PAYROLL VERIFICATION POLICY

POLICY NO.:	FO500-04
RESPONSIBLE ADMINISTRATOR:	Comptroller
RESPONSIBLE OFFICE:	Business and Finance
ISSUE/EFFECTIVE DATE:	01/01/2024
REVISION DATE:	

1.0 POLICY PURPOSE

This policy outlines requirements for payroll transactions, reconciliations, and other payroll activities.

2.0 TO WHOM THE POLICY APPLIES

The purpose of this policy is to ensure payroll is accurately reported in the general ledger and reflects the effort that entailed.

3.0 POLICY STATEMENT

Transactions should be recorded, authorized, and verified in a manner that reflects actual payroll activity in the general ledger. All payroll transactions should be reviewed, and evidentiary materials created and retained as support. Delineation of duties among roles during the payroll process should be followed. The individuals entering the time (timekeeper), approving the time (Approver), and verifying payroll (Verifier) should be different for each role. The Verifier must not have access to act as an Approver unless the review is approved by the department.

The Verifier should review payroll transactions. The review should ensure that the payroll posted is appropriate. Verification of payroll includes but is not limited to review of the following: hours worked, additional pay amounts, earnings code, rate of pay: in addition, it includes all employees to be paid, excludes unauthorized employees, and provides a comparison of the prior period amounts to the current pay period and budget. Any differences should be investigated and resolved as appropriate. Reviews should be performed and documented each pay cycle.

Payroll should be approved two business days before the scheduled date of pay. Pay dates that fall on a weekend or holiday will be paid the business day before.

Any correction of payroll should be made in a timely manner. Every effort should be made to record corrections in the fiscal year in which the original entry occurred. The correction must be supported by documentation that fully explains how the error occurred and by allowability of the expense on the funding source charged to comply with federal regulations. Payroll/benefit expense corrections must be made using a Payroll Correcting Entry (PCE). PCEs that are outside the one-year correction period are required to be submitted to the campus accounting office or office of sponsored programs for review and approval. Corrections impacting sponsored activity funding or federal program codes must be reviewed and approved by the principal investigator, an authorized signer for the account incurring the expense, and the office of sponsored programs. The Accounting Office and Office of Sponsored Programs may use their discretion to temporarily modify or provide an exception to the approval process.

4.0 DEFINITIONS

Verifier – Identify one or more individuals within a unit who are responsible for confirming the accuracy of payroll transactions and/or expenses, such as appropriate use of accounts and the timely recording of the transaction or expense in the appropriate accounting period.

5.0 RESPONSIBILITIES

Employees' Responsibilities

Payroll:

- Review salaries and wages in the general ledger at least annually for reasonableness:
- Review and approve PCE transactions processed after the one-year correction period when no sponsored activity or federal program codes are impacted;
- Review and reconcile with the Department of Human Resources active employee roster monthly and make adjustments in the payroll system on a timely basis.

Units:

- Verify payroll at least monthly;
- Process PCE transactions in a timely manner. If more than one year past the pay end date, submit documentation to the Accounting or Office of Sponsored Program office for approval;
- Principal Investigators review and approve PCE transactions with sponsored activity funding that have been processed after the one-year correction period as part of the documentation submitted to the Office of Sponsored Programs;
- Authorized signers review and approve PCE transactions with non-sponsored activity funding that have been processed after the one-year correction period as part of the documentation submitted to Campus Accounting or Office of Sponsored Programs.

Supervisors' Responsibilities

Comptroller:

- Supervise and review the Accounting Office's reconciliation of the payroll system to the general ledger.

Office of Sponsored Programs:

- Review and approve PCE transactions with sponsored activity funding or federal program codes that have been processed after the one-year correction period.

6.0 CONSEQUENCES FOR VIOLATING THIS POLICY

N/A

7.0 RELATED INFORMATION

Review all payroll activity reporting and reconciliation documentation.
Reporting Hours Worked Policy
HR Drafting Vacation Accrual and Time-off Reporting
Reviews could be accomplished by utilizing the following tools/reports:

- Transaction checklist
- Payroll expense distribution reports

- Pay comparison reports
- Payroll summary reports (income statement)