# Oracle Fusion Cloud Global Payroll

## How do I set up and report balance exceptions?

FA Latest

Oracle Fusion Cloud Global Payroll
How do I set up and report balance exceptions?

FA Latest

G36667-02



Author: Susan Saha

# Contents

# Get Help

There are a number of ways to learn more about your product and interact with Oracle and other users.

## Get Help in the Applications

Some application pages have help icons to give you access to contextual help. If you don't see any help icons on your page, click your user image or name in the global header and select Show Help Icons. If the page has contextual help, help icons will appear.

## Get Training

Increase your knowledge of Oracle Cloud by taking courses at *Oracle University*.

## Join Our Community

Use *Cloud Customer Connect* to get information from industry experts at Oracle and in the partner community. You can join forums to connect with other customers, post questions, suggest *ideas* for product enhancements, and watch events.

## Share Your Feedback

We welcome your feedback about Oracle Applications user assistance. If you need clarification, find an error, or just want to tell us what you found helpful, we'd like to hear from you.

You can email your feedback to *oracle_fusion_applications_help_ww_grp@oracle.com*.

Thanks for helping us improve our user assistance!

# 1 Setup Summary

## Scope

Use this playbook to understand how you can create and use balance exceptions to identify incorrect payments or amounts withheld.

Balance exceptions define the criteria you use to identify overpayments, underpayments, and trends. The variance may also be a result of incorrect setup or adjustment.

This playbook covers how you can create a balance exception, create the Balance Exception Report, and review the output of the Balance Exception Report to decide on the balance adjustments needed to correct payments or correct the balance setup.

## Scenario

You're a payroll administrator for Vision Corporation. Before you certify the current payroll run, you may want to know if the current gross earnings are in line with the previous payroll run.

The previous run verified the established levels of earnings that the company wants to maintain for the remainder of the quarter. Create a balance exception to find out if the current gross earnings exceeds the gross earnings of the previous period by a set amount, for example, more than 10 percent.

After you create the balance exception, create and run the Balance Exception Report to track the employee gross earnings for the current and previous payroll runs.

## Setup Approach

Before you run the Balance Exception Report:

1. Use the Balance Exceptions task to create a balance exception.
2. Use the Balance Exceptions and Reports task to create a balance exception report that groups together one or more balance exceptions.
3. Use an appropriate and meaningful name for the report and use the report name to run the Balance Exception Report. For instance, you can create an Exception Report Name of Monthly Car Allowances Paid in Excess of the Previous Month, to determine the monthly car allowance paid to employees in excess of 600 more than the previous month.

# 2 Balance Exceptions

## Understanding Balance Exceptions

Balance exceptions define the criteria you use to identify overpayments, underpayments, and trends. The variance may also be a result of incorrect setup or adjustment.

For example, as a payroll manager, to identify exceptional sales staff in the organization, you may want to run a report that lists sales staff whose commissions increased by 25 percent compared to their averages for the previous 3 months. You can set up a balance exception using values as shown in this table.

| Field | Values |
| --- | --- |
| Balance Exception Name | Commission Increases Over 25 Percent |
| Comparison Type | Average in Months |
| Comparison Value | 3 |
| Balance Name | Commissions |
| Dimension Name | Relationship Month to Date |
| Variance Type | Percent |
| Variance Operator | Greater than |
| Variance Value | 25 |
| Severity Level | 3<br><br>**Note:**<br>Enter a lower value for a high priority exception. |

Use the **Balance Exceptions** task to create a balance exception and consider these components when you create a balance exception.

- Comparison Types

- Variance Operators
- Severity Level
- Formula Variance Type
- Balance Variance Type
- Run Dimension Support
- Flow Connector Support

# Comparison Types for Balance Exceptions

Comparison types define the period that you use to determine whether an exception has occurred.

For example, select **Average in months** as the comparison type and enter **3** in the Comparison Value field. In this scenario, the current month value is compared to the average of the previous three months.

When you're creating balance exceptions, select a comparison type. Some comparison values are preset and you can't change them:

- Current month, Current period, Current quarter, and Current year always have a comparison value of 0.
- Previous period and Previous month have a comparison value of 1.

