Lesson 10: Paycheck Reversals and Adjustments

Scenario

In this lesson, our SHARP trainer, Hall, will show the newly hired Payroll Processor, Kelly, how to process paycheck reversals and adjustments in SHARP.



Hall



Kelly

Lesson Objectives

After completing this lesson, you will be able to:

- Understand the scenarios when a reversal or an adjustment is appropriate
- Learn the paycheck reversals and adjustments procedures
- Request an adjustment in SHARP
- Verify reversal/adjustment processed

Lesson 10: Paycheck Reversals and Adjustments

Lesson Topics

In this lesson you will learn about the following topics. Click **Home** (at the lower left corner) at any time to return to this menu. Click each topic name to navigate to that topic.

Topic 1: Reversals Overview
Topic 2: Reversal Procedures
Topic 3: Adjustments Overview
Topic 4: Centrally Entered Adjustments
Topic 5: Agency Entered Adjustments
- Non-Pay Affecting Adjustments
- Pay-Affecting Adjustments
  - Processing a Time and Leave Adj.
  - Processing a Benefit/Deduction Adj.
  - Processing an Earnings Adj. Due to Pay rate change

Topic 6: Requesting a Paycheck Reversal or Adjustment
Topic 7: Reversal or Adjustment Results Overview
- Viewing Reversal Checks
- Viewing Adjustment Checks

Paycheck Reversals Overview - 1

A paycheck reversal cancels all accounting transactions and employee data associated with a specific paycheck.

A reversal process is used when pay should not have been issued and/or before reissuing a new paycheck when the original was lost due to an incorrect mailing address. If a new check is to be issued, you will also need to follow the procedures for creating a supplemental as a separate transaction. Instructions for processing a supplemental can be found at the Supplementals lesson.

A reversal may also be appropriate when **an employee's last paycheck** contains errors such as overpayments, last minute garnishments, etc., and a personal reimbursement is not possible.

Paycheck Reversals Overview - 2

Since a reversal does not calculate a paycheck for an employee, you can process multiple reversals, or reversals and a supplemental, or reversals and one adjustment in the same off-cycle for the same employee.

A paycheck cannot be reversed:

- If it has been redeemed by the State Treasurer
- If the paycheck has been adjusted
- If the paycheck is the result of an adjustment.

Reversal Procedures - 1

Depending on the circumstances, reversal procedures may vary:

A. When a paper check requires reversal;

- Complete form DA-6P, Paycheck Stop Payment Request and fax it to the Warrant Section in the State Treasurer's Office, FAX: (785) 296-2014. The State Treasurer's Office will fax a copy of the approved DA-6P back to the agency.

Form DA-6P can be found at http://www.admin.ks.gov/resources/document-center, and DA-6P Instructions can be found at Paycheck Stop Payment Request Procedures at https://www.admin.ks.gov/offices/chief-financial-officer/payroll-services/payroll-procedures .

- Upon receipt of the **approved** DA-6P, you can request the reversal in SHARP yourself on the Reverse/Adjust Paychecks page . See the Request a reversal or adjustment topic for procedures. (More)

Reversal Procedures - 2

A. (Cont.) Or alternatively, you can attach the DA-6P to form DA-180, SHARP Paycheck Reversal/Adjustment/Supplemental, and submit both to Office of Accounts and Reports, Payroll Services Section for processing. Form DA-180 can be found at: http://www.admin.ks.gov/resources/document-center. Form DA-180 completion instructions can be found at http://www.da.ks.gov/ar/payroll/adjustment.htm. **The Attachment to DA-180 is not required when only reversing a paycheck.**

B. When an employee receives only direct deposit/paycard and the paycheck requires reversal, depending on the timing, different actions may be required. Agencies should contact the Office of Accounts and Reports, Payroll Services Section as soon as they realize a reversal is necessary.

C. When some or all of the EFT's are rejected by the bank(s) and the paycheck does not require reversal, no reversal will be processed. (more)

Reversal Procedures - 3

C. (cont.) A check will be issued from SMART to pay the employee the rejected EFT portion. The Office of Accounts and Reports, Payroll Services Section will complete the payment voucher and notify the agency.

D. When an employee receives a check and advice (part paper check and part direct deposit) and the paycheck requires reversal, agencies should contact the Office of Accounts and Reports, Payroll Services Section for instructions.

Paycheck Adjustments Overview - 1

A paycheck adjustment process is the mechanism to change a confirmed paycheck from how it 'is' to how it 'should be'.

A paycheck adjustment does not stop the original paycheck from being issued to the employee. It also does not stop the original funding charges.

Adjustments resulting in additional net pay to the employee will be paid on a separate paycheck. Adjustments resulting in an amount due from the employee will create an arrearage to be collected from the employee. The arrearage amount will show as ADJ earnings on the Paycheck Earnings page and be totaled into an arrears balance under the **ADJUST** deduction code to be collected through the arrearage process.

Agencies are charged for the arrearages created as a result of adjustments. The agency is credited when the arrearage is collected.

Paycheck Adjustments Overview - 2

All paycheck adjustments processed in an off-cycle payroll will use current year funding, update employee balances in the current calendar year, and be calculated using current year tax rates and current employee tax data, regardless of when the paycheck being adjusted was originally issued. Employees will NOT be issued a Form W-2C, Statement of Corrected Earnings, when a paycheck issued in a previous calendar year is adjusted.

Note: Once a paycheck has been adjusted, employees will only be able to view the result of the adjustment in Employee Self Service. The Net Pay of the original paycheck will be listed as an after-tax deduction "NETPAY Adj".

To reduce the volume of supplementals and adjustments, agencies should review all on-cycle reports and error messages during the pay calculation week and correct any errors noted.

Paycheck Adjustments Overview - 3

Multiple requests for the same employee cannot be processed in the same off-cycle. For example, a supplemental and an adjustment can not be requested to be run in the same off-cycle. If more than one request is entered, the priority for processing will be: supplemental, centrally entered adjustment, agency entered adjustment. The transactions that do not process will show on the PAY011 as payroll error messages.

Paycheck reprints and reversals can process in the same off-cycle as either a supplemental or an adjustment transaction for an employee.
Multiple errors, such as time entry errors and GHI changes, within a pay period may also be corrected with one request.

Based on the responsible party, adjustments can be categorized into two groups*:* **Centrally entered adjustments** and **agency entered adjustments**.

Centrally Entered Adjustments - 1

Some adjustments can not be processed on-line by agencies and must be submitted on a completed form DA-180, SHARP Paycheck Reversal/Adjustment/Supplemental, and attachment to DA-180, to Payroll Services Section, via email to PayAdj@ks.gov or fax to 785-291-3399, to be entered centrally.

Form DA-180 can be found at: http://www.admin.ks.gov/resources/document-center, and
Form DA-180 completion instructions can be found at http://www.da.ks.gov/ar/payroll/adjustment.htm.

Centrally entered adjustments include:

1. Changes in Job Data, i.e.: step increases, promotions, department ID changes.
2. Adjustments to previously adjusted checks.

