

SECTION 12.0 - PAYROLL

12.1 Introduction

This chapter outlines the establishment of authorized positions and the process for hiring, paying, and terminating an employee.

The College is authorized by the State to establish a specific number of positions to perform the academic and administrative functions of the College and to be paid from State funds. The Board of Directors has the authority to establish and fund positions with non-State funds. Examples of non-State positions are the Directors of the Bookstore and the 1066 Foundation.

All eligible employees, whether funded by State or non-State monies, receive the same benefits and are paid based upon the same salary codes and classifications.

The College uses the University of California payroll system to process its payroll documentation and to produce its payroll checks. The College is responsible for the filing of all payroll tax forms.

The Personnel Department is responsible for producing the documentation required to hire, change status or terminate an employee, and to establish or change an employee's benefits. This information is provided to Payroll for the actual inputting to the payroll system.

12.2 New Hires

If an authorized position is vacant, the budget manager/department head provides a written request to Personnel to begin recruitment. Upon receipt of the request, Personnel asks the department to review the job description on file. The department updates the description and Personnel reviews it to ensure that the current job is properly classified. When the job is properly classified, the Personnel Department begins recruitment.

When a selection is made, the chosen applicant is sent a written employment agreement which covers the following topics:

- effective date of hire
- compensation
- merit/anniversary date
- probation policy (if applicable)
- vacation/sick leave accrual rate
- other terms or conditions of employment

If all terms are satisfactory to the applicant, the Personnel Office receives back a signed copy of the letter.

The returned signed letter prompts Personnel to generate a New Hire Payroll Action Form (PAF). This form details information to Payroll regarding compensation, tax status, appointment date, term of appointment and other relevant Personnel/Payroll information. This form is the official authorization required by Payroll to establish a person on the payroll system.

Personnel also provides the Budget department with a Cost Projection Form which details information regarding the projected employment costs to the hiring department. The departments are only funded to their level of need; any monies saved from vacant positions are recouped into the College-wide account for redistribution at the mid-year budget hearings.

The Personnel Office also files with the Payroll Department a variety of benefit enrollment documents authorizing Payroll to establish the various benefit coverage's for that employee.

Once all this information is input to the payroll system, the Payroll Department receives a printed Payroll Action Form for every employee. This form summarizes all of the inputted information and all information regarding compensation, which will remain the same until the Personnel Department authorizes Payroll to change it.

12.2.1. Staff and Faculty

The staff and faculty employees are paid monthly. The current year's schedule of pay dates and holidays is available in Payroll. The payroll for these full-time employees is an "exception" payroll. An exception payroll will produce the identical paycheck every month, unless Payroll inputs an authorized change.

Some occurrences which would authorize Payroll to request a change in the compensation payment are:

- a. Overtime - If an employee is approved to work in excess of his/her normal work hours, the department head would file a PO-1 form with Personnel and indicates the excess hours on the attendance report. See Exhibit R for instructions on completing a PO-1. In reviewing this report the Personnel Office would generate a Request for Overtime Payment Form authorizing Payroll to pay the employee for the overtime worked.
- b. Absence Without Pay - If an employee is absent and either has no accrued sick leave or vacation time or has no departmental approval for the absence, the department head files a PO-1 with Personnel. The Personnel Department issues a Report of Absence Without Pay to the Payroll Office authorizing a reduction in the employee's normal pay.
- c. Garnishments - If an employee has received a judgment against his/her salary, the Court issues a garnishment notice to the College. The Payroll Department is authorized to withhold from an employee's paycheck for the amount of the garnishment.

d. Merit Salary Adjustments - If an employee receives a favorable performance evaluation and a merit salary adjustment is approved by the supervisor, the Personnel Department will authorize Payroll to increase the employee's salary to the appropriate salary level by changing the Payroll Action Form.

e. General Salary Increase - Based on the State's Budget Act, the Governor authorizes a general salary or cost of living increase. The Personnel Department authorizes Payroll to add the general salary increase by changing the information on the Payroll Action Form.

12.2.2 Temporary Help, Work-Study Students, Research Assistants

These employees are paid on an hourly basis and an approved time sheet must be submitted in order for these employees to be paid. The current year's time sheet submission schedule is available in Payroll. These time sheets must be signed by the employee's supervisor and the supervisor's name must be on file in Payroll before any payment will be made. All students must be cleared by the Financial Aid Office before a New Hire Payroll Action Form and a payroll check are produced.

a. Research Assistants - Research Assistants are students who assist faculty members during the academic year. After the initial budget process at which the level of funding for research assistants is determined, the Academic Dean further allocates these monies to specific faculty members. These faculty members select their research assistants and the Academic Dean is responsible for writing the award letters to the students and to Personnel. These letters are used as source documents for Personnel to generate a New Hire Payroll Action Form.

