W2 Reportable Fringes Processing Overview

At beginning of every calendar year, UWSA Tax Staff consult with Payroll to identify earnings codes and account codes that will be used to report W2 earnings. These earnings codes are configured in SFS so the payments will be flagged for campus review during the monthly W2 process. Campuses will review, validate, and correct any W2 reportable transactions on a monthly basis. In addition to reviewing payments, campuses have the opportunity to enter additional W2 reportable transactions, including foundation payments, into the SFS Tax Processing Bolt-on. Below are the instructions to follow to ensure correct reporting of monthly W2 transactions.

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<th>Process Frequency</th>
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Process Detail

I. Monthly W2 Process Steps

Steps that need to be performed on a monthly basis are:

1. Each Month UWSA Tax Staff will load and validate all W2 reportable Accounts Payable transactions into the SFS Tax Processing Bolt-on. The campuses will be notified by email after the load.

2. Each Campus Tax representative will have a set amount of time to:
   a. Update campus W2 transactions that are in ‘Review’ status; and
   b. Make corrections to transactions submitted in previous months; and
   c. Enter additional transactions (i.e.: foundation transactions, taxable travel reimbursements). **NOTE:** Foundation payments should be entered into the SFS Tax Processing Bolt-on monthly.

3. After Campuses have notified UWSA Tax Staff that they have completed their reviews, the Tax Staff will revalidate the transactions. If the revalidation comes back clean, the UWSA tax staff will upload the file into the HRS system. HRS will withhold payroll taxes on these W2 reportable amounts.

II. W2 Support

Technical support contact  uwsaproblemsolvers@maillist.uwsa.edu

Tax support contacts  taxreporting@uwsa.edu

III. Monthly Tax Processing Summary Steps

Login to SFS Online  http://sfs.doit.wisc.edu/support/

On a monthly basis, in the SFS Tax Processing Bolt-On in no particular order, campuses will be performing three activities:

- Updating monthly transactions in ‘Review’ **Status**
- Adding W2 Reportable transactions including foundation payments
- Correcting previously ‘Sent’ or ‘Inactivated’ transactions

The following sections outline the steps to complete these activities.
IV. Update Monthly W2 Reportable Transactions in Review Status

Navigation: SFS Extensions > Tax Processing > Use > UW W2 Search

1. Enter Tax Year (4 digits)
2. Enter Month Code (2 digits i.e. January = ‘01’, February = ‘02’, etc.)
3. Enter your Business Unit (i.e. ‘UWADM’, ‘UWML’, ‘UWSTP’, etc.)
4. Select W2 Status = ‘Review’ (if leave this blank you will receive a listing of all W2 Transactions for that month)
5. Click Search

A listing of transactions to be reviewed will appear. You will find information on the following pages Header, Detail, Comments, and Error Messages.
Options when updating W2 transactions in ‘Review’ W2 Status are:

- ‘Inactivate’ a transaction from 
- Edit Vendor record for Updates from 
- Open a transaction record for editing from 

1. How to Inactivate a transaction
   a. Click 
   b. Select ‘Inactive’ in the W2 Status column to inactivate the record. When inactivating a record, you are indicating that you do not want the record reported.
   c. Review non-employee EmplID transactions to see whether it’s an employee of another UW institution.
      a. Select ‘Inactive’ for the W2 Status to inactivate the record.
      b. Add a transaction for the employee under the employee’s Business Unit per the instructions in section V. Add W2 Reportable Transaction.

If this is a Non-employee EmplID, review whether it’s an employee from another UW institution.
2. How to Open Vendor Record for updates.
   a. **Click**. In this example, John Doe did not have an EMPLID & Vendors Class is not employee. To correct this error:

   ![Vendor Record Open](image)

   b. **Click** on the *Edit Vendor* link. It may take a minute for the Vendor page to appear. This should automatically take you to the *Identifying Information* tab on the Vendor page.

   ![Vendor Relationship](image)

   c. **NOTE**: Do NOT change vendor *Classification* if this vendor has been used as an ‘Individual/Sole Proprietor’ in the past. Instead you should **create** a new vendor with *Classification* of ‘Employee’ by **clicking** and **enter** the vendor with *Classification* of ‘Employee’.

   d. If you erroneously entered this vendor as ‘Individual/Sole Proprietor’ and wanted this vendor listed as an ‘Employee’, and if you have the security to access it, **click** and make the changes to the vendor file.
e. Once you change or create a vendor with a Classification of ‘Employee’, the Type under Additional ID Numbers will be automatically changed to ‘W2’.

f. You must complete the ID Numbers for vendors with ‘Employee’ Classification. Click the Employee Full Search link to find the employee’s ID Number.
g. After selecting the Employee Full Search link
h. Enter Any Part of Employee Name, or Last name, First Name
i. Click
j. The name will appear, select on the name link and the EmplID will populate into the ID Number field on the Vendor record.

k. The Vendor only needs to be corrected once to fix all missing EmplID errors.
l. Click to save your Vendor changes.