This table lists each comparison type that you can select and explains how it operates as a basis of comparison.

| Comparison Type | How it Operates as a Basis of Comparison |
|---|---|
| Average in months | Compares the current month to date balance with the average of previous months to date. Only available if you have a Month to Date balance dimension for assignment or payroll relationship. |
| Current month | Compares values to the total for the current month to date balance. Doesn't use any previous month as a basis for comparison. Only available if you have a Month to Date balance dimension for assignment or payroll relationship. |
| Current period | Compares values to the total for the current period to date. Doesn't use any previous period as a basis for comparison. Only available if you have a Period to Date balance dimension for assignment or payroll relationship. |
| Current quarter | Compares values to the total for the current quarter to date. Doesn't use any previous period as a basis for comparison. Only available if you have a Quarter to Date balance dimension for assignment or payroll relationship. |
| Current year | Compares values to the total for the current year to date. Doesn't use any previous period as a basis for comparison. Only available if you have a Year to Date balance dimension for assignment or payroll relationship. |

| Comparison Type | How it Operates as a Basis of Comparison |
| --- | --- |
| Previous month | Uses the previous month as a basis of comparison. Only available if you have a Month to Date balance dimension for assignment or payroll relationship. |
| Previous period | Uses the previous period as a basis of comparison. Only available if you have a Period to Date balance dimension for assignment or payroll relationship. |

If you select a Comparison Type of Average in months, you must enter a Comparison Value to determine the number of months that are averaged for the comparison.

> **Note:** A Comparison Value field is shown only for the **Average in Months** comparison type. It is hidden for other comparison types.

## Balance Variance Type

To reference two balances in the balance exception equation, select the **Balance variance type** on the Create Balance Exception page and then select the **Target Balance Name** and **Target Dimension Name**. This is applicable only when the Comparison Type is of type Current Month, Period, Quarter, or Year.

The context values for Target Dimension Name are inherited from the Dimension Name you select on the Create Balance Exception page as the first dimension. No additional contexts are set for Target Dimension Name.

# Variance Operators

Variance operators enable you to specify the precise range of variance that you want to report on.

For example, you want to determine the monthly car allowance paid to employees in excess of 600 more than the previous month for the same payroll relationship. You can setup a balance exception for this example using these values:

- Comparison type is previous month
- Balance name is monthly car allowance
- Dimension name is relationship month to date
- Previous month amount is 500
- Variance value is 100

This table describes the effect of using each of the variance operators for balance exception reporting. The Results column indicates the effect of selecting each variance operator.

| Variance Operator | Balance Exception Report Output | Results (based on sample data) |
| --- | --- | --- |
| Variance, plus or minus<br><br>**Note:**<br>This operator applies only for comparison types of 'Previous', like Previous Months or Previous Period, as well as 'Average in Months'. | All relationships whose balance value either exceeds or are less than the previous month amount by the amount or percentage stated in the variance value. | Returns all relationships with a value less than or equal to 400 and greater than or equal to 600. |
| Less than | All relationships that are less than the previous month amount by the amount or percentage stated in the variance value. | Returns all relationships with a value of less than 400. |
| Less than or equal | All relationships with a current value either equal to or less than the previous month amount by the amount or percentage stated in the variance value. | Returns all relationships with a value of 400 or less. |
| Equal | All values that are exactly equal to the higher limit or the lower limit of the variance value. | Returns all relationships with a current value equal to 400 or 600. |
| Greater than | All relationships that are greater than the previous month amount by the amount or percentage stated in the variance value. | Returns all relationships with a value of more than 600. |
| Greater than or equal | All relationships with a current value either equal to or greater than the previous month amount by the amount or percentage stated in the variance value. | Returns all relationships with a value of 600 or more. |
| Does not equal | All relationships with a current value not equal to the previous month amount. | Returns all relationships with a value other than 500. |

Select a Balance Type and Balance Dimension that specifies the balance value that's evaluated for the exception. You can only select balance dimensions that are compatible with the Comparison Type you specified. For example, if the Comparison Type is Current Period, you can only select balance dimensions of type 'Period to Date'.

# Severity Level

Severity Level controls the order in which the exceptions are displayed in the balance exception report.

While defining a balance exception, enter a severity level to specify the priority of the exception. An exception with a lower severity level has a higher priority than one with a higher severity level value.

When you run the Balance Exception Report, act on the exception based on its severity level. Let's say, you have these two exceptions:

- Net Pay less than 100
- Difference of 1000 in Base Salary from previous period to current period

Ideally, you should enter a lower value for the first exception, so that when you run the Balance Exception Report, the payroll user can first look into reconciling the lower Net Pay exception.

**Note:** The value you enter has no impact on the balance exception calculation.

# Balance Group Support

Use balance groups to manage large number of balances that need to be validated for exceptions.

You can use balance groups to group together balances that have the same exception requirements. You can then use the balance group to define a balance exception and run the Balance Exception Report. This enables you to define a balance exception rule that is applied to all balances within the group.

