

Good Samaritan Health & Wellness Center
Policies and Procedures

Subject: Payroll	Policy #: 3.15
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3.15 Payroll

Policy: It is the policy of GSHWC that payment for wages and salaries shall be made to all employees at authorized rates of pay every two weeks on Friday. Wages will be paid for documented work performed in accordance with time documentation. Payroll deductions will be recorded and paid to the appropriate third parties when due. (Also refer to Policy 1.7)

It is the policy of GSHWC to comply with all Federal regulations required for grant/contract funding. "Time and Effort" reporting will be employed in order to verify the allocation of staff time to specific projects, programs, and grants. This methodology is considered "after-the-fact" reporting, and GSHWC employees' time spent on specific grants/contracts is recorded after the effort has been expended.

Purpose: To assure that employees are paid appropriately for services provided to GSHWC, and to allocate employees' salaries and wages cost appropriately to grants and/or contracts.

Procedures:

Wages and Salaries

1. Changes in Payroll Data

- a. All changes to employee payroll data should be authorized in writing on a Add/Change Payroll form. The Add/Change Payroll form should be accompanied by the following additional information:
 - 1) New hire application

- 2) Termination information/letter(s)
- 3) Pay rate changes
- 4) Voluntary payroll deductions
- 5) Court-ordered/government required payroll deductions
- 6) W-4 Form, G-4 Form
- 7) Changes to personal information (address, marital status, name)
- 8) Direct deposit information
- 9) Change in benefits

2. *Authorization of Changes in Payroll Data*

- a. Changes to payroll information should be submitted to the Accounting Department by the Human Resource (or other) Department on the Add/Change form.
- b. New hires/terminations should be submitted in writing by the Human Resource (or other) Department and approved by the CEO.
- c. Voluntary deductions should be authorized by the individual employee and entered on the deductions form (need to develop).
- d. Pay rate changes should be authorized in writing by the CEO and approved by the CFO in accordance with budget guidelines.
- e. A copy of all authorization forms for changes to standing payroll data should be retained in each employee's personnel file.

3. *Comparison of Payroll Data to Personnel Files*

- a. The accounting department should periodically compare payroll data to the personnel files to ensure that all changes have been made accurately and timely and that only authorized changes have been made.
- b. Personnel files should be kept in a secure locked location and accessed by CEO, CFO or accounting personnel only.

Timekeeping

1. *Maintenance of Time Sheets*

- a. Employees are compensated based on time worked. Time sheets will be completed by employees and signed by their supervisor. Time sheets shall be filed in the accounting department.
- b. Employees are directed, where feasible and documented, to distribute their time based on their supervisor's distributed time to various departments, grants and other activities. If supervisor model is not available, employee must distribute time to departments, grants and other activities based on hours actually worked in each area.
- c. Direct Deposit is available for all employees and highly encouraged. If chosen by

employees, net payroll will be directly deposited into the employee's bank account.

2. *Overtime Approval*

- a. All overtime must be approved by department supervisors, evidenced by their signature/initials on the time sheet.

3. *Reconciliation of Payroll to Supporting Records*

- a. A reconciliation will be periodically performed on transaction data (time worked) in comparison with the payroll calculation.

Payroll Calculation

1. *Time Sheets*

- a. Time sheets will be completed by employees, approved by their supervisor and checked by Accounting department for accuracy. All time off requests should match time off shown on the time sheet. Advanced approval for time off must be signed by the supervisor. The Accounting department will reconcile any discrepancies.
- b. Unresolved discrepancies should be brought to the attention of the Accounting Department.
- c. The payroll register must be approved by the CFO before the payroll is processed.

Payment to Company Employees

1. *Distribution of Payroll*

- a. Payroll checks will be distributed by the Friday following the payroll end date.

Payroll Deductions

1. *Recording of Payroll Deductions*

- a. Payroll deductions should be recorded in separate general ledger control accounts.
- b. Voluntary deductions should be authorized by the employee.

2. *Independent Check and Payment of Payroll Deductions*

- a. Payments of payroll amounts withheld from employees' checks and paid to third parties should be reconciled to payroll by accounting department staff. All payments will be reviewed and approved by the CFO.