



## Policy: Payroll Process

**ChildNet Number: CN 010.032**  
**Original Approved Date: March 19, 2010**  
**Policy Revised Date(s): June 26, 2010**  
**Policy Sunset Date:**  
**COA Standard(s): FIN 2, 7.08, 8.01, 8.02**

### Statement of Policy:

To maintain accurate records of time worked by each employee and ensure proper compensation is distributed.

### Scope:

To process payroll through sound payroll practices to comply with federal and state wage and hour laws.

Board Chair's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

11-30-10



## **Procedure: Payroll Process**

**ChildNet Number: CN 010.032**

**Original Approved Date: March 19, 2010**

**Procedure Revised Date(s): June 26, 2010, August 22, 2014, March 20, 2018, October 19, 2022**

**Procedure Sunset Date:**

**COA Standard(s): FIN 2, 7.08, 8.01, 8.02**

### **Procedure:**

- a. ChildNet currently utilizes the payroll company Ultimate Software to process its bi-weekly payroll functions (making payroll related tax deposits, file Federal and State returns and produce the annual W-2s for its employees). To help facilitate the payroll process, ChildNet also uses the Ultimate Software application UltiPro for the following functions:
  - Payroll submission
  - Time management and PTO accrual
  - General Ledger Interface for creating Payroll Journal Entry
  - Human Resources Application
- b. All changes to an employee's position, salary, benefits, or status must be initiated in the Talent Management Department. Each employee's related information and changes are housed in UltiPro. Talent Management also maintains the W-4 and direct deposit information.

### **Timesheet, Paid Time Off (PTO) Accruals and Travel**

- a. UltiPro – Time Management module stores all employees as either salaried or hourly. Hourly employees use this system to maintain their time worked by clocking in and out. On a weekly basis overtime is automatically computed based upon all employees who have worked more than 40 hours for any given week.
- b. UltiPro- Time Management also records PTO time requested and approved, bereavement and holiday time for all employees. The PTO accrual is calculated on a bi-weekly basis. Supervisors have access to their respective employee's information that they may approve time off requests and make time adjustments if necessary.
- c. Travel reimbursement is paid to employees on the last paycheck of the month. Travel detail is recorded in the online mileage reporting system. Staff enter the travel detail into the system, and it is reviewed and approved by the supervisors. A



payment file is created in online mileage reporting system and is saved in a CSV format (Excel) and uploaded into UltiPro to be included in the payroll process.

## **Payroll Processing**

- a. Each supervisor is responsible for ensuring that their employee's time is accurately recorded (within UltiPro – Time Management) by 10 a.m. Monday following the close of the pay period. The Payroll Specialist posts the approved timesheets in UltiPro – Time Management and creates a file which includes both time and paid time off for payroll processing.
- b. The file along with the travel reimbursement file are uploaded into the Payroll Gateway module in UltiPro for processing. After adjustments are made (such as Retroactive Pay, PTO payout, on call pay and miscellaneous deductions) a Pre-Check report is created for review and approval by the Payroll/Accounting Manager. Once approved, the Payroll process is completed.
- c. The payroll files are submitted electronically to the bank by 2pm on the Wednesday following the close of the pay period to ensure timely payment on the upcoming Friday. The live checks are printed in preparation for payroll day Friday.
- d. Employees that receive direct deposit receive their pay on Friday morning, Employees who receive a check, may pick them up from the Payroll Specialist or their designee on Friday. All distributed checks must be signed for by the party picking up that check. The signed sheet is retained by the Payroll Specialist.
- e. The General Ledger Interface within UltiPro is used to create the payroll Journal Entry. This interface converts the approved payroll data to a csv file which is then uploaded into the Finance Department's integrated modular accounting system.
- f. The Payroll Specialist processes payment and creates check requests on a bi-weekly basis to ensure vendors are paid for the following employee deductions and benefits:
  - VALIC (403b) Deduction and Benefits

These check requests and supporting documentation are approved by the Accounting Manager and submitted to the Accounts Payable email as support for the ACH payment made. If the vendor is not set up for ACH activity, a check will be processed. (refer to the Accounts Payable (AP) Vendor payment process).

## **Termination of Employees**

- a. Termination information received from Talent Management indicates the last day worked and whether or not an employee is entitled to PTO payout. If the employee did not work the entire pay period, their final check is prorated based on the last

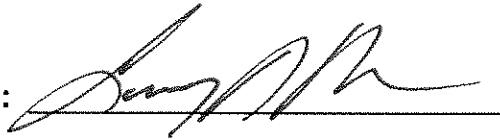


day worked. PTO payout is computed based on the number of hours an employee has earned but not used. Mileage may also be included in the final check, or a separate payment will be requested from the accounting system. Terminated employees can either pick up their final check or receive it via direct deposit if all equipment has been returned. A check is only mailed at the request of the employee, to their confirmed address.

### **Payroll Reconciliation**

- a. UltiPro provides ChildNet with a copy of Form 941 filed with the Federal and State Agencies.
- b. On a quarterly basis, the Controller or designee reconciles gross pay, employer Federal Insurance Contribution Act (FICA) expense, with the integrated modular accounting system.
- c. Any discrepancies are identified and addressed with the Payroll/Accounting Manager as needed, and any issues requiring assistance from UltiPro are brought to the attention of the CFO.

**President's Signature:**



**Date:**

11/2/22