Chapter Title	Chapter #		Subject #
Fiscal Resources	F		229.2
Subject Title **Payroll**	Adopted 05/17/05	Last Revised 2/1/18	Reviewed 09/05/06; 4/20/10; 7/31/13; 2/24/14; 8/29/16; 2/1/18; 10/4/19

PROCEDURE

Application

This procedure shall apply to The Right Door for Hope, Recovery and Wellness.

1.0 Intent

Controls are in place to ensure that only valid agency employees receive payroll payments, that wages are computed accurately, and payroll records are detailed, accurate, and complete.

2.0 Payroll and Human Resources

2.1 New Employees

2.1.1 The rate of compensation and effective date of employment shall be approved by the Chief Executive Officer (CEO) for purposes of validating the accuracy of the pay rate for the position.

2.1.2 After approval by the CEO/CFO, a copy of the payroll status form shall be routed to the Accounting Manager for purposes of inclusion in cost allocation templates and distribution to appropriate cost centers.

2.2 Current Employees

2.2.1 The CEO shall approve in writing any increase in the rate of compensation and the effective date of the increase before the change is implemented.

2.2.2 At the time of staff evaluations, after approval by the CEO, the CFO shall implement all pay-rate changes. At other times, the CEO shall approve and the CFO shall implement any pay rate changes.

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2.3 Terminating Employees

2.3.1 Payroll staff shall calculate the Paid Time Off (PTO) pay-out amount to which a terminating employee is entitled.

2.3.2 The PTO pay-out amount shall be reviewed and approved by the Chief Financial Officer (CFO).

2.3.3 Payroll staff shall notify the appropriate parties related to the termination or retaining of employee insurances, such as COBRA, and benefits.

2.3.4 The CEO shall authorize and obtain Board approval on any severance pay package.

2.4 Paid Time Off (PTO)

2.4.1 Detailed records shall be maintained for each employee indicating paid time off available and utilized.

2.4.2 No paid time off shall be paid until the detailed records are reviewed for propriety of such payment.

3.0 Wages and Salaries

3.1 Authorization of Changes in Payroll Data

3.1.1 All standing payroll data changes shall be authorized in writing, including

- New hires
- Terminations
- Pay rate changes
- Voluntary payroll deductions
- Court-ordered payroll deductions
- Flex benefits deductions
- Insurance co-pay deductions

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3.1.1.1 The CFO shall authorize disbursement of wages and benefits for new hires/terminations after CEO approval.

3.1.1.2 Pay rate changes shall be authorized in writing by the CFO and the CEO.

3.1.1.3 The individual employee shall authorize voluntary deductions.

3.1.1.4 A periodic review shall be conducted to determine that employee insurance enrollment meets the criteria established by insurance company and agency policies.

3.1.1.5 A copy of all authorization forms for changes to standing payroll data shall be retained in each employee's personnel file.

3.2 Comparison of Payroll Data to Personnel Files

3.2.1 A periodic comparison shall be made by the CFO to ensure that all payroll changes have been made accurately and timely and that only authorized changes have been made.

4.0 Timekeeping

4.1 Time Sheets

4.1.1 Time sheets shall be completed by all employees by 9:00 am on Monday of the pay week.

4.1.2 Time sheets shall be approved and signed by the employee's immediate supervisor by 10:00 am on Monday of the pay week. Any discrepancies or issues impacting an employee's

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pay shall be reconciled with the HR department by noon on Monday of the pay week.

4.1.3 Program Managers/Supervisors and the CEO shall pre-approve all overtime.

4.1.4 Any timesheets not completed or approved by the employee or supervisor, shall result in the use of PTO for the balance of hours due to the employee for their approved FTE status.

4.1.5 Deadlines established in this procedure shall be for all weeks unless notified by the HR assistant of a different schedule due to pay weeks occurring during a holiday period.

5.0 Payroll Calculation

5.1 Time Sheets

5.1.1 The payroll journal shall be approved by the accountant or CFO prior to transmitting payroll information to the payroll vendor.

6.0 Payment to Employees

6.1 Distribution of Payroll

6.1.1 Payroll checks shall be locked in the safe until payday.

6.1.2 Employees shall not receive their paychecks prior to 4:00 p.m. on the day preceding payday, unless they receive prior approval from the CEO/CFO.

6.1.3 Payroll checks shall be distributed by designated individuals who are not a part of the payroll process.

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6.1.4 Payroll checks not claimed by 4:00 p.m. payday shall be placed in the employee's mailbox, unless alternate arrangements have been made.

6.1.5 Payroll checks shall be mailed to employees upon request for mail delivery on payday.

7.0 Payroll Deductions

7.1 Payroll deductions, both compulsory and voluntary, shall be adequately identified and paid to the appropriate parties on a timely basis.

7.2 Payments of payroll deduction to third parties shall be reconciled with related payrolls by a fiscal department employee.

7.3 Payments of payroll deductions to third parties, including payroll taxes, shall be reviewed by the CFO to ensure payments are appropriate and made on a timely basis.

8.0 Reconciliation of Payroll Bank Account

8.1 The payroll bank account shall be reconciled monthly by a fiscal department employee who has no responsibilities for the preparation of the payroll or physical distribution of payroll checks.

Kerry Possehn, Chief Executive Officer	Date		