
PAYROLL OPERATING PROCEDURES MANUAL



Table of Contents

General Information.....	4
Payroll Department Mission Statement	4
Payroll Department Staff	4
Payroll Department Functions	4
Payroll Department Reference Information.....	5
Data Entry and Validation	6
Segregation of Duties.....	7
Retention of Records.....	7
Data System Security & Access	7
Assignment of Access and Passwords	8
Revoking Access to Data Systems.....	9
Payroll Department Staff Training.....	9
Payroll Data Management	10
Employee Demographic Information	10
Insurance Data	10
Employment Information.....	11
Pay Information	13
Job Information.....	13
Distributions.....	15
Deductions	16
Leave Information.....	17
Employee Payroll File Management.....	18
Payroll Data Verification	19
Payroll Processing Procedures & Checklists.....	21
Payroll Preparation.....	21
Leave Posting.....	25
Hours/Pay Transmittal Posting	25
Pre-Post Calculations	28
Posting the Payroll Calculations	29
Generating the Electronic Funds Transfer (EFT) File	30
Interfacing the Payroll to the Finance System	30
Processing Deduction Checks and/or ACH Transactions.....	30
Update Monthly Payroll Worksheets.....	30

Archive Payroll Files	31
Payroll Reporting Requirements.....	32
Payroll Reporting Checklists	32
Payroll End-of-the-Month Checklist.....	32

General Information

This Payroll Operating Procedures Manual has been prepared to provide comprehensive procedures related to payroll data and file management, payroll processing and payroll reporting requirements.

Payroll Department Staff

The payroll department staff may perform multiple roles; however, adequate controls of separation of duties shall be maintained at all times. The staff consists of:

Ismael Gonzalez III	Chief Financial Officer	361-767-6600 Ext. 2030	ismael.gonzalez@robstownisd.org
Mary Alice Valle	Payroll Supervisor	361-767-6600 Ext. 2023	mary.valle@robstownisd.org
Sylvia Santos	Payroll Specialist	361-767-6600 Ext. 2000	sylvia.santos@robstownisd.org

All payroll department staff are expected to comply with the Code of Ethics and Standard Practices for Texas Educators [Board Policy DH (Exhibit), the Robstown ISD Code of Conduct (Employee Handbook), and the data systems' Acceptable Use Guidelines. In addition, all business department staff shall comply with School Board Policy CAA Local regarding fraud.

Each staff member shall have an up-to-date job description on file in the Human Resources department. In addition, each staff member should receive and sign a job description and corresponding evaluation instrument during the annual evaluation process. Changes to job descriptions should be made when substantial changes occur in job duties or responsibilities.

Payroll Department Functions

In collaboration with the Human Resources Department the payroll department functions include the following areas:

Compensation Management

The payroll department is directly responsible for compensation management.

Direct Compensation Management

In collaboration with the Human Resources Department, the payroll department is directly responsible for compensation management such:

- Developing and maintaining pay scales,
- Determining employee creditable years of experience,
- Determining employee initial placement on the pay scale,
- Determining employee salary (hourly, daily and/or annual salary),
- Determining the employee salary disbursement method (annualized or non-annualized),
- Determining the employee salary payment schedule (monthly, bi-weekly, or semi-monthly pay schedule),

Direct Benefit Administration

The payroll department is directly responsible for benefit administration such:

- Seeking and recommending benefit plans,
- Enrolling employees in benefit programs,
- Processing employee changes in enrollment,
- Coordinating benefit plan issues between the employee and insurance company,
- Determining the employee and employer paid benefit amounts,
- Entering the employee and employer paid benefit amounts in the HR/Payroll system,
- Reconciling the employee/employer benefit deductions (deduction register) with the monthly invoices,
- Processing benefit deduction payments via ACH or check, and
- Other _____

Leave Management

The Human Resources department is indirectly responsible for leave management.

Direct Leave Management

The Human Resources department is directly responsible for leave management such as:

- Administering Family Medical Leave Act and other extended leaves,
- Providing employee training related to leaves and absences,
- Administering a Sick Leave Pool or Bank,
- Managing leave reimbursement and/or incentive programs,
- Collecting leave data from employees (via AESOP, Absence from Duty Forms or Skyward),
- Reconciling the employee leaves at the end of the school year to the Service Record Form, and
- Other _____

The Business Office is directly responsible for leave management such as:

- Coordinating workers' compensation and leave offset.
- Entering leaves earned and/or taken in Skyward Finance,

Other payroll functions include:

- Risk management such as Workers' Compensation, Unemployment Claims, etc.

