



PAYROLL BULLETIN

To: All State Agencies, Boards and Commissions
From: Steven L. Valasek, Director of State Accounting
Date: May 24, 2004
Subject: Payroll Reversals
Number: 2-04

As a follow up to Payroll Bulletin 1-04 regarding changes to the Employer Retirement Contributions to State Employee's Retirement System (SERS), the Illinois Office of the Comptroller (IOC) is providing guidance on the processing of payroll reversals.

Effective March 16, 2004, the IOC implemented the first phase of the requirements stated in Payroll Bulletin 1-04. Recently, the IOC implemented system changes to complete the final phase to address the new reporting requirements that were outlined in PA 93-0665.

Now that all the components of the new legislation are fully operational, the IOC will resume the processing of payroll reversals. Effective immediately, agencies may begin to submit requests to process payroll reversals.

All payroll reversals must be approved in writing by the IOC Payroll Section prior to the submission of any payroll reversal. The IOC will reject any payroll voucher that contains a reversal that has not been previously approved in writing by the IOC, or that does not comply with the instructions in the approval notification letter.

Agencies should use the attached format to submit a request for approval to process a payroll reversal. Approval requests may be sent to the IOC Payroll Section by fax or mail. The fax number is (217) 785-4489. The mailing address is:

Illinois Office of the Comptroller
Attn: Payroll (Salary Reversals)
325 West Adams
Springfield, IL 62704-1871

The normal processing cycle at the IOC for the review of these requests will be 5 working days. The IOC acknowledges that there will be a significant volume of requests at the release of this bulletin, so the normal cycle will be closer to 10 working days until the initial volume is handled.

If an approval is granted, the approval notification will be sent to the agency and it will instruct the agency how and when to process the payroll reversal. The approval notification will also instruct the agency on the timing of the associated C-65 Form.

The IOC will reject any payroll containing reversals that: (a) have not been previously approved in writing by the IOC; (b) do not comply with procedures stated in the approval notification; or (c) are not processed within the prescribed time period stated in the approval notification.

The IOC has identified several occurrences where payroll reversals have been used when an adjustment to a subsequent payroll voucher could have been made. Also, the IOC has identified several occurrences where the timing of the payroll reversals were outside the required 60 days period, and further the associated C-65 Form was not processed within an acceptable time period after the salary reversal. Agencies should review SAMS Manual Procedures 23.20.60 to ensure they are in compliance with the processing rules and timing requirements for payroll (salary) reversals.

If you have any questions regarding this bulletin, please contact our payroll office at (217) 782-4758.

Agencies may access this and other Payroll, SAMS and Accounting Bulletins on the Comptroller's Website at www.ioc.state.il.us under Resource Library.

Required Information for an Agency requesting approval to process a payroll reversal:

1. Paying Agency Name and Number
2. Employee's Name
3. Employee's SS#
4. Pay code
5. Pay Period of original warrant
6. Fiscal Year of Original Warrant
7. Original Warrant # / Original Trace # (if known)
8. Original Gross Amount
9. Will the reversal will be a full reversal or partial?
10. If answer to #9 is partial: has the partial reversal of this original gross previously been requested to the IOC? If yes, when?
11. Anticipated Pay Period and Fiscal Year in which the reversal will occur
12. Contact Name
13. Telephone Number
14. Authorized signature
15. Date

Each payroll reversal shall be supported by a separate request by the paying agency.