



QUICK REFERENCE GUIDE

RECONCILE GENERAL LEDGER TO MARLIN HR

MEGABUS HELP



Knowledgebase: Select **Help > Marlin Inform** from the menu in Marlin GTX / HR.
or

Log a Support Call: Select **Help > Log a Support Call** from the menu in Marlin GTX / HR.

- ✓ **Reconcile at least quarterly and in early June to ensure a quicker and easier reconciliation and EOY close-off at June 30.**
- ✓ **Marlin HR is the “source of truth”, any discrepancies are normally rectified in the General Ledger.**

STEP 1: GL RECONCILIATION REPORT

Before commencing, ensure all required employee payments and adjustments for the period have been processed in Marlin HR and that all pay journals in the Marlin Inbox have been posted.

- ☐ Select **Reports > GL Reconciliation Report** from the Marlin HR menu & click on **Generate**.
- ☐ Optionally, click on  to snapshot the report to the Report Keeper, or on  to print it.

Use this report for all steps in this Guide.

STEP 2: RECONCILE PAYG WITHHELD TAX

The **Postings by HR to PAYG Account** section compares the amount of PAYG withheld on payruns in Marlin HR to the amounts posted into the PAYG account in the GL by payrun journals.

If the Discrepancy is \$0, all payrun journals were posted correctly and reconcile. Proceed to STEP 3.

If there is a negative discrepancy amount, a payrun journal may not have been posted to the PAYG account. A positive discrepancy amount may indicate that a payrun journal was posted to the PAYG account more than once.

- ☐ In Marlin, select **Main > Accounts > Manage Chart of Accounts** (if you have PAYG set up as a **Liability** account)
- ☐ In Marlin, select **Main > Suppliers > Manage Suppliers** (if you have PAYG set up as a **Supplier** account)
- ☐ Open the PAYG account and then select the **Transactions** tab
- ☐ Check the payrun journals and note any missing or doubled-up payrun numbers.
 - For missing journals, see Re-send Missing Payrun Journal (Appendix A).
 - For doubled-up payrun journals, see Reverse Duplicate Journal (Appendix A).
- ☐ Re-generate the GL Reconciliation Report in Marlin HR and confirm the discrepancy has now gone.

STEP 3: RECONCILE PAYROLL EXPENSES

The **Postings by HR to GL Expense Accounts** section displays any discrepancy between the amounts applied in Marlin HR and the current balances in those expense accounts in the GL.

If the Discrepancy is \$0, all payrun journals were posted correctly and reconcile. Proceed to STEP 4.

The **Non-HR Postings** column shows the total of any postings to the GL account that did **not** come from Marlin HR:

- ☐ In Marlin, select **Main > Accounts > Manage Chart of Accounts**
- ☐ Open the expense account and go to the **Transactions** tab
- ☐ A posting with anything other than PAY or LBA in the **Source** column did not come from Marlin HR and is therefore shown as a discrepancy. If you want the posting to remain in this account and it does not need to be processed in Marlin HR, you should ignore the discrepancy. Otherwise, reverse it or journal it to another account in Marlin.

If **Non-HR Postings** is \$0, any Discrepancy must be due to one of the following:

- A pay journal from Marlin HR was not posted in the GL, or was posted more than once.
- A leave balance adjustment journal from Marlin HR was not posted in the GL.
- A pay journal from Marlin HR was modified during posting in the GL.

See **Appendix A – Fixing Journal Issues** for instructions on how to remedy these issues.

STEP 4: CLEAR LEAVE BALANCES ON TERMINATED AND CASUAL EMPLOYEES (IF ANY)

Any leave balances on Terminated employees, or on any Casual employees not entitled to accrue leave, will overstate your unused leave liability on the Employee Leave Report. If the leave type is configured to accrue in your GL, the leave liability will also be overstated in the GL and on the balance sheet. Possible causes include:

- An employee's Status can be manually changed to Terminated if they've not been paid in the current tax year (e.g. Casuals not used in a long time). Prior to April 2024 this did not clear any leave balances.
- Your default leave types (see **System > Options > Employee Defaults** tab) are added to all new employees. If you don't remove them when not appropriate (e.g. for Casuals), they will overstate your accrued leave liability.