3. How to Open a Transaction Record for Editing

Entries to Educational Entities for Educational fees must be made in the transaction detail
a. To change the vendor on a record to be reported for an employee, select the View Detail link and the UW W2 Transaction Page will open in a new window. Note: Per Policy G25: Educational Assistance for Faculty and Staff must be reimbursed to the employee upon successful completion of the course.

b. Click Lookup Employee/Vendor. This will open the Vendor Search Page.
c. **Enter** *Any part of EmplID or Any part of Employee Name*

d. **Click**
e. **Find** the correct employee name in the list
f. **Click** the *Employee Name* link.
g. This will **enter** the EmplID and **change** the **Vendor ID** number on the UW W2 Transaction page.

h. **Change** the **W2 Status** from ‘Review’ to ‘Active’ if you want this reported.

i. **Click** Save
V. Add W2 Reportable Transactions

*Navigation: SFS Extensions > Tax Processing > Use > UW W2 Transaction*

1. **Enter UW Tax Year**
2. **Select Month**
3. **Enter or select Business Unit**
4. **Click Add**

   **NOTE:** If you try to add a transaction to a month that has already been sent to payroll, you will receive an error. (If you need to correct previously sent transaction, see instructions on page 17.)
5. **Select a Month** that has not been previously sent

6. **Click** [Add] to input transactions. You cannot key in the EmplID, this ensures the employee number is valid.

7. **Select** [Lookup Employee/Vendor] to input transactions. You cannot key in the EmplID, this ensures the employee number is valid.
8. Enter Any part of EmplID or Employee Name or Vendor ID
9. Click
10. Select Employee Name link.
11. The **EmplID** and **Vendor Name** will be populated on the UW W2 Transaction page.

12. **Enter Voucher ID**
13. Enter Payment Date
14. Enter or select Account
15. Enter Earnings Code
16. Enter W2 Amount
17. Enter Description
18. Select W2 Status
19. Enter Explanation
20. Click Save

Adding Support Organization Reportable Payments

1. Follow similar instructions to adding a transaction, however, select ‘Yes’ for the UW Support Organization

Mark ‘YES’ if paid by the Foundation

If this is a miscellaneous Foundation payment, mark the Account as ‘FDTN’. If the Foundation reimbursed a moving or educational expense, then mark the appropriate Fringe Account code.
Adding Non-accountable Plan Reportable Payments

1. Follow similar instructions to adding a transaction, using the NONA account code.

If this is a Non-accountable plan reimbursement, mark the Account as ‘NONA’. The UW reimburses under an accountable plan, however, on an exception basis expenses submitted beyond 90 days are treated as having been reimbursed under a Non-accountable plan and included in taxable income.
VI. Correct Previously Sent or Inactivated Transactions

**Navigation:** SFS Extensions > Tax Processing > Use > UW W2 Search

1. **Search** for record during the month the record was ‘Sent’
2. **Enter** **Tax Year**
3. **Enter** **Month**
4. **Enter** **Business Unit**
5. **Enter** any additional information.
6. **Select** **W2 Status** ‘Sent’
7. **Select** the **View Detail** link for the record you would like to correct. This will open a new window to the UW W2 Transaction page.
8. **Click** [CORRECTION]. This will reveal the Corrections section in the lower portion of the page.
9. **Enter** your corrections under the Corrections section.
10. **Click** [Save]
11. **Return** to the other open window on the UW W2 Search page
12. In order to process the correction, you will need to **validate** the transaction. The UW W2 Transaction page will indicate the correction has been processed once the validation is complete.
VII. How to Validate Corrected Transactions

* Navigation: SFS Extensions > Tax Processing > Use > UW W2 Search

1. **Enter** the month you entered the correction. In this example, the sent transaction was in March, but the correction was made in July. You must **select** '07' - July to validate the correction. (If you select the month the original transaction was sent, you will not be able to validate. You must **select** a month for transactions that have not been sent yet).

2. **Click**

3. **Click** until you receive a **Run Status** of ‘Success’

4. **Click** to confirm correction was processed

5. **Select** the **View Detail** link to see the correction was processed.
6. **Search** for the original month entry and it will reference the month of the correction.
VIII. Other Search Options

Navigation:  SFS Extensions >Tax Processing > Use > UW W2 Search

1. Enter EmplID.
2. Leave Business Unit ‘blank’ to see if an employee has transactions on multiple campuses

![Search Interface]

3. Click a row for Employee’s detail transactions

![Detail Transactions]

Revision History

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<th>Author</th>
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<th>Date</th>
<th>Description of Change</th>
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<tr>
<td>Susan Kincanon</td>
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<td>Initial Draft</td>
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<td>Laura Parman</td>
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<td>Review, edit, format and ready to publish</td>
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<td>Laura Parman</td>
<td>2.2</td>
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<td>Eric Engbloom</td>
<td>2.3</td>
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