodic	BOSP	Operational, Management, Transparency	
PAY R20	Tax Deposit to Funds Transferred Reconciliation Report	On-Demand	BOSP	Operational	
PAY R21	Tax Withholding to Funds Transferred to Remittance Account Reconciliation Report	On-Demand	BOSP	Operational	

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Report No.	Description	Frequency and Triggering Event	Audience(s)	Classification	Governing Laws and Policies
PAY R22	Forms 941X to W-2c Reconciliation Report	On-Demand, Annual	BOSP	Operational	
PAY R23	Form 941 Taxable Wages, Taxes Withheld, Employer Portion, and tax deposits reconciliation report	On-Demand, Annual	BOSP	Operational	
PAY R24	Form 941 to W-2 Reconciliation Report	On-Demand, Periodic, Annual	BOSP	Operational	
PAY R25	Report of Delivered W-2s	On-Demand	BOSP	Operational, Management	

### 6.10 Accounting Events

Accounting Event ID	Description
	Not Applicable. Off-page items for P2P, R2R, and ARB will provide accounting entries.

### 6.11 Key Performance Indicators/Measures

Measure	Relevance	Data Elements Needed to Generate Measure
Timely collection of salary overpayments	To reduce payroll errors for overpayments and to provide greater accountability over State's financial resources	Salary Overpayment amounts, Time
Timely tax reporting	Compliance	W-2 generation, Time
Occurrences of redistributing negative payroll charges to a payroll account that has sufficient budget and cash.	Validation against appropriation	Approved budget, Cash
Occurrences of errors causing dropped payments	Ensure employees are paid timely	Employee record and payroll requisition
Occurrences of post-production payroll	Increase the proactive role in payroll personnel	Employee record, cancellations and adjustments

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Measure	Relevance	Data Elements Needed to Generate Measure
cancellations and adjustments		
Occurrences of cancellations and adjustments resulting in correction of prior quarter Form 941 and prior year Form W-2	Increase proficiency in maintaining employee records	Employee record, Form 941X, Form W-2c

### 6.12 Future Enhancements

- Capability for employees to use a query for payroll data in the self-service employee portal

### 6.13 Standard Business Process Flows

See **“Draft Payroll Level 2 Process Flows – Version 2.0 (05-17-2016).pdf”** posted the Florida PALM website.

DRAFT

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