SALARY
OVERPAYMENT
REFUNDS

SALARY OVERPAYMENT CODES

BALANCE SHEET ACCOUNT CODES:

9050   SALARY REFUNDS PAYABLE

9700   STATE WITHHOLDING TAX

9800   FEDERAL WITOLDING TAX

9903   EMPLOYEE & EMPLOYER FICA COST

OBJECT/SUB-OBJECT CODE:

0100 XX PERSONNEL COST

0200 01 FICA

Salary Overpayment Refund

Step 1:   Agency needs to contact GHRS to verify overpayment amount to collect from
employee.

Step 2:   Agency collects money from employee (according to guidelines set in the Fiscal
Policies and Procedures manual).

Step 3:   Agency fills out the SALARY OVERPAYMENT REFUND form (FRMS-25).
*Example of form is attached.

Step 4:   Agency enters a Cash Receipt transaction in AFNS.

Account Coding on the cash receipt **MUST** be:
Fund	Agency's AFNS Fund
Agency	Agency's three digit state code
BS Code 9050	Salary Refunds Payable

The amount of the Cash Receipt is the <u>Net</u> Salary; this is the amount in Net Amount on
form FRMS-25.

Step 5:   The Cash Receipt (FRMS-7) should be remitted to the State Treasury, RSA
Union, 6th Floor, Room 676. A copy of the Cash Receipt (FRMS-7) and a copy of the
Salary Overpayment Refund (FRMS-25) **MUST** also be remitted to the Comptroller's
Office, GHRS, RSA Union, 2nd Floor, Room 282.

Step 6:   After receipt of tax refund from applicable federal/state agency, GHRS will enter a
JVA document in STAARS to transfer the taxes to the agency's 9050 account. The
JVA will reference the agency's Cash Receipt.

<u>Step 7</u>: After reviewing the STAARS Business Intelligence Salary Overpayment report to so see which transfers have been completed, the Agency **MUST** enter a Journal Voucher transaction in AFNS to reduce BS 9050, reduce salary expense, and reduce the employer's share of FICA. This Journal Voucher **MUST** pass to STAARS so the same adjustments are updated in the statewide accounting system. Below is an example of the debit and credit entries.

```
Reduces BS 9050 Salary Refunds Payable
Decreases Salary Expenditure
Decreases FICA Expenditure

AC                       ACTI- OBJ/ SUB  BS       DEBIT         CREDIT
TP FUND AGCY ORG  APPR VITY  REV  O/R ACCT    AMOUNT        AMOUNT
==============================================================
02 XXXX XXX                              9050    XXX.XX
22 XXXX XXX  XXXX            0100 XX                         XXX.XX
22 XXXX XXX  XXXX            0200 01                         XXX.XX
```

How to Calculate Journal Voucher Amounts:

DEBIT BS Account = 9050	CREDIT Object Code = 0100 XX	CREDIT Object Code = 0200 01
Total Amt Received	Gross Amount✱	Employer FICA
from Employee and	Employee FICA	Employer Medicare
GHRS	Employee Medicare	

✱Gross Amount equals the sum of Net Salary, Employee FICA, Employee Medicate, Employee Federal Withholding, Employee State Withholding, and Employee Occupational Taxes.

NOTE: It is **MANDATORY** that salary overpayment refunds be <u>deposited in a timely manner</u> to ensure the employee's payroll record is accurate prior to the issuance of Forms W-2.

FRMS - 25
Rev 09/15

STATE OF ALABAMA
DEPARTMENT OF FINANCE
Division of Control and Accounts
Salary Overpayment Refunds

This is a fillable form and will compute net and JV total.

PLEASE REFER TO FISCAL POLICY & PROCEDURES MANUAL PAGES 7-24 AND 7-25, SECTION C, FOR INSTRUCTIONS.

CR Document ID

Reference the CR used to receipt in the funds.

Agency Name _____   Agency Code _____

Employee Name _____

Employee ID _____   Warrant Amount _____

Warrant Date _____

Balance Sheet Account   **9050**   Warrant Number _____

Gross Amount _____

Check if Prior Calendar Year ☐

Call GHRS for detailed instructions if prior year.

Employee Share: ## Employer Share:

FICA   **#1** _____   FICA **#1** _____
compute: Gross less Insurance * 6.2%

Medicare   **#1** _____   Medicare **#1** _____
compute: Gross less Insurance * 1.45%

Federal W/H **#1** _____   Retirement _____

State W/H **#1** _____   Insurance _____

City Occupational Tax **#1** _____

City Tax Code _____

County Occupational Tax **#1** _____

County Tax Code _____

Retirement _____
Enter amount above ONLY if agency will be requesting a refund. Contact RSA for forms and instructions.

Insurance _____
Enter amount above ONLY if agency will be requesting a refund. See Fiscal Policy and Procedures Manual page 7-28.

Other Deductions _____
Enter amount above ONLY if agency will be requesting a refund from the third party vendor.

Net Amount _____

This is to request a refund of the deductions and employer costs itemized above.

JV AMOUNT _____
This is the amount of taxes that will be transferred to your agency through a JV. It should be the sum of all items marked with a #1.

REASON FOR REFUND(REQUIRED)

Authorized Departmental Approval_____

Date_____   Contact Name and **Phone #** _____

10/1/15