

# PA01 BAO Payroll Policies

Effective 1 Sep 2003

Last Revised 8 Feb 2005

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## Who Should Read This Policy

University staff responsible for payroll administration and all affected and interested university employees.

## Background & Purpose

This policy is written to clearly establish rules pertaining to the following areas of payroll administration:

1. Pay Frequency
2. Paycheck Delivery
3. Manual Checks
4. Segregation of Duties
5. Time Sheets for Non-Exempt Employees
6. Proposals for New Timekeeping Systems
7. Payroll Deductions
8. Overpayments
9. Wage Garnishments, Federal Tax Levies, and Bankruptcy
10. Social Security Coverage
11. Unclaimed Payroll Checks
12. Social Security Cards
13. Payroll Advances
14. Name Changes
15. Lost Checks
16. Payroll Document Deadline

## Policy

### 1. Pay Frequency

The University of Oregon has a monthly payroll cycle. All employees are paid on the last working day of each month. The pay period for hourly employees is mid-month to mid-month. The pay period for salaried employees is the calendar month.

### 2. Paycheck Delivery

Employees have the option of receiving their regular monthly earnings by check or direct deposit into a bank or credit union of their choosing. Checks are generally picked up in the Payroll Office. Several authorized departments pick up and distribute employee paychecks within their department. Regular monthly payroll checks not picked up by 5pm on the 10<sup>th</sup> of the month are placed in US mail. (Procedures)

The direct deposit option is not available for manual checks. Employee can either pick up the manual check in the Payroll Office or have the manual check placed in US Mail. Manual checks not retrieved the previous week are mailed on Wednesdays.

### **3. Manual Checks**

The UO follows strict Bureau of Labor and Industry guidelines on payments to employees and ensures that employees are always paid their base salary promptly. However, not all circumstances merit the cost of a manual check. For example, payment will be made on the next monthly payroll due to late submission of paperwork for a merit increase, additional stipend, or work out of class duties. (Procedures)

### **4. Segregation of Duties**

#### Entering Pay or Leave Information

Departments are responsible for maintaining adequate internal controls within their department for payroll processing. This includes establishing an appropriate separation of duties in their payroll processing functions. Departments are expected to have at least two staff members trained to process payroll. A payroll administrator who is responsible for departmental payroll activities should not enter his or her individual pay or leave record. Alternative options are offered to employees in smaller departments and listed in the procedures.

Individuals who perform monthly time entry should be independent of the personnel function of hiring employees and determining employee salary or hourly rate. This rule specifically pertains to individuals in departments who perform monthly time entry on PHAHOUR or process Payroll Request Forms (PRF). (Procedures)

#### Payroll Documents

Departments are responsible for the timely preparation and submission of pay documents to authorized appointment authorities. Approval of pay by the designated appointment authority is listed as follows:

<b>Employee Family</b>	<b>Appointment Authority</b>
Students	Department
Graduate Teaching Fellows	Graduate School
Classified and Temporary Classified	Human Resources
Faculty	Office of Academic Affairs
Officers of Administration	Appropriate Vice-President Offices

In the case of student employees, the hire document and pay document are combined into one form, the Student Employment Form (SEF). For initial hire or rehire of student employees, two signatures are required on the SEF. Very often the individuals in departments who process student payroll using BANNER form PHAHOUR also have hiring responsibility for student employees in their department.

#### **5. Time Sheets for Non-Exempt Employees**

The Fair Labor Standards Act requires employers to keep certain time and pay records for non-exempt employees. These employees are eligible for the overtime provisions of the Fair Labor Standards Act and must complete monthly time sheets to track all hours worked.

The university requires that both the supervisor and employee sign and date time sheets. The signatures certify that the contents of the document are accurate and true. The timesheet may serve as evidence in the event of a future dispute over wages and work injury claim. When noting changes to a previously signed time sheet, the employee and the supervisor should again re-certify all corrections using initials.

In the absence of an employee's supervisor, another supervisor within the unit who has knowledge of the employee's daily attendance should validate the employee's hours. Subordinates should never be asked to sign a supervisor's time sheet.

Departments using electronic or web-based timekeeping systems may rely on the time stamp as the employee certification. Supervisors must review a summary of the employees' hours within their division who report to them. This may be accomplished by an online review. Both the employee and supervisor should re-certify all corrections.

Departments are expected to follow published record keeping rules for retention of time records.

#### **6. Proposals for New Timekeeping Systems**

The Payroll Office and the Computing Center must approve all proposals for new departmental electronic or web-based time keeping systems that interface with HRIS Banner. Due to support issues, mid-size and small departments are expected to use PHAHOUR for time entry.

#### **7. Payroll Deductions**

Both the employee and the UO must benefit by the creation of a payroll deduction. In addition, a strong affiliation with university programs is required. Deductions for season tickets to university athletic events, staff parking fees, and membership dues for the university recreation center are typical examples of voluntary payroll deductions.

Deductions mandated by the state and federal governments will automatically be allowed.