Centrally Entered Adjustments - 2

3. Paychecks generated prior to version 9.2, or for pay periods ending on or before May 6, 2017.
4. Adjustments to termed employees who had an erroneous deduction on their last paycheck, or pay periods when a paycheck was not issued, i.e., personal reimbursements for Group Health Insurance when on leave without pay.
5. Adjustments to paychecks with inactivated earnings codes.
6. Adjustments to paychecks containing ADV earnings or a garnishment deduction.
7. Retroactive benefit/deduction adjustments involving multiple pay periods may be submitted for central processing.
8. "Supplementals" (when no original paycheck was issued for the pay period for the employee) after the 3 off-cycles associated with a pay period.

Non-Pay Affecting Adjustments - 1

Agency entered adjustments can be categorized into: non-pay affecting adjustments and pay-affecting adjustments.

Non-pay affecting adjustments are any timesheet changes, such as TRC (from vacation to sick leave, etc.) or taskgroup (funding changes for checks processed in V9.2. Both the original and the new taskgroups cannot be XXXNONTASK) changes, that will not affect the paycheck amount. Non-pay affecting adjustments should be processed during on-cycle to save the one adjustment (per check) opportunity for the off-cycle pay-affecting adjustment if needed. The steps to process a non-pay affecting adjustment are:

1. **Enter new time on timesheet.** Fluid Location: **SHARP Homepage** click the drop down arrow to select **Payroll** Homepage, click on **Payroll Processing** tile**>Timesheet**.

A. Enter the Employee ID and a date within the pay period that needs adjusting, then click the Get Employees button.
B. Click on the hyperlinked employee's name to pull up the timesheet.

Non-Pay Affecting Adjustments - 2

C. Make changes to the timesheet, then click the Submit button. Click OK after getting the "Submit was successful…" message.
D. If this is an Employee Self Service employee, approve the reported time (Select All, Approve Selected).

2. After Time Administration is run, approve Payable Time from the Fluid Location: **SHARP Homepage** click the drop down select **Payroll** Homepage, click **Payroll Processing** tile**>Payable Time**. If Payable Time does not display, review the exceptions from the **SHARP Homepage** click the drop down arrow select **Time and Labor** Homepage, select **Reported Time** tile **>Exceptions.** Make the necessary corrections, then approve the payable time after the next Time Admin. is run.

Pay-Affecting Adjustments

Pay-affecting adjustments are processed during off-cycle payroll and, depending on the nature of the adjustment, can be categorized into three types:

1. Pay-Affecting Time and leave related adjustments. A pay affecting time and leave adjustment is necessary when an employee's hours/earnings were misreported in a category that would affect pay.

2. Benefit/Deduction Adjustments. Used when an adjustment of pay is necessary due to incorrect calculation of benefits or deductions.

3. Retroactive earnings adjustments due to pay rate changes. Any such earnings should be paid in **the next on-cycle** through the Time and Labor process using earnings code 'PRA'.

The procedures for entering each type of agency entered adjustments will be discussed in detail next.

Processing a Time and Leave Adjustment - 1

Pay affecting time and leave adjustments are processed using the following procedures:

1. Locate the Paycheck Number and Paycheck Issue Date of the paycheck needing adjustment on the Review Paycheck Fluid Location: **SHARP Homepage** click the drop down arrow select **Payroll** Homepage, click **Payroll Processing** tile**>Review Paycheck**(located on the left side of page).

2. **Enter the adjustment request on the Reverse/Adjust Paychecks** Fluid Location: **SHARP Homepage** click the drop down arrow select **Payroll** Homepage, click **Payroll Processing** tile **> Off-Cycle Processing >*Reverse/Adjust Paychecks*** *(located on the left side of page*). Procedures are discussed in detail in the Request a Paycheck Adjustment topic.

Processing a Time and Leave Adjustment - 2

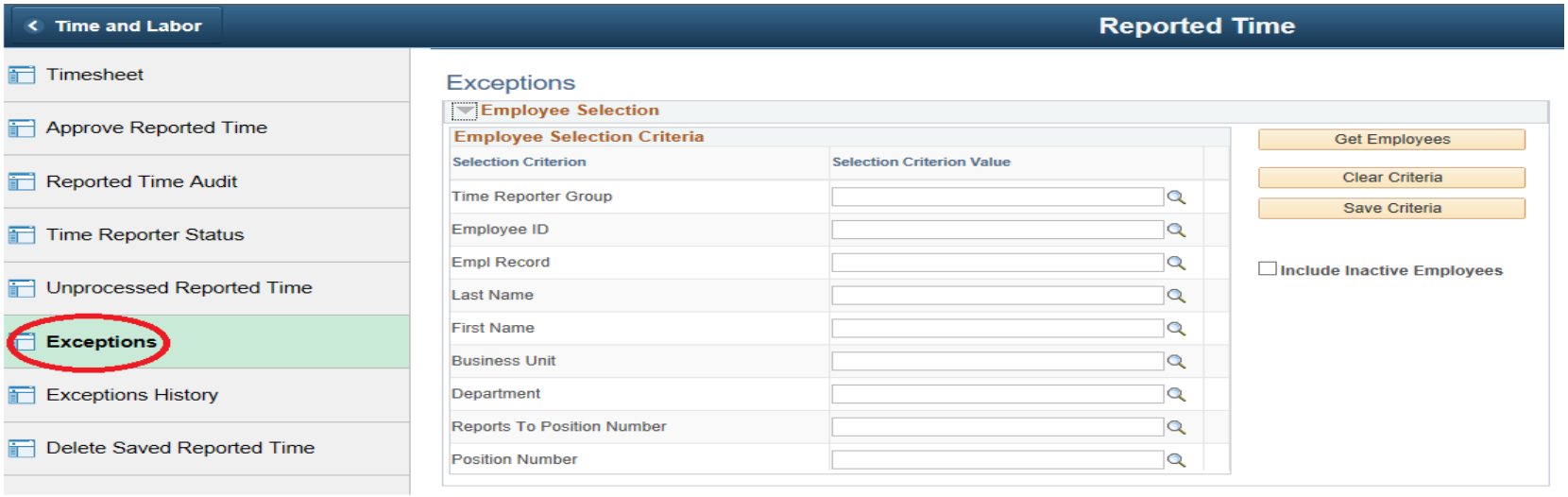
3. Enter new time on timesheet. Fluid Location: **SHARP Homepage** click the drop down arrow to select **Time and Labor** Homepage click **Reported Time** tile**>Timesheet** (located on the top left of page).

A. Enter the Employee ID and a date within the pay period that needs adjusting, then click the Get Employees button.
B. Click on the hyperlinked employee's name to pull up the timesheet.
C. Make changes to the timesheet, then click the Submit button. Click OK after getting the "Submit was successful…" message.
D. If this is an Employee Self Service employee, approve the reported time (Select All, Approve Selected).

