

US - 7424 - Deferred Compensation

Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

- Scope of applicability: ww, country_accounting
- Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south_korea, thailand, singapore, new_zealand, emea_transversal, apac_transversal
- Unit and Domain according to the [List of labels to be used in the Finance Service Line space](#)
 - E.g. 1: WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
 - Labels to be used: **ww, financial_accounting, central_fin_proc_compliance**
 - E.g. 2: France Operation in Financial Accounting:
 - Labels to be used: **country_accounting, france, financial_accounting**
(for country operations, the Domain is always country_accounting)

3. Fill in all fields as described above

4. Name the title of each section using OPD methodology naming convention - **Infinitive verb without the "to", mainly action verb...something) -" I do something..."**

5. Once the description of the operation is completed, ensure it is approved and published by launching the [SBS-Finance approval workflow](#)

Domain: Country Accounting

Responsibility area:

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Scope

 Unknown Attachment

ERP

 WP1

Frequency

 Month

References

FS10N

[FBL3N](#)

Forms

[7424 16920200 Deferred Comp Template](#)

[JE 7424 Deferred Compensation Template](#)

Attachments

[HR-Finance](#)

<< US - 7424 - Deferred Compensation >>

1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to explain how perform the post and reconciliation for Deferred Compensation in company 7424 in WP1 system.

The Deferred Compensation is a monthly contribution paid by the key executives. The managers choose to defer a part of their remuneration and the funds are deposited in as a saving plan, but these plans are considered as non-qualified, that means the government is not responsible for this funding in case of company's bankrupt. So, the company is not obligated to fund these amounts. Under these rules, the company maintains the liability but is not required to deposit funds into the Deferred Compensation accounts.

When an individual retires or leaves the company, he develops a program with the company outlining withdrawals from the plan.

The reconciliation is done on D-2 and it is related every previous month. The funds are administrated by Merrill Lynch (external) and there is one month delay on the reports.

1.2. Scope

This procedure is applicable for 7424 company code on D-2.

2. Definitions

See [Finance Glossary](#):

- CAM
- SAP


3. Tasks description

3.1. I Receive the Files

3.1.1. I Receive the File With Plan's Balance

Normally it is sent by Sara D'agostino (sara.dagostino@solvay.com - Deputy Compensation & Benefits Manager) by email or you can find it in Freshdesk tool searching by "Month + Sara Dagostino":

Email:

June Deferred Comp reports  Inbox x



D'Agostino, Sara <sara.dagostino@solvay.com>

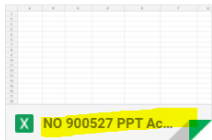
Jul 14, 2021, 2:36 PM



Thanks

—

Sara D'Agostino Mathias, CEBS
Deputy Compensation & Benefits Manager
Mobile: (713) 829-7706
Sara.DAgostino@Solvay.com



Freshdesk

Q july sara dagostino

Tickets **6** Contacts **0** Solutions **0**

Sort by : Last modified ▾

ZZZ_RTRWFVALIDATE ZZZ_RTRWFAUTOPOPULATE

S Revised Reports for April and May and August reports #4699974

✉ From: Sara.dagostino • Closed 22 days ago • Group: RTR ERRORS • Agent: -- • Status: Closed • Priority: Low

ZZZ_RTRWFVALIDATE ZZZ_RTRWFAUTOPOPULATE

S May Reports #4399956

✉ From: Sara.dagostino • Closed 4 months ago • Group: RTR ERRORS • Agent: -- • Status: Closed • Priority: Low

ZZZ_RTRWFVALIDATE ZZZ_RTRWFAUTOPOPULATE

S July reports and June REVISED Deferred comp reports #3394988

✉ From: Sara.dagostino • Closed a year ago • Group: RTR ERRORS • Agent: -- • Status: Closed • Priority: Low

Download the attachment Plan's file.

3.1.2. I Check If Payroll Report Is Done

Go to [HR-Finance](#) in AODocs and find the US HR report for the current month that you are. It means no payroll postings will be done anymore in the month and this procedure can continue.