For example, follow these steps to track absence elements with a value greater than $2,000.

1. Add all (primary) absence balances into a balance group.
2. Define a balance exception to support this balance group requirement, as given in this table.

| Component | Value |
|---|---|
| Comparison Type | Current Period |
| Balance Group Name | Enter a suitable name, say Salary. (Includes primary absence balances) |
| Balance Group Usage Name | Enter a suitable name, say Salary Usage. |
| Dimension | <Assignment > <Tax Unit> Period to Date |
| Variance Type | Amount |
| Variance Operator | Greater Than |
| Variance Value | 2000 |

| Component | Value |
| --- | --- |
| Severity | 1 |

Use this balance exception to run the Balance Exception Report. With this defined balance exception rule, the report identifies any employee with a current period balance value greater than 2,000.

Suppose the payroll has three employees with the following details:

- Employee A with a Salary of 2500 and a Car Allowance of 2400.
- Employee B with a Salary of 2100 and Car Allowance of 1900.
- Employee C with a Salary of 1900 and Car Allowance of 750.

The Balance Exception Report will include the following:

- Employee A: Two exception rows. One for Salary and another for Car Allowance.
- Employee B: One exception row for Salary of 2100.
- Employee C is excluded from the report because salary and car allowance of the employee is below 2000.

When you use the Balance Exception page to create or edit an exception, the page displays balance groups that meet the following criteria:

- The balance group must have a balance group usage. The balance group usage should have a matrix type.
- Balances included in the balance group must all have the same dimension.
- The dimension of all the balances included in the balance group must match the same comparison type.

  For example, for a comparison type of Current Month, the balances in the balance group must all have dimension of Month. Similarly, for comparison type of Current Run, Current Period, Current Quarter, or Current Year, the balances in the balance group must all have dimension of Current Run, Current Period, Current Quarter, or Current Year, respectively.

When you create the balance exception you can chose either Balance Name and Dimension, or Balance Group Name, not both.

> **Note:** You can't delete a balance group that is used to define a balance exception rule. The variance types supported for the balance group is Formula and Amount. Any balance in the balance group that matches the exception condition is displayed in the Balance Exception report output.

# 3 Balance Exception Report

## Overview

Use the Balance Exception Report to identify potentially incorrect payments or amounts withheld.

The report identifies values that vary for the same balance dimension. This variance could indicate overpayments or underpayments. The balances information generated by this report may require balance adjustments.

Use the **Submit a Payroll Flow** quick action under the **My Client Groups** tab to run this report.

Before you run this report:

- Complete any payroll action, such as a payroll run, QuickPay, reversal, balance adjustment, or balance initialization.
- Use the Balance Exceptions task to create a balance exception.
- Use the Balance Exceptions and Reports task to create a balance exception report that groups together one or more balance exceptions.
- Create an Exception Report Name that you can use to run the Balance Exception Report. For instance, you can create an Exception Report Name of Monthly Car Allowances Paid in Excess of the Previous Month, to determine the monthly car allowance paid to employees in excess of 600 more than the previous month.

### Report Parameters

The parameter values determine which records to include in the report. Most parameters are self-explanatory, while the following have special meaning in the context of this report.

**Payroll Flow**

The name of the payroll flow you use to run this report. The selected flow uniquely identifies a specific instance of the report execution.

**Process Start Date**

Use this field to specify the first effective date of the payroll process to include in the report. All processes with an effective date same or greater than the Process Start Date are reported.

**Process End Date**

Use this field to specify the last effective date of the payroll process to include in the report. For Payroll Runs this is the 'Payroll Run Date'. All processes with an effective date equal to or prior to the Process End Date are reported.

For offset payrolls, the effective date of the payroll or QuickPay run could be after the end date of the payroll period. In such cases, ensure that your Process End Date must be on or after the effective date of the process you want to include in the report.

**Balance Exception Report**

The name of the Balance Exception Report you use to run this report.

**Process Configuration Group**

Use this field to run the report for a specific process configuration group, instead of the default one. A process configuration group is used to set rules for payroll processes, such as enabling logging or setting the number of threads. You can select a value only if you have a predefined process configuration group.

Use the Payroll Process Configuration task to define a Process Configuration Group, before you can use it here.

**Consolidation Group**

Use this field to run the report against a consolidation group. For example, you can use this field to run this report for a subset of payrolls. You can select a value only if you have a predefined consolidation group. If you specified a value when defining the exception report, select the same value or leave it blank.

The value chosen while submission takes precedence over the one used while defining the report. If you leave the field blank, the report runs for all consolidation groups.