Complete the following procedure to remove any leave balances that will never be paid out. This will correct your leave accrual liability on the Employee Leave Report, as well as in the GL and balance sheet if the leave type accrues there.

- ☐ Open the **Leave Entry** screen and tick the **Show any previously Terminated or Deceased Employees** checkbox at the top to show all employees.
- ☐ Check for leave balances on Terminated employees (shown in red) or on Casuals not entitled to leave.

If there are no employees with balances to be cleared, proceed to STEP 5.

- ☐ Open each employee with balances to be cleared. Then, for each leave type:
 - ☐ Click on the black arrowhead (on right edge of green **+** icon) and select **Leave Balance Adjustment**
 - ☐ Select the Leave Type to clear, copy the **Current Balance** hours into the **Adjust By** field and select **Add Hours** or **Reduce Hours** to make the **New Balance** field show **0.00**. Then click on **OK**.
- ☐ If leave types are configured to accrue in the GL, each leave balance adjustment will send a journal to the Marlin Inbox. Go to the Marlin Inbox and post these journals.
- ☐ Re-generate the GL Reconciliation Report to display the updated balances in HR and the GL.

STEP 5: RECONCILE LEAVE ACCRUAL CLOSING BALANCES

Skip this entire step unless the report contains a Leave Accruals section and has a Discrepancy amount under the CLOSING BALANCE heading.

- Perform after reconciling Payroll Expenses (STEP 3 above) and posting all HR journals in Marlin Inbox.
- Ignore Opening Balance or Movement discrepancies if the Closing Balance discrepancy is \$0.

Pre-existing Discrepancy:

An **Opening Balance** discrepancy is a carried over unaddressed **Closing Balance** discrepancy from last year.

If the **Closing Balance** discrepancy is now **\$0**, it has been addressed this year and you are reconciled. Otherwise, you will need to correct the balance in the GL (see Appendix B – Leave Accrual Re-synchronisation Journal).

Recent Pay Rate Changes:

When employee pay rates are changed, the new value of accrued leave is shown instantly in Marlin HR but not in the GL until the pay journal from their next payrun is posted. Reverse the pay rate changes to reconcile now, or reconcile after the next payrun (at EOFY, reconcile after completing EOFY close-off and the first payrun of new year).

Non-HR Postings:

Any postings direct to the leave liability account in the GL are unknown to Marlin HR and will show as a discrepancy.

- ☐ In Marlin, select **Main > Accounts > Manage Chart of Accounts**.
- ☐ Open the relevant leave liability account and go to the **Transactions** tab.
- ☐ Postings without PAY or LBA in the **Source** column did not come from Marlin HR and should be checked with the original poster. Reverse them or move them to another account and then re-generate the GL Reconciliation Report to confirm the discrepancy is now gone.

Missing Opening Balances Journal:

If you activated the Accrue Leave To GL function for a leave type in Marlin HR during the year but did not enter a journal in the GL with the opening balance, you will have caused a discrepancy and will need to correct the balance in the GL (see Appendix B – Leave Accrual Re-synchronisation Journal).

APPENDIX A – Fixing Journal Issues

The following instructions explain how to rectify possible issues with postings of Marlin HR journals to the GL.

Re-send Missing Payrun Journal

If you find that the pay journal from a payrun was not posted to the GL, you can re-send it from Marlin HR:

- In Marlin HR, select **Reports > Pay Journal Report** from the menu
- Select the Payrun Number and click on the Generate button to display the journal on screen
- Click on the Re-submit icon (to right of printer icon) and respond YES to the confirmation prompt
- Go to the Marlin Inbox and post the pay journal to the GL

Re-send Missing Leave Balance Adjustment Journal

If the only expense account with a discrepancy is a Provision For Leave account, a leave balance adjustment journal for this leave type may not have been posted to the expense account.

- Open the Leave Entry screen in Marlin HR, scroll through the employees and note the dates on which you entered balance adjustments for this leave type in the current tax year (“Balance Adjustment” will be shown in red).
- In Marlin, select **Main > Accounts > Manage Chart of Accounts**
- Open the account with a discrepancy and go to the **Transactions** tab
- Leave balance adjustment journals will have **LBA** in the Source column. Scan these to see if the journal for any of the Leave Balance Adjustments is missing. If any are missing:
 - In Marlin HR, open the Leave Entry screen and the relevant employee
 - Open the relevant leave balance adjustment and click the button to re-send the journal to Marlin.
 - Post the journal from the Marlin Inbox then regenerate the GL Reconciliation Report and check again.