Otherwise, it means there is a possibility to have payroll postings, which will impact the reconciliation.

Functions - Finance - HR-Finance > HR-Finance Try new views ▾

Change to another view ▾ 🔍

Folder | 1jXdhPW

<input type="checkbox"/>	Title	Country	Company	Topic	Grouping crit
<input type="checkbox"/>	X US_POSTING_2021_08.XLSX	US	All	Payroll	POSTING
<input type="checkbox"/>	X US_POSTING_CYTEC_2021_08.xlsx	US	All	Payroll	POSTING

Include results from subfolders

Browse by Folder

- HR-Finance Accounting aspects

- If no access to this folder, please contact Teresa Maciel (teresa.maciell@solvay.com) - responsible for HR in AODocs in SBS;
- It is not necessary to download the file, it is just to check if payroll postings are completely done;

3.2. I Post and Reconcile the Account

3.2.1. I Check the Files

After the previous steps, get the previous month reconciliation file, normally in ARA tool or in the email as you need to send it to the CAM after it is done.

- Just to show, here is the template of the file - [7424 16920200 Deferred Comp Template](#). Please do not use the template as it does not contain the reconciliation itself. Instead, use the previous months files as it contain the reconciliation's history;

In the Plan's file, copy the information on tab "7424 Post 2016" to the reconciliation file, tab "ML Report YYYY".

Information to be copied:

Row Labels	Sum of Begin	Sum of Deferral	Sum of Withdrawal	Sum of DivOrInterest	Sum of Mkt Value Chg	Sum of End
7424	6575464,87	85752,14	0	6919,38	53734,76	6721871,15

Original Tab in the Plan's file:

Transfers	Summary	7424 Post 2016	7424 Pre 2016	cytec ppt	cytec fund
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Reconciliation file:

Month	Row Labels	Sum of Begin	Sum of Deferral	Sum of Withdrawal	Sum of DivOrInterest	Sum of Mkt Value Chg	Sum of End
Dec 20	7424	5.454.870,30	189.412,99	-	64.501,82	86.868,58	5.795.653,69
Jan 21	7424	5.795.653,69	80.740,75	-	1.897,68	(2.053,61)	5.876.238,51
Feb 21	7424	5.876.238,51	80.695,48	-	1.734,08	110.286,31	6.068.954,38
Mar 21	7424	6.068.954,38	80.695,48	-	14.045,36	70.153,86	6.233.849,08
Apr 21	7424	6.233.849,08	580.626,53	-	1.845,59	155.558,18	6.971.879,38
May 21	7424	6.971.879,38	81.991,43	(536.484,19)	1.943,83	56.134,42	6.575.464,87
Jun 21	7424	6.575.464,87	85.752,14	-	6.919,38	53.734,76	6.721.871,15

ML Report 2021 | Jan 21 Rec in Feb | Feb 21 Rec in Mar | Mar 21 Rec in Apr | Apr 21 Rec in May | May 21 Rec in Jun | Jun 21 Rec in Jul | Notes | ML Rep

Then, check if the "sum of end" balance from previous month reconciled is the same of the "sum of begin" balance from the report:

Month	Row Labels	Sum of Begin	Sum of Deferral	Sum of Withdrawal	Sum of DivOrInterest	Sum of Mkt Value Chg	Sum of End
May 21	7424	6.971.879,38	81.991,43	(536.484,19)	1.943,83	56.134,42	6.575.464,87
Jun 21	7424	6.575.464,87	85.752,14	-	6.919,38	53.734,76	6.721.871,15

If it is not equal, something could have happened like a transfer or the report is incorrect. Please verify it with Sara.