4. **Review and Approve Payable Time after Time Admin runs,** Fluid Location: **SHARP Homepage** click the drop down arrow to select **Time and Labor** Homepage, click **Payable Time tile>*Approve Payable Time.*** (more)

Processing a Time and Leave Adjustment - 3

4. (cont.) If Payable Time does not display, review the exceptions. Fluid Location: **SHARP Homepage** click the drop down arrow to select **Time and Labor** Homepage, click **Reported Time** tile***>Exceptions.*** Make the necessary corrections, then approve the payable time after the next Time Admin. is run.



Processing a Benefit/Deduction Adjustment - 1

Agencies can not request adjustments for health benefits (GHI, FSA,HSA) in SHARP. Refer to Health Benefit Deduction Adjustment Summary for MAP Transition at http://www.admin.ks.gov/offices/chief-financial-officer/payroll-services/payroll-procedures for procedures.

For all other scenarios when a paycheck is confirmed with incorrect benefits or deductions, agencies are responsible for processing adjustments to correct the errors. The steps to process these types of adjustments are as follows:

1. **Update the benefit/deduction page needing correction with the correct effective date and plan coverage/election.** Refer to the appropriate book (Benefits, Payroll, etc.), and/or SHARP Entry Guide, found at https://admin.ks.gov/docs/default-source/payroll/SHARP-9.2/SHARPEntryGuide.pdf, for the path and party responsible for data entry. Agencies should verify the correct information has been entered on the appropriate benefit/deduction page prior to requesting the adjustment.

Processing a Benefit/Deduction Adjustment - 2

2. Locate the **Paycheck Number and Paycheck Issue Date** of the paycheck needing adjustment on the Review Paycheck (Fluid Location: **SHARP Homepage** click the drop down arrow to select **Payroll** Homepage click on ***Payroll Processing*** *tile* ***>Review Paycheck***).

3. Enter the **Adjustment Request** using the Reverse/Adjust Paychecks page (Fluid Location: **SHARP Homepage** click the drop down arrow to select **Payroll** Homepage click on ***Payroll Processing*** *tile* ***>Off-Cycle Processing>Reverse/Adjust Paychecks***). You can find the detailed instructions in the Requesting a Paycheck Reversal or Adjustment topic.

Processing an Earnings Adjustment Due to Pay Rate Change - 1

Any retroactive earnings adjustments due to pay rate changes, such as late step increases or late promotions, should be calculated as an amount owed to the employee and processed in the next **on-cycle** payroll through the Time and Labor process.

The steps to process these types of adjustments are as follows:

1. Manually calculate the gross dollar amount of the retroactive pay due. Overtime calculation formulas as revised in accordance with the Fair Labor Standards Act and approved by the Office of Personnel Services are listed below. Any questions should be directed to Danelle Harsin, Department of Administration, Office of Personnel Services (785) 296-4383.

Processing an Earnings Adjustment Due to Pay Rate Change - 2

For hourly rate of pay other than overtime:
Retroactive Pay Due = (Hours X New Rate) - (Hours X Old Rate)

For overtime pay due:
FLSA Rate = [(Regular Hours X Hourly Rate) + (Overtime Hours X Hourly Rate) + Premium Pay]/Total Hours Worked in the Work Week

Overtime Earnings = (Overtime Hours X Hourly Rate) + (Overtime Hours X FLSA Rate X .5)

❑ Processing an Earnings Adjustment Due to Pay Rate Change - 3

2. Enter the amount on the employee's time sheet. Fluid Location: **SHARP Homepage** click the drop down arrow select **Time and Labor** Homepage, click **Reported Time** tile**>*Timesheet*** *(located on top left of page)*

A. Enter the Employee ID and a date within the pay period that needs adjusting, then click the Get Employees button.
B. Click on the hyperlinked employee's name to pull up the timesheet.
C. Click on the Add Row button (+). Enter the Time Reporting Code(TRC) and the hours/amount to be paid. Use TRC "PRA" (Pay Rate Adjustment) for regular earnings and "ODP" (Overtime Differential Pay) for any additional overtime due as a result of the rate change. click the Submit button. Click OK after getting the "Submit was successful…" message.
D. If this is an Employee Self Service employee, approve the reported time(Select All, Approve Selected).

❑ Processing an Earnings Adjustment Due to Pay Rate Change - 4

3. **Review and Approve Payable Time after Time Admin runs** Fluid Location: **SHARP Homepage** click the drop down arrow select **Time and Labor** Homepage, click **Reported Time** tile>**Approve Reported Time.** If Payable Time does not display, click on ***Exceptions.*** Make the necessary corrections, then approve the payable time after the next Time Admin. is run.

Requesting a Paycheck Reversal or Adjustment - 1

If the adjustment is for an incorrect benefits or deduction, verify that the data has been corrected in SHARP prior to requesting the adjustment.

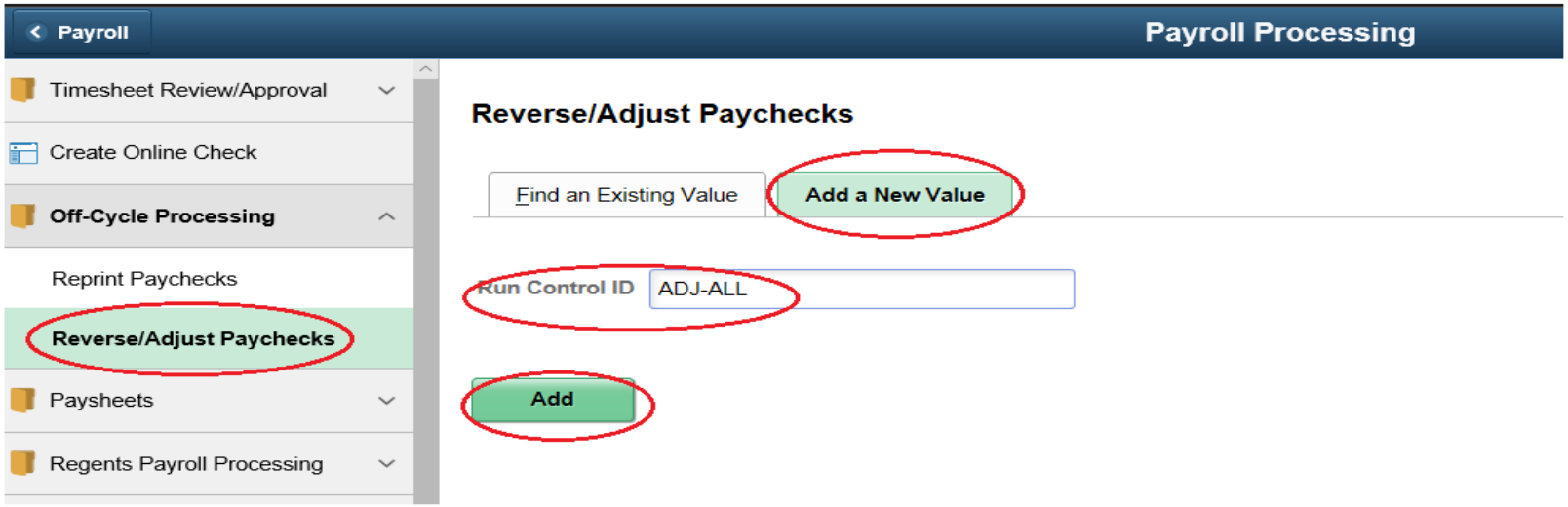
You will also want to check that the employee has not had a tax data change since the original paycheck was processed Fluid Location: **SHARP Homepage** click the drop down arrow, select **Payroll** Homepage click **Employee Pay/Benefits Data** tile**>Employee Tax Information>Update Employee Tax Data**. If there was a tax data change, you will need to add a new row to set up taxes as they were when the original check processed. Be sure to change the tax data back after the adjustment processes. Failure to check and change tax data may result in additional tax withholdings, and Payroll Services will not process a centrally entered adjustment to correct the differences.