Payroll Department Reference Information

The payroll department reference information includes basic payroll information that is used on a regular or daily basis to manage the payroll functions.

Calendars

Annual calendar shall be developed and distributed, as appropriate to all stakeholders. Annual calendars include:

- School Calendar – adopted by the Board of Trustees
- **Work Calendars – Calendars with the scheduled working days for each Days/Year Group.**

The duty dates for all district staff shall be calculated on an annual basis using the School Calendar and Work Calendars. The Duty Dates Schedule shall include the 1st reporting date and last reporting date of each school year for every Days/Year Group.

The Duty Dates Schedule shall not include the total number of days (as recommended by TASB). All staff may be scheduled to work a given number of days, but the scheduled days do not necessarily represent the total number of days to be worked during the school year.

The Duty Dates Schedule shall be prepared and distributed to all district staff no later than June 30th of each school year for the following school year.

Pay Dates and Pay Periods

The pay dates for the school year shall be scheduled as noted below. The pay date schedules shall include the pay periods for leave and supplemental pay purposes:

- Monthly Pay Scale (on or near the 30th of the month), All supplemental pay
- Semi-Monthly Pay Scale (on or near the 15th and end of the month).

All employees shall be paid on an annualized basis as noted below:

- Semi-Monthly - Twenty-four (24) paychecks per school year, starting in, July, August or September depending on the work calendar

Payroll Deadlines

The payroll deadlines for timekeeping, leave and other records shall be submitted by campuses and departments on a timely basis in accordance with the established Business & Payroll Annual Deadlines. The deadlines shall be posted on the Business Webpage to ensure that all stakeholders are aware of, and comply, with the deadlines.

To ensure timely and accurate disbursement of wages, the payroll department must receive all timekeeping, leave and other records by the established deadlines – payroll disbursement deadline must be met without fail.

If a campus or department misses an established deadline, an email notification/reminder shall be forwarded the day after the deadline. If a campus or department regularly misses established deadlines, the Business Manager shall be notified to ensure that the non-compliance is addressed at an administrative level.

Pay Scales

The pay scales for the school year shall be developed by Business department and submitted to the Superintendent for review and approval.

Data Entry and Validation

All data entry shall be from the appropriate source document(s). All data entry shall be validated (verified) with the source documents. A system of checks and balance shall be in place to ensure that all postings to the payroll system result in the desired outcome. For example, a supplemental pay transmittal shall be validated to ensure that the total amount matches the supplemental pay timesheet/record(s).

Ongoing, daily data entry validation greatly increases the accuracy of the fund accounting and facilitates reconciliation of the payroll disbursements.

Segregation of Duties

At a minimum, the payroll department staff shall operate under a segregation of duties, including but not limited to, the following:

- **Endorsement of checks** – The same staff member shall not prepare **and** endorse payroll checks.
- **Bank reconciliations** – The same staff member shall not prepare payroll cash disbursements, cash deposits, or other cash transactions **and** reconcile the payroll bank accounts.
- **Maintain non-cash accounting records** – The same staff member shall not prepare payroll non-cash general ledger transactions **and** post the payroll transactions to the general ledger.
- **Employee Master File** – The same staff member shall not create the employee master file **and** enter payroll compensation and/or benefits for the employee.

Retention of Records

All payroll records for the current fiscal year shall be retained for audit purposes in accordance with the district Local Records Retention Schedule. Destruction of records, at the expiration of the records, shall also be in accordance with the district's Local Records Retention Schedule. Note: The Destruction Schedule [list of all records destroyed] is a permanent document. Unless a record that has been destroyed is specifically listed on a Destruction Schedule, it is presumed to still exist.

The Records Custodian for the payroll records of the district is Payroll Supervisor. All questions related to the retention, destruction, and/or addition of new record series shall be directed to the District's Records Management Officer (RMO),

Data System Security & Access

Payroll department staff handles and/or processes a substantial amount of confidential information. All staff is strictly prohibited from revealing confidential information to an unauthorized individual. All business office staff shall sign a Confidentiality Agreement on an annual basis. Among the most critical information is documentation related to employee's health, benefits, financial, family members, or other personal information. Violators will be subject to discipline, employment termination, and/or may be reported to the appropriate legal authorities. Violations of some protected information, such as health or medical information, is also protected by federal laws, such as HIPPA.

