Pay Validation Procedure

1. Operational Units are required to run, print, and compare certain payroll reports to verify that no unauthorized payroll adjustments were made after the Gross Pay was initially reviewed and certified. The same payroll report is run at different times as indicated below:

   - Run one report on the **Friday before** Financial Services – Payroll (FS-PR) sends the Gross Pay file to Central Payroll Bureau (CPB)   **AND**

   - Run the other report on the **following Tuesday** after Net Pay processing is complete.

   Note: Friday and Tuesday mentioned in this Procedure are based on a normal payroll cycle. The payroll schedule may be advanced due to holidays. Operational Units should refer to the payroll calendar published on FS-PR website.

2. Both payroll reports must be signed, dated, and maintained in the Operational Unit as evidence of this Validation.

3. eUMB HRMS offers two (2) payroll reports for the Pay Validation:

   - Cost Center Report (CCR)
     - Sorted by Department ID, then employee's Last Name
     - Does not show payroll advance recovery
     - Indicates manual entries FS-PR entered such as retros calculated from UMB, tax periods, travel, and HRMS Combo Codes
     - Option to exclude/include Travel Reimbursement (TVL)/Business Meals Reimbursement (BM)
       - Note: Total Earnings will be increased by the TVL and BM amount if included on the CCR

   - Payroll Register (PR)
     - Sorted by Paygroup, then Department ID, then employee's Last Name
     - Includes payroll advance recovery
     - Does not identify manual entries
     - Provides check amount, check number, taxes & deductions if running the register after Net Pay Processing is complete
     - Option to exclude/include Travel Reimbursement (TVL)/Business Meals Reimbursement (BM)
       - Note: Even if the choice is to include TVL and BM, **the Gross Pay amount does NOT include TVL and BM**

4. Operational Units must use either the CCR or the PR for **both** reports to compare.

5. Note: The Check Register (CR) is an optional report that provides the check number and amount.
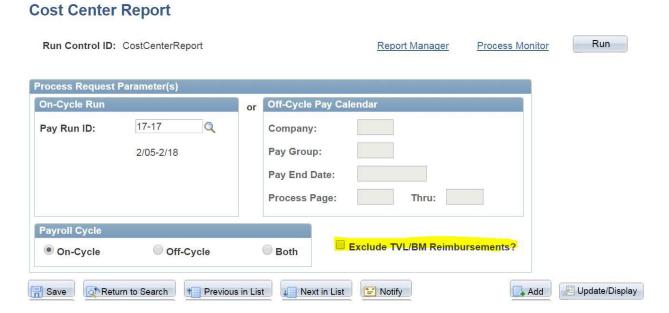   **However, the CR report cannot be used for the Pay Validation process.**

Procedures:

A. Running the Reports

1. Operational Unit selects either the CCR or PR to use for the Pay Validation. The same version of the report (i.e. CCR/PR) must be run during the same pay period (i.e. If the CCR was run in the processing week on Friday, then the CCR must be run in pay week on Tuesday).

2. Select the run option
   A. Include or exclude Travel Reimbursement (TVL)/Business Meals Reimbursement (BM).
   B. The payroll reports run on Friday and Tuesday **must be run using the same option**.

Note: The PR offers the same option to "Exclude TVL/BM Reimbursements.

B. Analyzing the Reports

1. **Processing Week Friday (the day the Gross Pay File is sent to CPB**).

   a. During the payroll processing week, FS-PR runs the pay calculation daily and informs all HRMS users by email that the pay calculation has been run and the status of payroll adjustment entries.

   b. On the Friday of the payroll processing week, FS-PR sends the last email informing all HRMS users that all payroll adjustments have been entered and pay calculation has been run.

   c. After receiving the FS-PR email, Operational Units must run either the CCR or PR to validate the employee pay amounts.

   d. Operational Units are required to perform a final review of the payroll report to ensure the amounts are correct.

e. If any issues are discovered, the Operational Unit **must** email FS-PR **immediately** to correct any amounts before the Gross Pay file is sent to CPB. The cut-off time for adjustments is Friday at 2:00 PM.

f. The Operational Unit Payroll Approver must sign and date the payroll report on Friday to certify the payroll for the pay period and maintain the report in the Operational Unit.

2. **Pay Week Tuesday (the day Net Pay processing is performed in FS-PR)**

a. On pay week Tuesday, FS-PR performs net pay and leave accrual processing and loads taxes and deductions back to the payroll system. After the process is complete, FS-PR emails all HRMS users.

b. After receiving the FS-PR email, Operational Units must run the same payroll report that was run the previous Friday and compare the two reports to make sure there are no variances.

c. If a variance is found between the Friday and Tuesday payroll reports, the Operational Unit must identify the employee(s) causing the variances and document the variances.

   i. If the variance can be explained (e.g. an employee transfer), include the explanation in the documentation and retain the documentation with the report to indicate that the review was completed.

   ii. If the variance cannot be explained, the Operational Unit must send an email to FS-PR. Include the employee's name and empl ID. FS-PR will contact the Operational Unit for additional information.

d. The Operational Unit Payroll Approver must sign and date the second payroll report to certify the validation has been completed.

C. **Record Retention**

1. Operational Units must keep the payroll reports for at least three years or until audited, whichever is longer.

2. Operational Units are encouraged to scan and save payroll reports.

3. Grant/contract documents may dictate the record retention requirements for payroll charged to a grant/contract. Refer to Sponsored Programs Administration for additional information on retention requirements for grants and contracts.

4. For questions regarding record retention, please contact DL-MASAuditNotification@umaryland.edu.