**8. Overpayments**

The UO will seek reimbursement for all overpayments made to current and former employees in accordance with all collective bargaining agreements and state law (ORS 292.063). The Payroll Office makes every effort to arrange a fair and equitable repayment schedule. (Procedures)

**9. Wage Garnishments, Federal Tax levies, & Bankruptcy**

The UO is subject to receipt of wage garnishments and federal tax levies. A wage garnishment is a court order to withhold wages from an employee who has a debt that remains unpaid. Federal tax levies are issued by the Internal Revenue Service. The UO is also obligated to honor notices of bankruptcy filings and must compute and report any wages earned up to the date of the bankruptcy filing.

**10. Social Security Coverage and Medicare Tax**

As required by the Federal Insurance Contributions Act (FICA), the UO withholds social security and Medicare tax for all U.S. citizens, residents, and foreign nationals on H-1 visas. UO students who are enrolled full-time and international employees on F-1 and J-1 are exempt from social security and Medicare withholding.

**11. Undeliverable Payroll Checks**

When employees leave the UO, any undeliverable payroll checks will be mailed to the last known address. After attempts by the payroll staff to locate the employees fail, checks are retained in the Payroll Office. After two years, all unclaimed monies will be forwarded to the Oregon Division of State Lands, pursuant to ORS 98-334.

**12. Social Security Cards**

The UO requires a copy of the Social Security Card to ensure that all mandatory withholdings (Federal, State, Social Security, and Medicare) are transferred to the correct state and federal accounts.

**13. Payroll Advances**

A maximum of two emergency payroll advances per year are available for UO staff in situations of financial hardship, resulting from an unusual, unforeseen event or condition that requires immediate financial attention.

Students are not eligible for payroll advances. They are, however, eligible for a short-term loan, available through Business Affairs.

Temporary employees are eligible for one payroll advance per appointment. (Procedures)

#### **14. Name Change**

The UO requires a photocopy of an employee's social security card bearing the new name in order to change the employment record. It is important that the name matches both the Social Security Administration and the Internal Revenue Service records. Fines and penalties may be imposed on employers who incorrectly report name and social security number on IRS Form W-2.

#### **15. Lost Checks**

The UO requires that an employee complete a Lost Check Form when a payroll check is lost or accidentally destroyed. There is a five day waiting period before the Payroll Office will reissue a lost check to an employee. If the check was stolen and cashed by another individual, the employee will need to complete an Affidavit of Forged Endorsement.

#### **16. Payroll Document Deadline**

Departments should make every effort to complete and submit hire documents as soon as possible after an individual accepts a position.

Payroll documents must be received by the Payroll Office before the deadlines listed in the BANNER Guide in order to pay new employees on the regular monthly payroll, or to change the gross pay, labor distribution or deduction amounts for existing employees.

<http://bg.uoregon.edu/hris/dead.htm>

Payroll documents include the I-9, W-4, copy of Social Security Card, PRF, RTO, SEF, Direct Deposit Form, CO-NRA, and other applicable international forms. Departments should be aware that Section I the I-9 form must be completed by the employee on the first day of work, and remaining sections by the third day.

### **Authority**

The Director of Business Affairs has authority for administering this policy and has delegated its implementation to the University of Oregon Payroll Manager.

### **References**

Student Employment Policy and Procedures (Human Resources)

<http://hr/recruit/studentpolicy.html>

Faculty Handbook (Academic Affairs)

<http://academicaffairs.uoregon.edu/handbook/tcontents.html>

SEIU, GCIU and GTFF Labor Agreements (Human Resources)

<http://hr/er/>

Temporary Agency Procedures (Human Resources)

<http://hr/recruit/temp-agency.html>

Temporary Classified Appointments (Human Resources)

<http://hr/recruit/temp-classified.html>

IRS Publication 15 Circular E, Employer's Tax Guide (Rev. January 2004)

<http://www.irs.gov/pub/irs-pdf/p15.pdf>

Bureau of Labor and Industry

<http://www.boli.state.or.us/index.html>

University Archives Record Retention Schedule

<http://libweb.uoregon.edu/speccoll/archives/schedule/sections.html>

## **Related Procedures**

Pay Check Delivery

<http://bg.uoregon.edu/hris/paycheckdelivery.htm>

Manual Checks

[http://bg.uoregon.edu/hris/forms/Form\\_Instructions/mcr.htm](http://bg.uoregon.edu/hris/forms/Form_Instructions/mcr.htm)

Segregation of Duties

<http://bg.uoregon.edu/hris/signatures.htm>

Overpayment

[http://bg.uoregon.edu/hris/forms/Form\\_Instructions/onf.htm](http://bg.uoregon.edu/hris/forms/Form_Instructions/onf.htm)

<http://landru.leg.state.or.us/ors/292.html>

Social Security Card

<http://bg.uoregon.edu/hris/CoreOffices/SSN.htm>

Payroll Advances

[http://bg.uoregon.edu/hris/forms/Form\\_Instructions/par.htm](http://bg.uoregon.edu/hris/forms/Form_Instructions/par.htm)

## **Contact**

UO Payroll Manager 6-1104