The district utilizes the following software programs for business operations such as finance, HR, payroll, etc.

- Skyward Finance – the district is currently using the following modules:
 - Accounts Receivable
 - Bank Reconciliations
 - Budget
 - Employee Access/Self-Service
 - Finance
 - Human Resources
 - Purchasing
 - Payroll

- TimeClock Plus – the district is currently using the TC+ timekeeping system to collect and track all non-exempt staff work hours and leave
- AESOP – the district is currently using the AESOP Substitute and Leave Management System to **Track all substitute assignments.**

The payroll department staff shall be authorized to access the districts financial and/or payroll system(s) for job-related purposes only. Use of the systems for personal reasons or benefit will result in disciplinary action, up to and including employment termination.

Each staff member shall take appropriate steps to ensure that their respective computer system is managed in a control environment to prevent unauthorized access. At no time (including lunch breaks) shall a computer system be logged on to a financial data system while unattended by the respective staff member. All computer systems shall revert to a screen lock after 5 minutes of nonuse.

Assignment of Access and Passwords

Access to data systems shall be based on the specific job duties and responsibilities of each staff member. Except for limited exceptions, staff will not be given unilateral access to all modules in the financial and payroll system. For example, a payroll staff member will not have access to the human resources system unless the access is limited in scope and “read-only”. These restrictions to unilateral access are designed to prevent complete autonomy which could lead to fraud.

Each staff member shall be responsible for securing their assigned (selected) password. At no time shall passwords be shared with others or posted in visible locations within the staff member’s work space. Violators of this restriction shall be subject to disciplinary action, including but not limited to employment termination.

Data system access to the authorized modules, shall be determined by the Superintendent. Each staff member shall have access to their respective database(s) and tabs within a database based on their position. Security roles will be established and assigned with the specific access to each module. In the event that a staff member gains access, due to human or software error, that he/she is not entitled to, it is the responsibility and duty of the staff member to notify the Security Administrator, or Business Manager, regarding the ability to access the restricted database or module(s).

Other secured access may include one or more of the following payroll-related websites:

- [TRS Employer Reporting Login – TRAQS](#)
- [TexNet Electronic Payment Network \(Comptroller of Public Accounts\)](#)
- [AccuWage Information and Software](#)
- [EFTPS Online](#)
- [TEA TEAL System – FSP Salary Data](#)
- [TRS ActiveCare AETNA for Benefit Administrators](#)
- [FFenroll – First Financial Administrators Admin User Login](#)
- [AESOP Absence & Leave Management](#)
- [TimeClock Plus - WebClock](#)
- [MyTASB – HR/Payroll Services](#)
- [Expert Pay](#)
- [TEASE](#)
- [Wells Fargo](#)
- [First Public](#)

Revoking Access to Data Systems

Access to payroll-related data systems are subject to change and/or revocation when changes occur to a staff member's position, duties or responsibilities. Access to payroll-related data systems are also subject to revocation when a staff member violations the Responsible Use Guidelines.

Payroll Department Staff Training

Every payroll department staff member will be scheduled to attend at least one training and/or conference opportunity per year.

An annual training calendar shall be developed that may include, but is not limited to, topics in the following areas:

- Account coding
- Audit requirements
- Legal changes, such as federal or state laws
- Data system (Skyward)
- Federal laws under the US Department of Labor

Staff members that have attained TASBO certification status will be afforded an opportunity to attend at least 20 hours per year (for a total of 60 every 3 years) through a TASBO-approved CEU provider.

Additional training requests should be submitted to th Business Manager. It is the employee's responsibility to request additional training that he/she feels will be beneficial in performing the assigned job tasks. At times, the immediate supervisor may also recommend or direct that a staff member attend specific training to improve their skills or comply with a Growth Plan.

In an effort to support compliance of payroll policies and procedures, the payroll department shall conduct annual training for campus and department administrative and support staff, as appropriate .The Business Manager shall be responsible for developing the training calendar. Critical training areas shall include, but not be limited to:

- Timekeeping procedures
- Leave and Absence Management
- Board policies related to payroll management
- Updates to federal regulations such as FMLA, FLSA, ACA, etc.
- Benefits
- Cafeteria Plan

In addition, the district shall post Employee Training Resources (presentations) on the Business Webpage to provide "Training on Demand" in the following areas:

- Timekeeping procedures
- Leave and Absence Management
- Board policies related to payroll management
- Updates to federal regulations such as FMLA, FLSA, ACA, etc.