**Payroll Statutory Unit**

Select a value to report on the balances of employees in a specific PSU. If you leave the field blank, the report runs for all PSUs.

**Tax Reporting Unit**

Select a value to report on the balances of employees in a specific TRU. If you leave the field blank, the report runs for all the TRUs.

**Location**

Use this field to view the balance results for employees who have at least one assignment for the selected location. The balance values may not necessarily correspond to the location parameter only. It is also dependent on the dimensions and the other associated contexts.

**Payroll Relationship Group**

Use this field to run the report for persons belonging to a specific payroll relationship group. You can specify a value only if you have a predefined payroll relationship group.

After you have entered the above details, in the Linked Flows section, select the payroll flow as the Current Flow and the Run Balance Exception Report as the task. This ensures that the report uses the payroll balances for the current payroll flow.

**Report Category**

Select the output format for the report. It can be CSV, Microsoft Excel, or PDF format.

## Report Output

The report provides details of payroll balance results for matching persons, filtered by the defined exception criteria, specified time frame and the selected parameters. If no employee balances match your report parameter criteria, the report returns an output file with no data.

The report output additionally displays the Previous Balance, Difference, and Difference % columns when the Comparison Type is Previous Period or Previous Month.

This report produces an output report in the format you select.

# Create a Balance Exception Report

In this example, you create a balance exception and run the Balance Exception Report to compare the total payments made to your employees for the current payroll period with the payments you made in the previous payroll period.

Before you create and run the Balance Exception Report, you must create a balance exception for this example.

## Create a Balance Exception

Let's look at the steps to create a balance exception to compare the net pay amounts for the current and the previous period.

1. Select the **Balance Exceptions** payroll quick action under **My Client Groups** on your Home page.
2. Click **Create**.
3. Select a legislative data group and click **OK**.
4. Complete the fields as shown in this table.

| Field | Value |
|---|---|
| Balance Exception Name | Compare Net Payment Amounts to the Previous Period |
| Comparison Type | Previous period |
| Comparison Value | 1<br><br>For comparison types that begin with Previous, the application enters 1 as the default value and makes it read only. |
| Balance Name | Net Payment |
| Dimension Name | Relationship Period to Date |
| Variance Type | Percent |
| Variance Operator | Greater than |
| Variance Value | 10 |
| Severity Level | 1 |

| Field | Value |
|---|---|
| | **Note:** Enter a lower value for a high priority exception. |

5. Click **Submit**.

## Create a Balance Exception Report

1. Select the **Balance Exceptions and Reports** payroll quick action under **My Client Groups** on your Home page.
2. Click **Create**.
3. Select a legislative data group and click **OK**.
4. Complete the fields as shown in this table.

| Field | Value |
|---|---|
| Exception Report Name | Compare Net Payment Amounts to the Previous Period |
| Consolidation Group | Select a value to restrict this exception report to a specific consolidation group. Leave blank to not restrict the output or to decide at the time of report submission. |
| Payroll | Select a value to restrict this exception report to a specific payroll. Leave blank to decide at the time of report submission, where payroll is a required parameter. |

5. Click **Add**.
6. Select the **Compare Net Payment Amounts to the Previous Period** balance exception name and then click **OK**.
7. Click **Submit**.

## Run the Balance Exception Report

1. Select the **Submit a Flow** payroll quick action under **My Client Groups** on your Home page.
2. Select the same legislative data group you have used in the previous tasks while creating the balance exception and the balance exception report.
3. Select the **Run Balance Exception Report** flow pattern and then click **Next**.
4. Complete the fields as shown in this table:

| Field | Value |
|---|---|
| Payroll Flow | Enter an appropriate name for this instance of the report. |
| Process End Date | Enter a value. |

| Field | Value |
|---|---|
| | |
| Balance Exception Report | Compare Net Payment Amounts to the Previous Period |
| Payroll | Select a value to restrict this exception report to a specific payroll. Enter the same name as in the previous task, if one was specified. |

5. Click **Next**.

   When you enter information on the Linked Flow section of the Submit a Flow page, select Current Flow as the payroll flow and Run Balance Exception Report as the task to ensure the report uses the payroll balances results for the current payroll flow.
6. Click **Next**.
7. Click **Submit**.When you submit a flow, it creates an instance of the flow, the application generates a checklist by default.
8. Click **OK and View Checklist**.
9. In the task list click the **Run Balance Exception Report**. View and monitor the status of the flow on this page.
10. Click on the on the task to go to the Process Results Details page.
11. You can view the output from the Output and Log files section.