

HOONAH CITY SCHOOL DISTRICT

SOP No. 4

PAYROLL PROCESSING PROCEDURES

1. PURPOSE: To establish procedures for initiating, processing, authorizing, reviewing and recording payroll transactions.
2. AUTHORITY: Superintendent
3. RESPONSIBILITY: Business Manager
4. PROCEDURES: The following procedures should be followed for completing transactions in the payroll cycle:
 - a) Employee and personnel records –
 - Each employee should have a file which contains a contract of employment, relevant tax and deduction information, W-4's, a current personnel action form which includes salary information and account coding, and any other information that is relevant and/or necessary for payroll processing.
 - All personnel changes should be prepared by District Office, signed by the supervisor and/or superintendent, as indicated by signature or initials.
 - All changes to the master personnel file in software system should be reviewed by the business manager, as indicated by signature or initials.
 - The business manager should immediately be informed of any employee terminations. The terminated employee's rights to access the computer system should be immediately removed, and an exit interview should be conducted.
 - b) Processing payroll transactions –
 - Time clock information should be completed and approved by the employee and their supervisor prior to giving them to processing for payroll.
 - The business manager will review the time clock data for accuracy.
 - Errors identified will be corrected; adjustments made to the time clock information should be communicated to the employee and supervisor.
 - Time is entered into software system by the business manager
 - The business manager should prepare a pro-forma or preliminary payroll for each pay period.

- Superintendent will review and approve the pro-forma before payroll is processed.
- The business manager should process payroll upon approval from the superintendent.
- The Superintendent will review and approve the check register and transmittal file for direct deposits.
- Business Manager will process the ACH file with the bank.
- Paystubs will be distributed by the business manager to employees.
- The business manager shall process all payroll liability payments immediately after payroll is processed with the goal of processing all transactions before the end of the month related to each payroll.

c) Payroll Advances

- Employees may request up to two (2) payroll advances each year. Such payroll advance will be deducted from the next paycheck; therefore, a payroll advance may not exceed the net paycheck amount.
- Payroll advances requested relative to year end leave cash outs will not be approved.

d) Reporting payroll transactions

- Payroll expenses should be compared with budgeted amounts by the superintendent, business manager and site supervisors on a monthly basis.