3.2.2. I Reconcile the Account 16920200

In the reconciliation file, create a tab for new month and name it as "previous month YY Rec in current month" as below:

May 21 Rec in Jun	Jun 21 Rec in Jul
-------------------	--------------------------

The tab's structure is in the screenshot below and can be found in the template file [7424 16920200 Deferred Comp Template](#):

- As it has been said, please use the previous month files and not the template directly as it does not have the reconciliation's history;
- It can be found on ARA or in the email sent to the [CAM](#) in the last months;

			Comments	Account number	16920200	FR-AVT NON VAL IAS19
ML Report Jun				Company code	7424	SOLVAY USA INC.
Opening balance		6.575.464,87		Business area		
Payroll Deduction	85.752,14		Tie ML Report back to payroll pivot for previous month	Fiscal year	2021	
Plan Asset Movement & interest	60.654,14		Book this amount to P&L before reconciling	All documents in currency	*	Display currency USD
Closing balance		6.721.871,15		Period		
Check		-	Check	Debit		
				Credit		
				Balance		
				Cumulative balance		
ML Jun Closing Balance		(6.721.871,15)		1		
July payroll	29.062,13			2	311,86	
Balance that SAP should tie to		(6.692.809,02)		3		
				4		
SAP Balance July per screenprint		(6.692.809,02)		5	493.802,96	
				6	146,46	
				7	157.895,39	
Difference		-				

• **ML Report check:**

Include the values as below scheme from tab "ML Report YYYY" to reconciliation tab (use formulas in excel).

After that, check if there is difference between the Closing balance in the reconciliation tab and the "ML Report YYYY". If yes, something went wrong. If not, it will result 0 in the check line in the screenshot below:

				Comments				
1	ML Report Jun							
1	Opening balance		6.575.464,87					
2	Payroll Deduction	85.752,14		Tie ML Report back to payroll pivot for previous month				
3	Plan Asset Movement & interest	60.654,14		Book this amount to P&L before reconciling				
4	Closing balance		6.721.871,15					
	Check		-	Check				
Month	Row Labels	Sum of Begin	Sum of Deferral	Sum of Withdrawal	Sum of DivOrInterest	Sum of Mkt Value Chg	Sum of End	
Jun 21	7424	6.575.464,87	85.752,14	-	6.919,38	53.734,76	6.721.871,15	
		1	2	3	3	3	4	

• **ML closing balance:**

After that, the below structure should be populated:

ML Jun Closing Balance		(6.721.871,15)
July payroll	29.062,13	
Balance that SAP should tie to		(6.692.809,02)
SAP Balance July per screenprint		(6.692.809,02)
Difference		-

ML Closing Balance = take it from "ML Report YYYY" tab (excel formula);

Month payroll = take it from current month account in [SAP](#) 16920200:

Open [FBL3N](#) transaction in [SAP](#) with the current month line items

G/L Account Line Item Display

Data Sources

G/L account selection

G/L account: 16920200 to []
 Company code: 7424 to []

Selection using search help

Search help ID: []
 Search string: []
 Search help: []

Line item selection

Status

Open items
 Open at key date: 20.09.2021

Cleared items
 Clearing date: [] to []
 Open at key date: []

All items
 Posting date: 01.07.2021 to 31.07.2021

Type

Normal items
 Noted items
 Parked items

List Output

Layout: GEEO

See what is HR payroll (normally it is document type H0):

St	Account	DocumentNo	Type	Doc..Date	Pstng Date	PK	Amount in local cur.	LCurr	Amount in doc. curr.	Curr.	Clrng doc.	Text
	16920200	4210000131	G1	28.07.2021	28.07.2021	50	94.091,22-	USD	94.091,22-	USD		Wire Transfer
	16920200	180000074	H0	09.07.2021	15.07.2021	50	94.091,22-	USD	94.091,22-	USD		
	16920200	180000081	H0	24.07.2021	30.07.2021	40	34.742,04-	USD	34.742,04-	USD		
	16920200	2300002793	SB	29.07.2021	29.07.2021	50	63.804,17	USD	63.804,17	USD		Deferred Compensation 7424 - Jun
	16920200	2300002793	SB	29.07.2021	29.07.2021	40	29.062,13	USD	29.062,13	USD		Deferred Compensation 7424 - pre
**							31.738,47-	USD	31.738,47-	USD		