Requesting a Paycheck Reversal or Adjustment - 2

Paycheck Adjustment requests are entered on the Reverse/Adjust Paychecks page.

Fluid Location: **SHARP Homepage** click the drop down arrow, select **Payroll** Homepage, click **Payroll Processing** tile**> Off-cycle Processing > Reverse/Adjust Paychecks** (located on the left side of page).

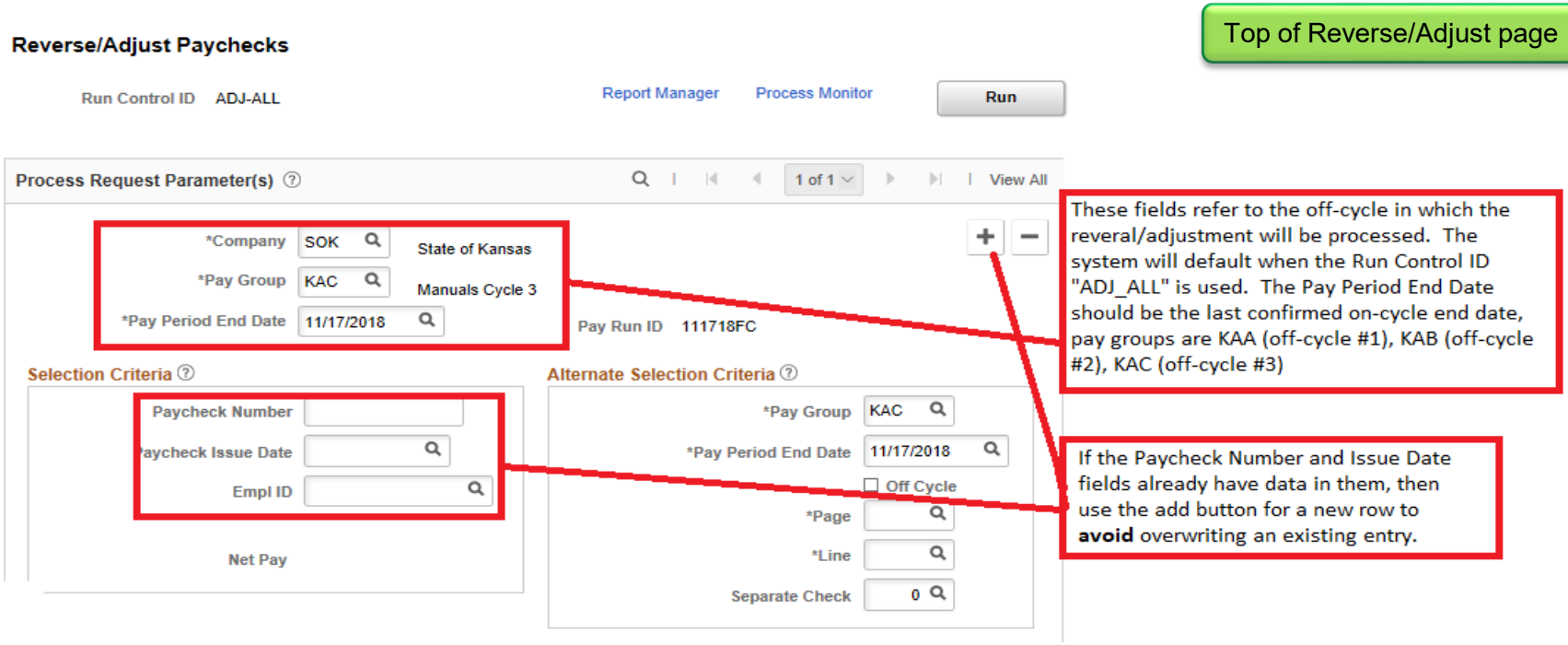
Requesting a Paycheck Reversal or Adjustment - 3



Step 1: When you access the page for the first time, you will have to click on the **Add a New Value** tab to add the Run Control ID. Type "**ADJ-ALL**" (must be all caps for the transactions to be picked up in the batch cycle) in the Run Control ID field, then click **Add.**

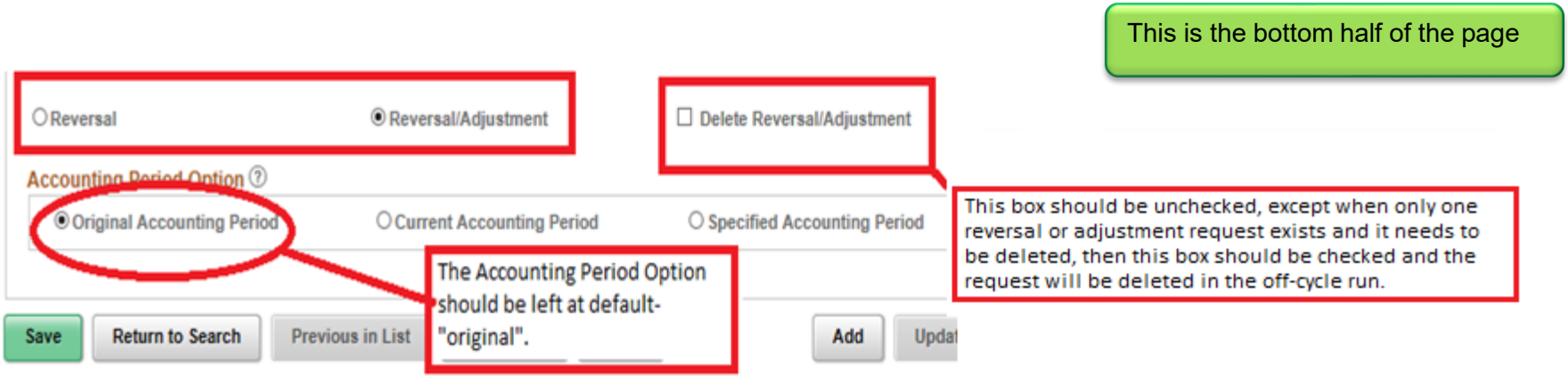
Run Control ID must be "ADJ-ALL" for all reversals and adjustments.

Requesting a Paycheck Reversal or Adjustment - 4



Step 2: Type **Paycheck Number** and **Paycheck Issue Date** (of the paycheck to be adjusted) in their fields, then press **Tab**. When you tab out of the Paycheck Issue Date field, the paycheck details (Empl ID, Net Pay, etc.) will populate. Verify the information is correct.

