

## SAM—PAYROLLS

### PAYROLL EXPENDITURE ACCOUNTING

8590

(Revised 09/13)

The State Controller's Office (SCO), Uniform State Payroll System (USPS), will process each state department's payroll transactions entered by their human resources office and generate the following documents:

- A Payment History File - available to the department monthly
- Payroll expenditures and recoveries - posted to each department's appropriation in the SCO's Fiscal System
- Payroll warrants and direct deposits - printed and distributed
- Notice of State Payroll Revolving Fund Transfer, Form SM62 (SM62) - printed and distributed

Payroll expenditures listed on the SM62 consist of gross salary plus the state contributions. The state's contributions include:

- Retirement
- Old-Age, Survivors, and Disability Insurance (OASDI)
- Miscellaneous Benefits
- Premium
- Dental and health
- Administration
- Fees

Recoveries to payroll occur when warrants are voided or re-deposited or when overpayments are collected.

The SM62 reports payroll transactions for the departments which will be recorded using a Payroll Expenditure Register (see SAM section 10504). The SM62 reflects Clearance Type (CT) codes indicating transfers in or out of the State Payroll Revolving Fund (SPRF) as follows:

Transfers in the SPRF that increase departmental expenditures (entered as plus entries if a manual Payroll Expenditure Register is maintained):

- CT 1: Issue Payment - Registers of warrants issued
- CT 7: Transfer of Funds - Registers of payroll adjustments
- CT 8: Non-USPS Transaction - Corrections of previous transfers
- CT 9: Reverse Accounts Receivable - Corrections of previous transfers

Transfers out of the SPRF that decrease expenditures (entered as minus entries if a manual Payroll Expenditure Register is maintained):

- CT 4: Redeposit - Register of warrants re-deposited
- CT 5: Accounts Receivable - Transfers of amounts collected on overpayments
- CT 6: Transfer of Funds - Registers of payroll adjustments
- CT 8: Non-USPS Transaction - Corrections of previous transfers

Payroll transfers will be distributed to the applicable expenditure accounts and, if applicable, entered in the Payroll Expenditure Register where used in a manual system. The month during which the expenditures were incurred will generally be indicated by the date on the Controller's Transfer. An exception to this procedure occurs when the month indicated by the transfer date is different from the month the expenses were incurred. Then post the payroll transfer to the matching month. If the payroll period and the transfer date are in different fiscal years, the transfer date takes precedence. Note: In automated systems i.e. CALSTARS, the Payroll Expenditure Register is automatically produced as a by-product of labor distribution system and these entries are not applicable.