





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 regularly and in early June to ensure a quicker and easier reconciliation at the end of the tax year.
- ✓ Marlin HR is the “source of truth”, any discrepancies should be addressed in the General Ledger.
- ✓ Do not delay your EOFY close-off if you have not completed Steps 4 & 5 (they can be done at any time of year).

STEP 1: GENERATE THE GL RECONCILIATION REPORT

- Ensure all required employee payments and adjustments for the period have been processed in Marlin HR.
- Ensure all Pay Journals in the Marlin Inbox have been posted **before** you generate the GL Reconciliation Report.
- Generate the GL Reconciliation Report (it will automatically select the current tax year)
 - Select **Reports > GL Reconciliation Report** from the Marlin HR menu & click on Generate.
 - Optionally click on the Report Keeper icon  to snapshot the report or the Print icon  to print it.

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 amount actually posted into the displayed account in the GL by the payrun journals sent from Marlin HR.

A discrepancy of \$0 means all payrun journals were posted correctly to the GL and you can jump to STEP 3.

- A negative discrepancy amount indicates a payrun journal was not posted to the GL.
- A positive discrepancy amount indicates that a payrun journal was posted to the GL more than once.

If there is a discrepancy:

- Check for missing or doubled-up payrun numbers on the Transactions tab of the PAYG account in Marlin.
 - For missing payrun journals, select **Reports > Payrun Journals** in Marlin HR, select the missing payrun and click on Generate, then click on the Re-submit To Marlin icon. Post the journal to the GL from the Marlin inbox.
 - For doubled-up payrun journals, do a journal reversal of the duplicate journal posting in Marlin.
- Re-generate the GL Reconciliation Report in Marlin HR and confirm the discrepancy has gone.

STEP 3: RECONCILE PAYROLL EXPENSES

The **Postings to GL Expense Accounts** section compares the total amount applied to each expense account in Marlin HR to the current balances in those expense accounts in the GL and displays any discrepancy.

A discrepancy of \$0 means all payrun journals were posted correctly to the GL and you can jump to STEP 4.

Non-HR Postings shows the total value of any postings in the expense account that did not come from Marlin HR:

- View the Transactions tab on this expense account in Marlin.
- Postings with anything other than PAY or LBA in the Source column did not come from Marlin HR and must be reversed or journaled to another account. If they are OK to remain in the account, you can ignore the Discrepancy.

If Non-HR Postings is \$0, the Discrepancy is due to a missing, doubled-up or altered journal from Marlin HR. Explained below are 3 possible reasons for a discrepancy and how to address them. If there are more expense accounts with a discrepancy than without, start at REASON 1. Otherwise skip to REASON 2.

REASON 1: Missing or duplicated payrun journal posting

- In Marlin, go to the Transactions tab of the expense account with a discrepancy
- Scan the transactions for missing Payrun numbers and re-send those pay journals to the GL as follows:
 - 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
- Scan for any Pay Journals posted more than once and reverse any duplicate postings with a journal reversal.
- Check that the first & last pay run numbers posted this tax year match those in the GL Reconciliation Report header.

REASON 2: Missing leave balance adjustment journal posting

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, go to the Transactions tab of the account with a discrepancy.
- 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:
 - o Re-open the leave balance adjustment in Marlin HR and click the button to re-send the journal to Marlin.
 - o Post the journal from the Marlin Inbox then regenerate the GL Reconciliation Report and check again.

REASON 3: Marlin HR journal was changed during posting from Marlin inbox

If REASONS 1 & 2 did not explain the discrepancy, 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.
 - o 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.
 - o 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.
- Once you identify which payrun journal was altered during posting, consider why you changed it. If the reason is valid (e.g. to post the amount to a different account than what Marlin HR was configured to post to) you can ignore the discrepancy and consider this account reconciled. Otherwise, consider entering a journal to change the codes and amounts back to match the payrun journal from 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 to the relevant GL Period.

STEP 4: CLEAR LEAVE BALANCES FROM TERMINATED AND CASUAL EMPLOYEES

If you have ever terminated employees without a termination payrun, or added casual employees without removing any default leave entitlements that they are not entitled to, these employees may have leave balances that are overstating the value of unused leave in Employee Leave reports and, if you accrue those leave types to the GL, also in the GL Reconciliation Report and on your balance sheet.