Balance that SAP should tie to = automatic calculation considering the previous ML balance + current Payroll (this is what the account balance should be in SAP);

SAP Balance Month per screenprint = enter in FS10N and take the current month balance:

G/L Account Balance Display

Activate worklist

G/L account: 16920200
 Company code: 7424
 Fiscal year: 2021
 Business area: []

Account number	16920200	FR-AVT NON VAL IAS19
Company code	7424	SOLVAY USA INC.
Business area		
Fiscal year	2021	
All documents in currency	*	Display currency USD

Period	Debit	Credit	Balance	Cumulative balance
Balance Carryf...				5.577.412,99-
1		275.848,18	275.848,18-	5.853.261,17-
2	311,86	103.984,68	103.672,82-	5.956.933,99-
3		192.715,87	192.715,87-	6.149.649,86-
4		664.825,75	664.825,75-	6.814.475,61-
5	493.802,96	196.718,36	297.084,60	6.517.391,01-
6	146,46	143.826,00	143.679,54-	6.661.070,55-
7	157.895,39	189.633,86	31.738,47-	6.692.809,02-

Difference = automatic calculation between what the balance should be and what it is. This is what you need to post through journal entry.

After posting the journal entry, this difference needs to be zero.

3.2.3. I Create the Journal Entry and Post

Take the template [JE 7424 Deferred Compensation Template](#) for the Journal Entry.

The objective is:

- Adjust the account 16920200 + F56 in the flow (transaction type) and the counter part is 98536400 + cost center 7424-9401;
- Be careful with posting date and posting key, because it can be different depending on the month.

TEMPLATE

Scope
NAM

SID
WP1

Reverse Posting?
No

Entry Type
SB - G/L Account Pc

Currency
USD

Special Period

Parked Document

ITEM	Company Code	Header Text	Doc Date	Posting Date	Auto VAT	Posting Key	G/L account	Amount	Doc cur	B.A.	Value Date	Cost-center	C. W. P. T. AS	Text	Transaction Type
1	7424	Deferred Comp 7424	29072021	29072021		40	98536400	60.800,60				7424-9401		Deferred Compensation 7424 - Jun	
1						50	16920200	60.800,60						Deferred Compensation 7424 - Jun	F56

In the justification tab, take a screenshot of the "ML Report YYYY" tab and include the comment "Posting of MM YYYY interests and Market Value Change in 7424 to tie with the Merrill Lynch's reconciliation report".

Post it through freshdesk.

3.3. I Do the Final Check and Send the File to CAM

3.3.1. I Do the Final Check

After posting the adjustment, update "SAP Balance Month per screenprint" line with the FS10N balance. If there is no difference, than it is ok, If there is, something went wrong.

SAP Balance July per screenprint	(6.692.809,02)
Difference	-

Remember to update the screenshot of the FS10N and include it in the reconciliation.







3.3.2. I Send the File to CAM

Send the reconciliation file to 7424 CAM - Martin Bright (martin.bright@solway.com) through Freshdesk.

End of document.

Workflow history

This view shows the 5 most recent entries. The complete workflow log is available from the 'Document Activity' menu item.

Feb 11, 2022	Actor	Type	Activity	Version
Publish ed	 Filho, Paulo	State	changed state to Published at 2:49 pm	v5
Draft	 Filho, Paulo	State	gave <i>Approvers</i> approval at 2:49 pm	
Nov 09, 2021				
	 BRITO, Geovany Hector	State	assigned approval <i>Approvers</i> to  Filho, Paulo at 2:35 pm <i>Hello Paulo, Can you please approve this LOP for Deferred Compensation? Thank you in advance.</i>	
Sept 21, 2021				
	 BRITO, Geovany Hector	Edit	updated the page at 3:09 pm	
Sept 20, 2021				
	 BRITO, Geovany Hector	Edit	created the page at 9:02 pm	
		State	changed state to Draft at 7:02 pm	v1