Requesting a Paycheck Reversal or Adjustment - 5

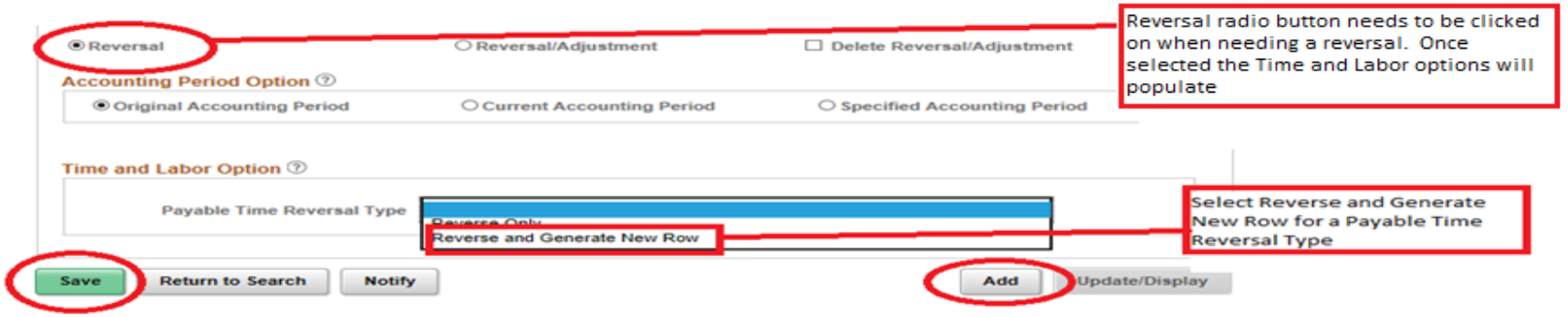


Step 3: Click on the appropriate radio button – Reversal for a paycheck reversal or Reversal/Adjustment for a paycheck adjustment.

Lesson 10: Paycheck Reversals and Adjustments

Requesting a Paycheck Reversal or Adjustment - 6

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Step 4: This step is needed only when processing a reversal. Upon selection of the Reversal radio button, the Time and Labor Option section will display. You should select "Reverse and Generate New Row" for Payable Time Reversal Type.
Step 5: If you have multiple reversals/adjustments, click the **Add Row** button for each additional row, then repeat Steps 2 - 4 above. You can save each row individually or wait until all rows are entered, then click **Save**.

Reversal or Adjustment Results Overview - 1

Salary expenditure data (or funding information) for both reversals and adjustments will be available the day after the on/off-cycle on-line at the Review Actuals Distribution.
Fluid Location: **SHARP Homepage** click the drop down arrow, select **Payroll** Homepage click **Payroll Processing** tile **>Review Actuals Distribution** (located on the left side of page).
Paycheck and funding details are also available on the KPAYGL5C, General Ledger Extract.

The off-cycle paychecks will generally be issued three working days after the off-cycle payroll run and the transactions will be posted to SMART two days prior to the paycheck issue date.

If the adjustment resulted in a large arrearage amount which needs to be collected over more than one pay period, the agency needs to follow the procedures outlined for the Maximum Arrears Payback. Instructions for entering a Maximum Arrears Payback can be found in the Arrearages lesson.

Reversal or Adjustment Results Overview - 2

If the adjustment did not process, you should review the error messages by following the steps below:

1. From the Fluid Location: **SHARP Homepage** click the drop down arrow, select **Payroll** Homepage click **Payroll Processing** tile**> Review Payroll Processing Messages > Review Payroll Error Messages**. Enter the Employee ID and click on “Search”.

2. If errors are found, be sure to check all error messages on the page. Any errors will need to be corrected and the adjustment must be requested again in Reverse/Adjust Paychecks at from the Fluid Location: **SHARP Homepage** click the drop down arrow, select **Payroll** Homepage click **Payroll Processing** tile**> *Off-cycle Processing>Reverse/Adjust Paychecks*** (more)

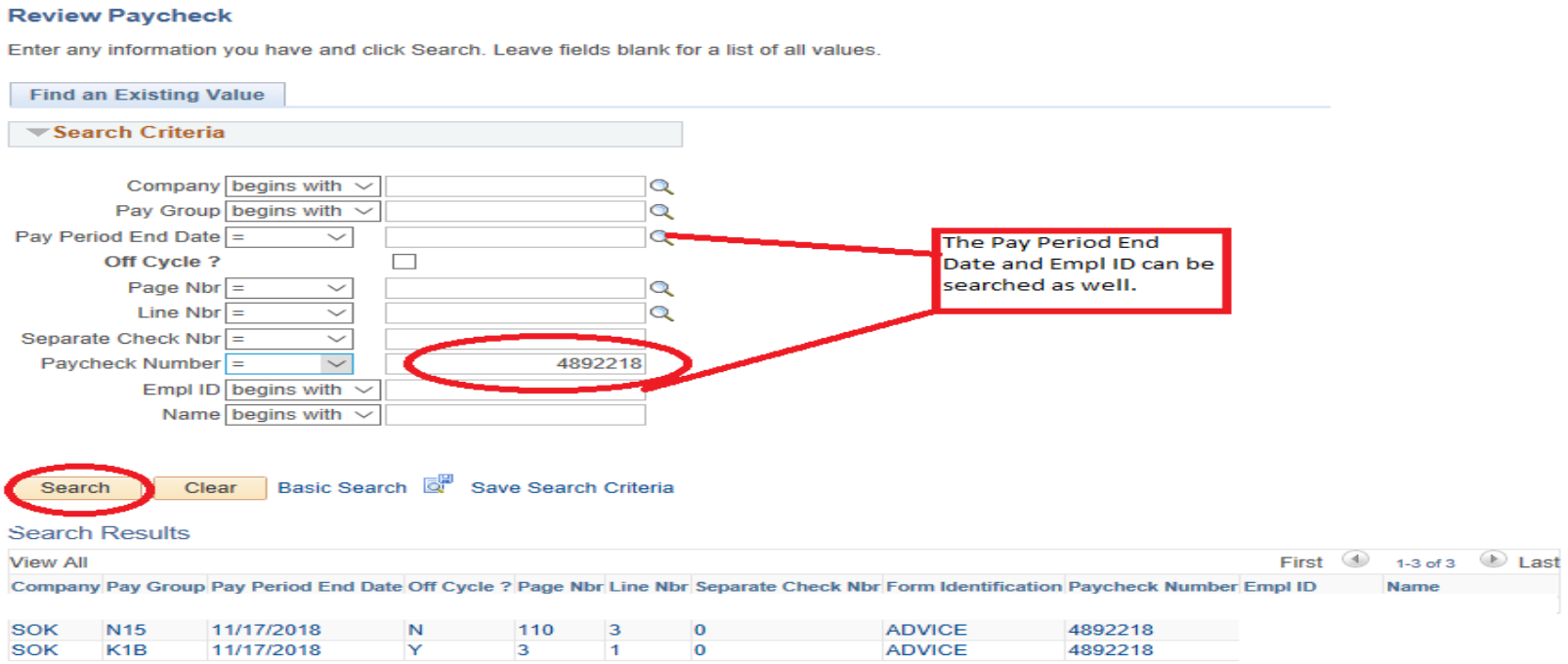
Reversal or Adjustment Results Overview - 3

2. (cont.) If you receive “No records found”, look for Time Entry Errors from Fluid Location: **SHARP Homepage** click the drop down arrow, select **Time and Labor** Homepage click **Time and Labor Reports** tile**> Payable Hours Exception** (located on the top left of page). Enter a Run control ID and click “Search”. Enter the Department ID or Department Group ID, along with the As of Date and click “Run”. If there are time entry errors, you must request the adjustment again in Reverse/Adjust Paychecks, and correct the time sheet again.

