



DEPARTMENT OF ADMINISTRATION

Division of Accounts and Reports

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INFORMATIONAL CIRCULAR NO: 97-P-030

DATE: April 18, 1997

SUBJECT: Entry of Personal Reimbursements into SHARP

EFFECTIVE DATE: Immediately

A & R CONTACT: Payroll Services, (913)296-3146

APPROVAL:

SUMMARY: Personal reimbursements for arrearage collection may be entered through time reporting in SHARP

The Division of Accounts and Reports, Payroll Services is continuing its efforts to identify improvements and efficiencies for certain business processes. As a result, the personal reimbursement process has been identified for improvement. Effective immediately, agencies will have the ability to enter personal reimbursements for arrearage collections for active employees directly into SHARP.

To enter personal reimbursements into SHARP, agencies should first determine if the employee making the payment is an active employee who will be receiving a paycheck for the current pay period. Personal reimbursements for employees who have left State service or are on leave of absence must continue to be submitted to Payroll Services for processing. Refer to the SHARP training material entitled 'Earnings and Deductions Adjustments' for further information regarding the submittal of personal reimbursements to Payroll Services.

Below are the steps that agencies should take to collect arrearage obligations by personal reimbursement for active employees:

► A. Determine that an arrearage situation exists.

Agencies should review the KPAY008 Deductions Not Taken report on a regular basis. This report identifies all deductions and deduction amounts that were not taken from the on-cycle paycheck. The KPAY008 will also identify the reason code for the deduction not being taken. If the reason is non-sufficient net pay, the agency should submit a Form DA-180, Paycheck Adjustment, to Accounts and Reports, Payroll Services for entry into SHARP. The agency has the option to collect the amount of the missed deduction, caused by insufficient net pay, from the employee and submitting Form DA-180 and the validated copy of Form DA-3, Receipt Voucher, together to Payroll Services for processing.

Arrearage situations can also be caused by late entry of benefit deduction codes. For example, the employee has become eligible for KPERS deduction effective May 4, 1997, but the deduction beginning date was not entered timely for collection from the paycheck dated May 30, 1997. After discovering that deductions were not collected timely from on-cycle paychecks, agencies should enter the correct deduction code and/or beginning date and process a paycheck adjustment on-line in SHARP. As a result of the adjustment, an arrearage amount will be calculated and placed in the employee's 'Arrears Balances' panel in the 'Employee Payroll Data' window, 'Balances' menu.

Another type of arrearage situation will occur if the employee has been overpaid. Agencies should review the KPAY002 Payroll Register report to determine if employees have been paid correctly. Upon discovery that an employee has been overpaid, the agency should process an on-line paycheck adjustment after correcting the cause of the overpayment. The adjustment process will calculate the arrearage amount to be collected and the balance will appear on the 'Arrears Balances' panel.

► B. Collect the arrearage by paycheck deduction or personal reimbursement.

After the arrearage balance has been calculated and entered by either SHARP or Payroll Services, the agency should contact the employee to determine if the arrears balance is to be collected by paycheck deduction or personal reimbursement. In the event that the arrearage obligation is to be collected by paycheck deduction over more than one pay period, a payback schedule shall be entered into SHARP (refer to Informational Circular #97-P-024 for complete instructions). If the arrears balance is to be collected from one paycheck, no further steps are required.

In the event that the employee pays the arrearage obligation in full by personal check or cash, the agency shall deposit the monies, via the State Treasurer using Form DA-3, Receipt Voucher, into the agency fund from which the employee's pay is funded. Transaction code '602' and sub-object number '6211' should be used on the Receipt Voucher. The amount of the personal reimbursement must match the arrearage balance amount found in the 'Arrears Balances' panel.

► C. Enter the personal reimbursement into SHARP.

After receiving the validated Receipt Voucher from the State Treasurer, the agency shall enter the personal reimbursement amount onto the employee's timesheet for the current pay period using the earnings code 'PRB'. Only dollar amounts can be entered using the 'PRB' earnings code in SHARP.

It is critical that the agency enter the personal reimbursement on the timesheet for the first on-cycle or supplemental paycheck being issued to the employee following the processing of the adjustment(s) which established the arrearage obligation. In doing so, the personal reimbursement and arrearage collection will be offset on the same paycheck and will not result in an increase or decrease in net pay for the employee. *If the personal reimbursement is not entered timely, the arrearage will be collected from the employee's paycheck and the agency will have to refund the personal reimbursement to the employee on a miscellaneous payment voucher.*

► D. Verify paycheck information during preliminary payroll calculations.

Agencies are strongly encouraged to verify paycheck information during the preliminary payroll calculations for those employees who have the 'PRB' earnings code entered on their timesheets. The calculated paycheck should include both the 'PRB' earnings code and the arrearage collection (identified as deduction code 'ADJUST'), for the same dollar amounts. In the event that the employee does not have sufficient pay to collect the arrearage obligation, the 'PRB' earnings code should be deleted from the current timesheet and later entered on the first available timesheet for which pay would be sufficient to collect the arrearage.

Questions regarding this informational circular should be directed to Accounts and Reports, Payroll Services Section at (913)296-3146.

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