University Process Improvement
Banner / Edison Reconciliation

The Banner Edison Reconciliation team met to streamline and improve the monthly reconciliation process. Identify the issues, breakdown in communications, differences, and actions for making corrections and define responsible parties. Audit finding for reporting underestimated benefits.

Issues Identified:

- There will always be a difference in the Edison withdrawals and the amount deducted from employees' checks.
- New employee setup and changes are manual due to there isn't an automated feed from Edison to Banner or a process to upload files to Banner/Edison.
- Timing issues with new hires based on hire dates, coverage effective dates, and self-enrollment deadlines.
- Employees change coverage based on family status change. Differences are based on the first bullet.
- Employees on Leave without pay and pay premiums via the USBS office. Payroll is notified but the employee Banner record is not updated. Edison will only show the amounts that were collected through payroll deduction.
- Employee coverage is not terminated timely after employment ends, and they receive medical attention.
- Letter of indebtedness created for those who owe past month's premiums due to payroll check is not sufficient to cover premium.
- Employees who receive letters of indebtedness are being tracked by USBS but Benefit Specialists not receiving notification of payments.
- Employees on a full Worker's Comp who pay for their optional coverages are those being posted to the employee account.
- Employee separation notices are not submitted timely to update Edison.
- State refunds due to current or terminated employees can take up to four months, therefore Banner and Edison are out of balance for a period of time.
- Insufficient earnings to cover payroll deductions, the insurance deduction is skipped, causing discrepancies.
- W2s are wrongly reported if the employee pays their medical premiums through USBS as payment is not recorded on the employee's record.
- There is no documented reconciliation process for Financial Accounting.

Current Procedures:

- Employee Benefits Specialist:
  - Runs report from Edison.
  - Provides report to B&F Reporting & Systems Initiatives via email.
  - BFRSI reconciles with Banner HR payroll deductions.
  - BRFSI returns report with adjustments documented to Benefits Specialist.
  - BFRSI sends a report to the payroll department to create JV to record the withdrawal.
  - Benefit Specialist makes necessary adjustments in the Banner system.
  - Work through collecting payment for Edison withdrawal for employees whose deduction was not processed.
  - Benefit Specialist compares Banner to Edison and adjusts coverage based on employee changes (add/drop dependents, marital status, type coverage) weekly and ends deductions in Edison.

- Employee pays out of pocket:
  - Employee pays the premium at the USBS office.
  - Recorded to the liability account.
  - Employee record is not updated.
- Employee Due Refund for overpayment:
  - Benefit Specialist creates a memo explaining why and the amount owed.
  - Send Memo and spreadsheet to Payroll.
  - Payroll runs a Special check process (if the employee is terminated) but is included on the next payroll for current employees.
- Accounting:
  - Payroll creates a monthly Excel report of all medical deductions processed during the bi-weekly and payrolls.
  - Runs Argos deduction report, downloads and compares Edison Report HR Benefits Specialist provides.
  - Compare the amounts with the Edison automatic withdrawal amount.
  - Add a column to the Argos report with a snapshot of the bank withdrawal amount.
  - If differences, send information to Asst Controller Fin Reporting (Kathy Archie) and Controller (George Ninan) to write off the differences.
  - 2021 Year-end differences were written off as a one-time process.
- LWOP
  - HR tracks LWOP for employees on partial and/or full leave based on NBAJOBS status.
  - Benefits Specialist works with the employee who owes premiums not paid via banner or indebtedness letter.
  - Manual processes are in place for managing, tracking, and reminding employees.

Work In Progress:

- Procedure to handle Worker Comp, Leave Without Pay, and FMLA Including procedures:
  - When employees return to work the process for collecting premiums owed.
  - When the employee returns to work, premiums paid out-of-pocket are recorded on the employee record.
- Evaluating new Banner PZRRCON process comparing the Premiums due with Banner deductions prior to payroll processing delivered by TBR.
- Document a new procedure when an employee on Workers Comp TTD (total temporary disability) returns, post all premiums paid by the university to the employer.
- Eliminate the manual process of creating a letter of indebtedness for current employees.
  - Set up a deduction type for collecting the amount over the payroll period(s) to fulfill the indebtedness.
  - Employees no longer must make payments via USBS.
- Create a new AR detail code for employees who owe medical/insurance payments.
  - Create an accounts receivable record for billing and tracking and age reporting.
  - Process to be developed.
  - Review Softdocs as a tool to create a form requesting the AR record be created and routed to USBS for setup.

Determine Who does what:

- Run collection and applied report. Benefits Specialists monthly available 1st business day after the 1st day of the month)
- Reconcile collection and applied report. BFRSI department
- Create JV to record the reduction of cash and reduction in liability. Payroll

New Mechanism Replace spreadsheet:

- Load the Edison files to a table.
- Create a web front-end to access the Edison Banner Table to adjust.

Recommendations:

- Form a new Process Improvement team to develop a standard operating procedure and update policies to allow the creation of accounts receivable premiums due records and allow payroll deduction until the debt is cleared. This group will include HR Benefits, BFRSI, Payroll, and USBS staff.

- Allocate an additional position to perform a weekly audit and manage and track Workers Comp and LWOP employees. Reconcile between Edison and Banner as changes are made. Determine the amount owed and refunds due. The person will need Banner access to benefit deductions and create an AR record. Must possess analytical skills and experience.

- Refunds owed to current employees due to deduction overpayment, a payroll adjustment for the amount owed on the next payroll check, reducing extra paperwork and accounts payable check request. Process to be defined.