   If you cannot determine why the adjustment did not process as expected, contact Payroll Services by calling 785 368 8000, then select the Assistance for SHARP option.

Agencies may view paycheck reversal or adjustment transactions the day after the off-cycle was run on the PAY002, Paycheck Register report, or on-line on the Review Paycheck page. The full path to the Review Paycheck page from the **SHARP Homepage** use the drop down arrow to select **Payroll**>***Payroll Processing> Off-cycle Processing>Reverse/Adjust Paychecks.***

Viewing Reversal Checks - 1



Use the paycheck number as the search criterion. Enter the **Paycheck Number**, then click **Search**.

Lesson 10: Paycheck Reversals and Adjustments

Viewing Reversal checks - 2

Search Results

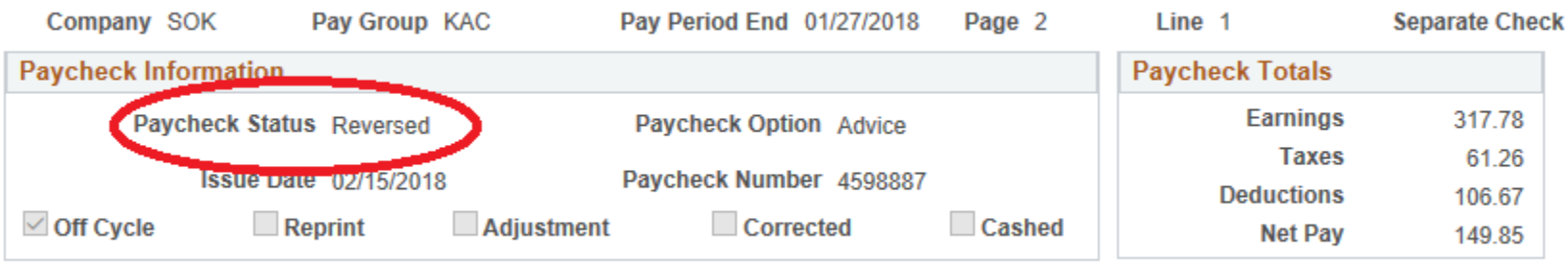
View All — First 1-3 of 3 Last

Company	Pay Group	Pay Period End Date	Off Cycle ?	Page Nbr	Line Nbr	Separate Check Nbr	Form Identification	Paycheck Number	Empl ID	Name
SOK	N15	11/17/2018	N	110	3	0	ADVICE	4892218		
SOK	K1B	11/17/2018	Y	3	1	0	ADVICE	4892218		

Both the original and the reversal check will be displayed. The Check that has a "Y" under the column Off-Cycle is the reversed check.

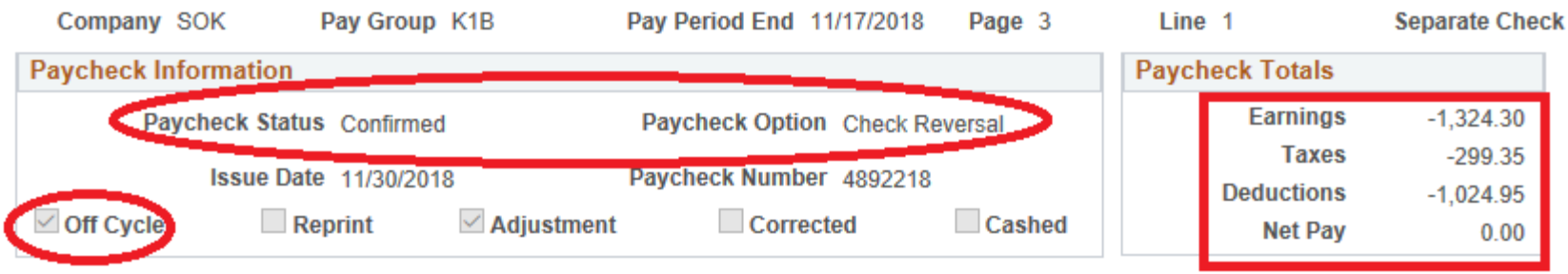
The original and reversed will have the same Check number. Click on link to review the paycheck.

Viewing Reversal Checks - 3



The **reversed original check** will show the Paycheck Status as "Reversed".

Viewing Reversal Checks - 4



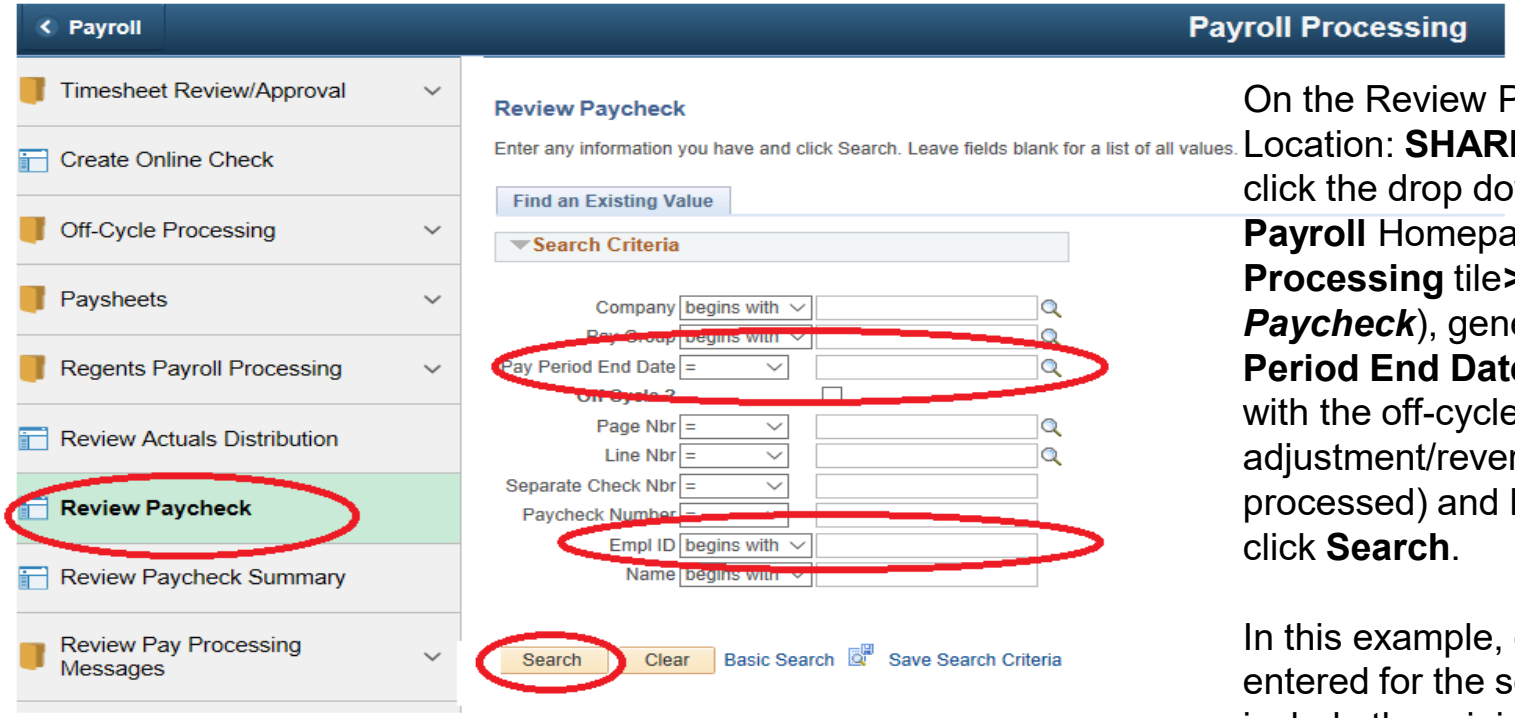
On the **reversal check**, the Paycheck Status and Option will be "Confirmed Reversal". All amounts will be negative to back out the original charges, and the Off Cycle box will be checked.