Reverse Duplicate Journal (Payrun Journal or Leave Balance Adjustment Journal)

If you find that the pay journal from a payrun has been posted to the GL more than once:

- In Marlin, select **Main > Accounts > Manage Chart of Accounts**
- Open the relevant account and go to the **Transactions** tab
- Find the duplicate posting and note the Journal Number in the Our Ref column (e.g. J0000123)
- Select **Main > Data Entry > Journals** and then click on the **Reverse Journal button**
- Enter the details and reverse the journal

If a Marlin HR journal was changed during posting

If the discrepancy was not caused by a missing or duplicated journal from Marlin HR, someone may have changed a GL account code or amount when posting a journal from the Marlin Inbox. To identify which payrun journal was changed:

- In Marlin HR, select **Reports > Pay Journal Report** from the menu
- Select all payruns in the first month since you last reconciled successfully and click on Generate
- Total all postings to this expense account (i.e. add all debits & subtract all credits).
- Open the expense account in Marlin and compare its balance at that time to your total.
 - A match indicates the discrepancy occurred later in the year. Re-run the Pay Journal Report for the payruns in the next month, total the postings and compare to the balance in the expense account at that time. Repeat this procedure until you identify the month where the mismatch occurred.
 - Re-run the Pay Journal Report and select one payrun in that month at a time, total the postings and compare to the balance in the expense account until you determine which payrun doesn't match.

If you identify a changed payrun journal, ask the poster why they changed it. If the reason is valid, ignore the discrepancy and consider this account reconciled. Otherwise, enter a journal to change the codes and amounts back to match the payrun journal as shown in Marlin HR. If the relevant GL Period is still open in Marlin, you could reverse the entire payrun journal, re-send it from Marlin HR and then re-post it without changes to the relevant GL Period.

APPENDIX B – Leave Accrual Re-synchronisation Journal

Resynchronisation Journal:

In the Leave Accruals section of the report, the value shown in the **Balance in HR** column is the source of truth as it is a multiplication of employees' current pay rates by their current accrued leave hours balance. A different value in the **Balance in GL** column indicates that the balance in the GL is incorrect. STEP 5 explained possible reasons for a discrepancy and how to rectify them. If these did not resolve the discrepancy then regardless of the cause or timing of the discrepancy, the way to correct the balance in the GL is to enter a re-synchronisation journal in Marlin.

In an accounting system, the debits must equal the credits and an amount moved out of one account must be moved into another account. In this case, you need to move the amount of the CLOSING BALANCE discrepancy from the liability account (e.g. Provision For Annual Leave) to another account (e.g. Unpaid Annual Leave expense).

Example:

If the Closing Balance for Annual Leave is \$2222 higher in Marlin HR than in the GL, and the Closing Balance for Long Service Leave is \$1111 lower in Marlin HR than in the GL, you would enter a journal in Marlin with these lines:

- **DEBIT \$2222 to Unused Annual Leave (Expense)**
- **CREDIT \$2222 to Provision For Annual Leave (Liability)**

- **DEBIT \$1111 to Provision For Long Service Leave (Liability)**
- **CREDIT \$1111 to Unused Long Service Leave (Expense)**

Notes:

- If you do not have an Unused Annual Leave expense account and your leave accruals are configured to go directly to the Salaries & Wages expense account, you would use this account instead.
- At EOFY, post this journal to June of the FY that is ending. At other times of year, post to the current month.
- As the re-synchronisation journal will impact Marlin but not Marlin HR, it will create a new discrepancy in the Expense Accounts section on the GL Reconciliation Report (e.g. on Unused Annual Leave or Salaries & Wages) which should be ignored and will disappear after EOY Close-off in Marlin HR.
- The leave balance discrepancy may be large, especially if you have used Marlin HR for some years but not previously reconciled. If you are not comfortable journaling it to Unused Leave (or Salaries & Wages), please seek advice from your tax accountant as to how they would like you to correct the discrepancy.

A leave balance in the GL can be reconciled and corrected with a journal at any time of year. If you are unable to resolve a leave balance discrepancy at EOFY, go ahead with your EOFY Close-off and address it later.