The Payroll Office enters the award amount and the employee's hourly amount into the payroll system and the employee is paid for the hours worked until that award amount is reached.

b. Work-Study Students - Each year the College receives funding from the Federal Government to partially pay the salaries of the College's students. The monies are awarded to students who wish to work and receive experience at the College and/or at outside agencies. The College and/or the outside agencies pay a percentage of the students' wages and the Federal Government funds the balance.

In order for these students to receive a paycheck, the College department and/or the outside agency must sign a contract for the hired student. This contract is the authorization needed for Personnel to generate a New Hire Payroll Action Form.

The Payroll Office enters the work-study award amount and the employee's hourly rate into the Payroll system. The employee will continue to be paid based upon the time sheets until the award amount is reached.

c. Temporary Help - Funding for temporary help is approved during the initial budget hearings. If no funding was provided, the department has no authority to hire an hourly temporary employee. If funding was provided, the department notifies the Personnel Office of their request for temporary help. The Personnel Office either contracts with a temporary help agency or recruits for an hourly employee. If an agency is used, the costs are not paid through Payroll, they are paid from approved invoices and charged to the non-salary line item of "Contracted Temporary Help", Object Code 5234.

If an hourly employee is recruited and hired, the Personnel Office authorizes establishment of the employee on the payroll system by processing a New Hire Payroll Action Form.

If a full-time employee is on an extended leave due to disability or other approved reasons, the department head may request temporary help funding to hire a replacement for the absent employee. These requests must be in writing to the Personnel Office. The Personnel Office will review the request and calculate the cost to the College, and will recommend approval or disapproval of request to the Chief Financial Officer. The Chief Financial Officer will review the request and the recommendation of Personnel and will decide on the funding of the temporary help request. If approved, the Budget Analyst will be notified of the cost to the department and will be authorized to fund the request from the College-wide reserve account.

12.3 Separations

When an employee voluntarily resigns or is terminated, the Personnel Department generates a Separation Payroll Action Form. This document is forwarded to Payroll indicating the effective date of separation, the amount of accrued vacation, overtime, regular salary due to the employee and benefit status.

Personnel also sends a Cost Projection Form to the Budget Analyst indicating the projected salary and benefit savings on the portion due to the vacancy. The Budget Analyst disencumbers or takes away any savings and places it into the College-wide account for redistribution.

12.4 Salary Advances

The State policy on salary advances dictates that the College can only advance payroll monies that have already been earned by the employee. Requests for salary advances must be approved by the employee's immediate supervisor. If approved, the salary advance monies are deducted from the next issued payroll check. Only full-time staff and faculty are eligible for salary advances.

Salary advances are only issued in unforeseen, emergency situations. The following qualify for consideration for a salary advance:

- To satisfy hospitalization and/or medical expenses.
- To satisfy expenses related to a death in the family.
- To satisfy similar situations causing severe financial hardship.

An employee requesting an advance must complete a Request for Salary Advance form, Exhibit T, and must have it approved by his/her supervisor. These requests must be submitted to the Director of Fiscal Services for approval. If approved, the Payroll Department will be notified and the advance will be available for distribution within 48 hours by the Fiscal Office.

12.5 Independent Consultant

Periodically the College undertakes a project, which requires engaging expertise beyond those of the College's employees. In some cases, the hiring of an independent consultant requires the drafting of an Independent Consultant Agreement, for a sample, see Exhibit V. An Agreement needs to be written when the total amount of services rendered will cost in excess of \$599 or the length of service extends beyond 90 days.

Once drafted, the Agreement form is sent to the General Counsel's office for review. The General Counsel determines whether or not the consultant must file a conflict of interest statement (available in the General Counsel's office). After this review, the form is sent to the Chief Financial Officer for signature. The consultant will then be required to sign the Consultant Agreement, a Conflict of Interest Statement (if required), and a Form W-9 indicating his/her social security number or tax identification number.

Once all the forms are completed the department head must fill out a purchase request form encumbering the funds to be paid to the Consultant. Monthly, the Consultant submits an invoice outlining the hours worked and the total amount owed for the period. The department head approves the billing, identifies the purchase order number, and sends the invoice to the accounts payable department for payment.

At the end of the calendar year, the College will send the independent consultant a Form 1099, stating the total amount paid to the consultant for that year.