Viewing Adjustment Checks - 1

Agencies should establish a tracking procedure for entering and verifying payroll adjustments. All adjustments entered in each off-cycle run should be noted so correct processing can be verified. **After the off-cycle is run, the hours, earnings, taxes, and deductions of the adjustment check should be carefully compared to those of the original check to verify that the intended changes and only those changes have taken effect. Do not assume - entry and system errors do occur.**

During the paycheck adjustment process, SHARP makes a copy of the original paycheck record on which it reverses the signs (plus/minus) on the amount fields, the system then produces a paycheck (if owed to the employee) or a 'Zernet' check (if due from the employee). No actual check or advice will be created for a Zernet check. An arrearage will be created if due from the employee.

Verifying Adjustment Processed - 2



On the Review Paycheck Fluid Location: **SHARP Homepage** click the drop down arrow, select **Payroll** Homepage click **Payroll Processing** tile***>Review Paycheck***), generally enter **Pay Period End Date** (associates with the off-cycle when the adjustment/reversal is processed) and **Empl ID**, then click **Search**.

In this example, only Empl ID is entered for the search in order to include the original check for the below illustration.

Viewing Adjustment Checks - 3



There will be three transactions related to the adjustment: the original check, the reversal check, and the adjustment check.

The original check should show “N” in the Off Cycle column (unless the check was generated in an off-cycle process), and often has the earliest date, if the adjustment is not processed in the same pay period as the original check.

The reversal check and the adjustment check are processed in the same off-cycle and should have the same Pay Group KXX(K1B in this example) and Pay Period End Date. The reversal check will have Line Nbr “1” and the adjustment check will have Line Nbr “2”.

Viewing Adjustment Checks - 4

Search Results

View All

Company	Pay Group	Pay Period End Date	Off Cycle ?	Page Nbr	Line Nbr	Separate Check Nbr	Form Identification	Paycheck Number
SOK	K1C	11/17/2018	Y	2	1	0	ADVICE	4877244
SOK	K1B	11/17/2018	Y	3	1	0	ADVICE	4892218
SOK	N15	11/17/2018	N	110	3	0	ADVICE	4892218
SOK	K1B	11/17/2018	Y	3	2	0	ADVICE	4901102
SOK	K1C	11/17/2018	Y	2	2	0	ZERNET	9091485
SOK	N15	11/03/2018	N	111	3	0	ADVICE	4877244

The Reversal Check

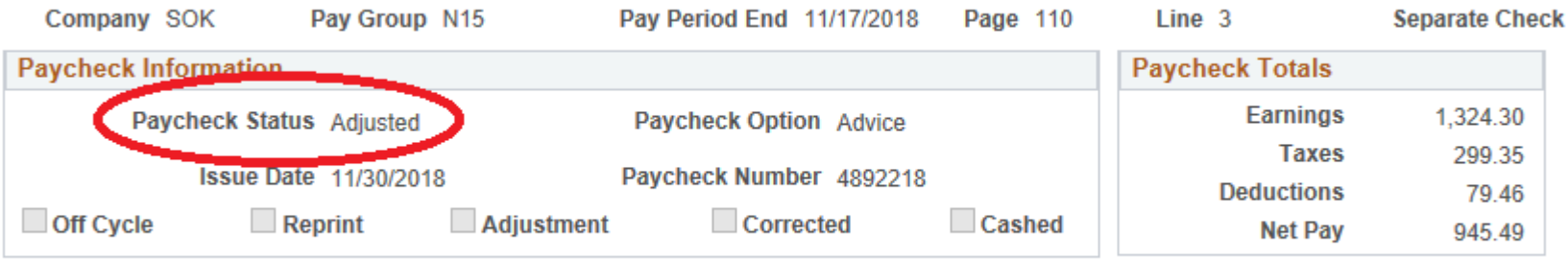
The Adjustment check

The Original Check

The reversal check and the original check will have the same check number. If the adjustment resulted in an amount due from the employee or an arrearage, a “ZERNET” check will be produced.

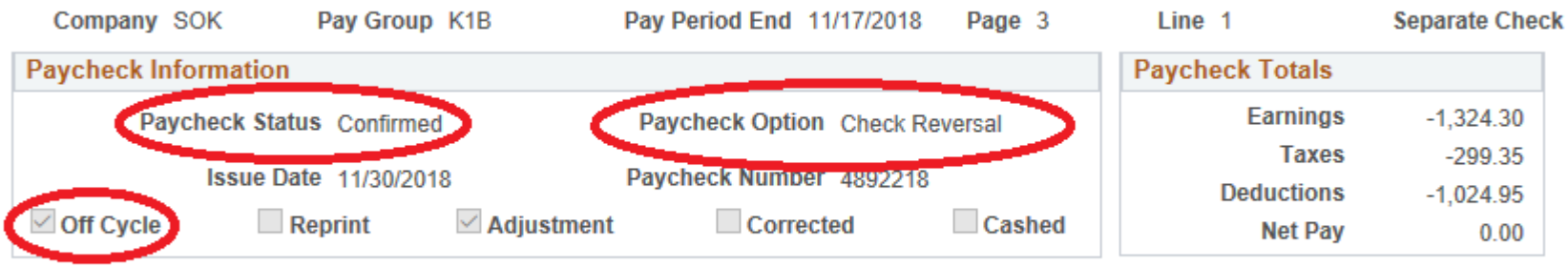
Note: For easy illustration, all three related transactions are listed together here. In SHARP, the search results are sorted by pay group, then by pay period end date, so the original check usually will not be listed together with the reversal and adjustment checks.

