

## **6. Payroll Time Reporting**

This is a general policy covering the record-keeping procedure, approval and flow of data necessary to pay employees on a timely basis.

Time cards are official documents of ISTC (refer to Employee Policy Manual).

The Council recognizes two employee types in accordance with the IRS, exempt and non-exempt. These will be discussed separately in detail.

### **NOTES AND EXCEPTIONS**

#### **Supervisor's Responsibility**

The Council requires each non-exempt employee to clock in and out to report accurate time worked.

#### **Work Week**

The workweek coincides with the calendar week. It starts on Monday and ends the following Sunday at midnight. This is the period used in determining the hours worked and the payment of overtime each week.

#### **Exempt Employees:**

The exempt payroll normally includes salary jobs that are "supervisory" or "professional" in nature. Exempt employees are expected to work a minimum average of 40 hours per week.

#### **Non-Exempt Employees**

The non-exempt payroll normally includes jobs that are "hourly" in nature. Non-exempt employees will be paid based on the number of hours worked. For all hours worked in excess of 40 during any workweek, every non-exempt employee is entitled to be paid at a rate not less than one and a half times the regular rate at which he/she is employed.

### **PAYROLL PROCEDURES**

Employee time recorded in the current ISTC approved timekeeping system badge system is verified and approved by each Vice President Operations. The payroll data is entered into the ADP Payroll software for transmitting to ADP for payroll processing. The following steps should be followed to input data and transmit to ADP.

- a. Open ADP Payroll Software
- b. Type User ID Name
- c. Type Password
- d. Select "OK"
- e. Select "Start New Cycle" (unless already started – verify dates prior to running)
- f. Verify dates shown are correct – Select "OK"
- g. Once process is complete verify Status is "Success" – Select "Close"

***NOTE: Any changes in employee status should be done prior to continuing. This can be done in the "New Hires and Employee Maintenance" section.***

- h. Select "Payroll" Tabs
- i. Select "Add a new paydata batch"
- j. Type ID Batch using "PR" plus the date of the period end – example "PR083002"
- k. Type a description – "P/R Ending 08/30/02"
- l. Select grid type of "Payroll Grid"
- m. Select "Next" button at bottom left of screen
- n. Click on "File#" to sort employees by file number
- o. Select "Select All Employees" button at bottom of screen
- p. Select "Create Batch" button
- q. Using payroll reports ran from the current ISTC approved timekeeping system enter each employees time by designated category
- r. Select "Save" on each page prior to continue to next page of employees

- s. Select “Done” when all employees time has been entered
  - t. Verify balances are correct against total sheet from the current ISTC approved timekeeping system reports
  - u. Select “Auto Balance”
  - v. Select “Done”
  - w. Select “Create Payroll Files”
  - x. Click in box next to batch for processing
  - y. Click “Start”
  - z. Verify successful creation of payroll files – Select “Close”
  - aa. Select “Submit Payroll”
  - bb. Click in box next to batch for processing
  - cc. Verify successful completion of files transmitted to ADP – Select “Close”
- NOTE: Transmission of payroll MUST be made by Tuesday afternoon in order for payroll to be processed on Thursday.

Once payroll has been received by ADP you will receive an email stating the batch verification report is ready for review/approval.

- a. Open ADP Payroll Software
- b. Type User ID Name
- c. Type Password
- d. Select “OK”
- e. Select “Payroll” Tab
- f. Select “Payroll Preview”
- g. Select “View Reports” Tab
- h. View Payroll Report to ensure all time was entered correctly. Once report has been reviewed select “Accept/Reject” Tab
- i. Click on the “Accept” Button
- j. Click “Submit”
- k. Log out of ADP Payroll Software

### **941 PAYROLL WITHHOLDING AND TAX DEPOSIT PROCESS**

The 941 Payroll Tax Deposits are processed by ADP. Verification of each payroll report and of quarterly reports is required.

### **401K Deposit Reporting Procedures**

- a. Once payroll reports have been received from ADP, use the report to create 401K deposit report.
- b. Open Microsoft Excel
- c. Select “My Documents” from open file
- d. Select “Employee Information” folder from file
- e. Select “401K Employer Contributions” document
- f. Use Payroll Check Register to fill in each employees gross wages for the period. Document will automatically calculate contribution. If employee changes contributions, where employer contribution would increase, change rate as necessary.
- g. Print report
- h. Close Excel
- i. Log on to the John Hancock Website
- j. Select “Make Contribution”
- k. Select “Copy my Last Contribution File”
- l. Use excel report to enter in current deposits for all employees
- m. Click Save
- n. Enter total dollar amount to be deposited at top of page
- o. Click Submit
- p. Print two copies of the transmission report

- q. Staple one copy of transmission report to the excel spreadsheet and file in the Payroll Processing Folder
- r. Put second copy of transmission report in the PR Journal Entries folder to be forwarded to accounting for month end entries
- s. Log out of John Hancock Website
- t. ACH Debit will be made from Operating Account per instructions sent

### **Processing Journal Entry**

A journal entry is required to input payroll information into the **Dynamics SL** Accounting system. The following steps should be followed to create journal entry. Entry should be given to accounting department for input at month end.

- a. Open Excel
  - b. Open “My Documents” folder
  - c. Open “Accounting” folder
  - d. Open “Payroll Journal Entry” file
  - e. Using ADP Master Report – enter totals as they correspond to G/L codes on report
  - f. Verify total Debit and Credit balance
- Print report and forward to accounting