We therefore recommend removing the leave balances from employees with a Status of Terminated and from Casual employees that are not entitled to leave (Note: In some states and territories, long term casual workers are entitled to paid Long Service Leave).

- Open the Leave Entry screen and tick the **Show any previously Terminated or Deceased Employees** checkbox at the top of the screen. The leave balances on Terminated and Casual employees are displayed in red.
- Open each terminated or casual employee with balances to be cleared and 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**.
 - Click on **OK** (an adjustment journal will be sent to the GL if necessary to correct the value there as well).
- Go to the Marlin Inbox and post the adjustment journals.
- Re-generate the GL Reconciliation Report to see the updated figures from the GL.

STEP 5: RECONCILE LEAVE ACCRUAL BALANCES

Skip this entire section unless your GL Reconciliation Report has a **Leave Accruals** section containing a leave type with a **Closing Balance** discrepancy. Only perform this step **after** reconciling the payroll expense accounts (Step 3 above).

Potential Causes for Discrepancy:

- If the leave type had the same discrepancy in the **Opening Balance**, the issue occurred in previous year(s) and was not addressed. If there is no discrepancy in the **Movement** section, jump to Re-synchronisation Journal below.
- If you have changed any employee pay rates since the last payrun, the change in value of accrued leave will not be reflected in the GL until you process the next payrun and post the journal in Marlin. Either reconcile the leave after the next payrun or reverse the pay rate changes until after you have reconciled.
- Do an enquiry on this liability account in the GL and check the Transactions tab for any transactions that did not come from Marlin HR (i.e. they do not have **PAY** or **LBA** in the Source column). Check with the poster as to why they are there (reverse them out or move them as appropriate and then re-generate the GL Reconciliation Report).
- Ensure all payrun journals have been posted to the account in the GL
- If you activated/de-activated the Accrue Leave To GL function for a leave type during the year, without entering an accompanying journal in the GL to add or remove opening balances, you will have caused a discrepancy.

Resynchronisation Journal:

If you are unsure of the reason for a discrepancy in the **Closing Balance**, or it is from a previous year, the only way to resolve it is to journal the amount of the discrepancy out of the Provision For Leave **liability account** in the GL so that its balance matches Marlin HR again:

- If the HR amount is higher, you will CREDIT the liability account to increase its balance
- If the GL amount is higher, you will DEBIT the liability account to decrease its balance

In a double entry accounting system, an amount moved out of one account must be moved into another account. We suggest using the Provision For Leave expense account as this is the “holding bucket” in which accrued leave sits until it is either paid to the employee and transferred to the Salaries & Wages expense account, or cleared upon termination if the employee is not entitled to it. However, if you are expensing leave accruals directly to Salaries & Wages each pay, you will need to use this account instead.

- Enter a journal in Marlin to adjust the Closing Balance in Marlin to match the balance in Marlin HR.

Journal (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 \$1234 lower in Marlin HR than in the GL, you would enter these lines on the journal:

- **DEBIT \$2222** to **Provision For Annual Leave expense** account (else Salaries & Wages expense)
- **CREDIT \$2222** to **Provision For Annual Leave liability** account
- **DEBIT \$1234** to **Provision For Long Service Leave liability** account
- **CREDIT \$1234** to **Provision For Long Service Leave expense** account (else Salaries & Wages expense)

Notes:

- At EOFY, post this journal to June of the FY that is ending. At other times of year, post to the current month.
- Ignore the “new” discrepancy that appears in the Payroll Expenses section after posting a re-synchronisation journal in Marlin (as you had already reconciled that section and the discrepancy will disappear after EOFY close-off).
- If concerned about posting a large adjustment amount to the Provision For Leave expense account (or Salaries & Wages), please check with your tax accountant as to how they would like you to handle it.

Helpful Hints

Reconcile regularly and in **early June** to identify and resolve any issues well **before** the very busy EOFY period.

We are happy to assist with reconciliation queries on a best effort basis after other calls have been addressed. Please include in the ticket which step in this guide you need help with so we don't send you the guide and close the ticket.

Do not delay your EOFY close-off for queries with Steps 4 or 5 in this guide (These steps do not impact any data reported to the ATO and can be performed at any time).