Viewing Adjustment Checks - 5



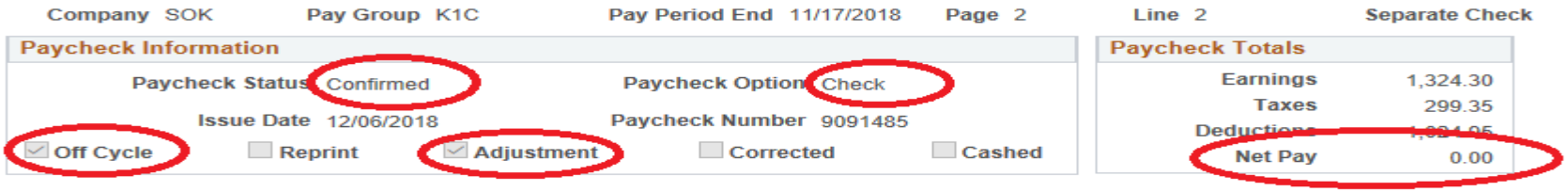
On the **original check/advice**, the Paycheck Status will indicate it has been “Adjusted”.

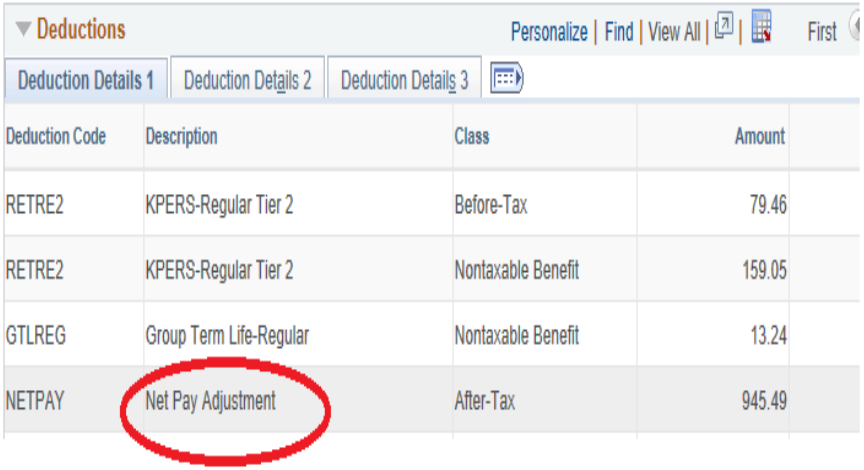
Viewing Adjustment Checks - 6



On the **reversal check/advice**, the Paycheck Status and Options will say “Confirmed Reversal”. The Off Cycle and Adjustment boxes will be checked and all amounts will be negative to reverse out the original charges.

Viewing Adjustment Checks - 7





On the **adjustment check/advice**, the Paycheck Status and Option will say "Confirmed Check/Advice". The Off Cycle and Adjustment boxes will be checked. A Zernet check will show a zero net pay. The original net pay amount will show on the employee's Paycheck Deductions page as "Net Pay Adjustment".

Viewing Adjustment Checks - 8

Other Earnings

1-1 of 1 View All

*Code	Seq Nbr	Rate Code	Hours	Rate	Amount
ADJ					419.38

On the **adjustment check/advice**, the amount due from the employee will appear on Paycheck Earnings under Earnings Code **ADJ** (Adjustment-Establish Arrearage).

An arrearage of the same amount will also be added to the arrears balance on the Arrears Balances Page (from the Fluid Location: **SHARP Homepage** click the drop down arrow, select **Payroll** Homepage click **Payroll Annual/Period Process** tile**>Balance Adjustments>Arrears**) under Deduction Code **ADJUST** and collected from the employee's next paycheck. If a large arrearage needs to be collected over multiple pay periods, a maximum arrears payback schedule should be set up. The Maximum Arrears Payback procedures can be found in Lesson 11, Arrearages.

Lesson Checkpoint

Now is your opportunity to ensure that you are learning the course material. After you read the question, make your selection, then compare your response to the correct answer provided at the bottom of the page.

Lesson Checkpoint



Which of the following correctly describes a reversed original paycheck as it appears on the Review Paycheck page...?

A) It will say “Reversed Check” or “Reversed Advice”.
B) The Off-Cycle box will be checked.
C) All amounts will be negative.
D) The “Adjustment” box will be checked.

The correct answer is A.

Lesson Checkpoint



A stop payment should be placed on the paycheck...?

A) before the paycheck adjustment request is entered into the system.
B) after the paper check reversal request Form DA-180 is sent to Payroll.
C) after the paycheck adjustment is entered into SHARP.
D) before the paper check reversal request Form DA-180 is sent to Payroll.

The correct answer is D.

Lesson Checkpoint



Agencies are responsible for processing which of the following adjustments:

A) adjustments to paychecks with inactivated earnings codes
B) time and leave related pay affecting adjustments
C) adjustments to previously adjusted checks

The correct answer is B.

Lesson Checkpoint



The SHARP system can process…?

A) a supplemental and a paycheck adjustment in one off-cycle for an employee.
B) paycheck reprints or reversals in the same off-cycle as either a supplemental or a paycheck adjustment for an employee.
C) as many requests as are entered per off-cycle for an employee.

The correct answer is B.

Lesson Checkpoint



The SHARP system can process

A) a supplemental and a paycheck adjustment in one off-cycle for an employee.
B) paycheck reprints or reversals in the same off-cycle as either a supplemental or a paycheck adjustment for an employee.
C) as many requests as are entered per off-cycle for an employee.

The correct answer is B.

Lesson Checkpoint



True or False? A Zernet check is produced when the adjustment result is an amount due from the employee.

A) True
B) False

The correct answer is A.



Lesson 10: Paycheck Reversals and Adjustments

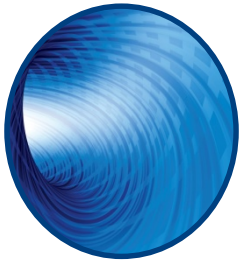
Lesson Summary



Most adjustments should be processed in the off-cycle, except for non-pay affecting adjustments, which should be processed in the on-cycle payroll.



Agencies should always verify correct results are obtained. After the off-cycle is run, the hours, earnings, taxes, and deductions of the adjustment check should be carefully compared to those of the original check to verify that the intended changes and only those changes have taken effect. Do not assume - entry and system errors do occur.



There will be three transactions related to an adjustment: the original check, the reversal check, and the adjustment check.

In this lesson, I walked you through the paycheck reversal and adjustment process, the steps to request a paycheck adjustment, and learning to verify a reversal/adjustment processed . On the left are some key concepts discussed in this lesson.



Lesson Completion

Congratulations! You have finished this lesson.

If you have another lesson to take, return to the 9.2 Training Resources page and select the next lesson you want to take.