Payroll Data Management

Employee Demographic Information

Employee demographic data shall be collected and entered by the Human Resources department. **Note. The same individual shall not have access to create employee demographic data and payroll data as such access would subject the district to a potential for fraud.**

The Human Resources department shall create the basic employee demographic information such as:

- Employee ID number [Note. Number of automatically assigned by the HR/Payroll system.]
- **Social Security number**
- **Full legal name, including Maiden name and Former name, if provided**
- Mailing address and Alternate address, if any
- Phone number(s)
- **Sex code**
- **Date of birth**
- **Ethnicity** and Race
- Emergency contact information
- Marital status
- Driver's license number and expiration date
- Restrictions for public release of information
- Citizenship status
- **Texas Unique Staff ID**
- Work email address – may be used for payroll disbursement purposes

The employee demographic data denoted in **BOLD** is submitted through PEIMS. A change in name and/or address shall be reported to the TRS through a MD 20 and/or MD30 record.

Insurance Data

Insurance data shall be collected and entered by the payroll department. The insurance data is essential for completion of the Affordable Care Act reporting. The insurance data may include:

- Insurance company name
- Insurance company code – The Insurance Code Table should be used to add the appropriate insurance code.
- Insurance plan number and/or description
- Insurance plan type such as E/O, E/S, E/F or E/F
- Employee Insurance ID
- Individuals covered under the insurance plan including: SSN, DOB, relation, full legal name and coverage begin and end dates

The data on the Insurance Data section shall be current as of the latest benefit enrollment form submitted by the employee. The insurance data is essential to complete the Affordable Care Act (ACA) reporting requirements such as a 1094 or 1095 reports. The data should be manually entered or imported from an external source.

The insurance data in this section should also match the following data sections:

- Health insurance status – the offer date, and action status (accept or reject) should match the employee’s insurance election decision.
- ACA 1095 YTD Data – the coverage type and covered individuals should match the data employee’s insurance election decision. Note. The insurance data section, if completed, may be imported to this section to avoid manually entering the data.
- FSP Staff Salary Data [Pay Information section] – the employee’s eligibility and enrollment code should match the employee’s insurance election decision.

Employment Information

Employment information shall be collected and entered by the Human Resources. The employment may include:

- Employee status – the status should be determined by the HR department and reported on an Employee Action Memo Form.
 - 1 – Active professional
 - 2 – Active auxiliary
 - 3 – Retired
 - 4 – Resigned
 - 5 – On Leave
 - 6 – Substitute
 - 7 – Substitute retired
 - 8 – Temporary
 - 9 – Other
 - A – Long term substitute
- **Highest degree – highest degree earned**
 - 0 – No degree
 - 1 – Bachelors
 - 2 – Masters
 - 3 - Doctorate
- **Percent of day employed** – enter the percentage of day based on the district’s standard work day. For example, if the standard work day is 8 hours, a bus driver that drives 5 hours a day would be coded as 62%, a teacher working 4 hours a day would be coded as 50%, and a custodian working 8 hours a day would be coded as 100%. The total work hours for an employee with a dual-assignment or primary and secondary job should determine the percent of day employed. For example, an employee employed to work 4 hours a day as a bus driver and 4 hours a day as a cafeteria worker would be coded as 100%.
- Original employment Date – first day of work in the district. Note. All new hires shall be reported to TRS through an MD20/30/40 record.
- Latest re-employment date – if the employee was a prior employee and is subsequently employed, the new employment date should be entered
- Retirement date – if the employee is a TRS retiree, the date of retirement should be entered. [Note. The date of retirement may be obtained through a View Employee Information query in the TRAQS system.]

- Employment Type
 - F – Half-time or more
 - M – Temporary
 - P – Less than half-time
 - S – Substitute
- Retiree Surcharge – Check the box if a TRS retiree is subject to the TRS surcharge(s). If a TRS retiree is subject to the surcharge(s) **and** scheduled to work half-time or more the box should be checked. If a TRS retiree is subject to the surcharge(s) and is not scheduled to work more than half-time, the retiree must track their actual work hours every month to determine if they have exceeded the TRS maximum half-time hours per month. If the retiree is subject to the surcharge(s) during any given month, the box should be checked to ensure that the applicable surcharges are applied during the payroll process.
- Retiree Employment type –
 - C – Combination or substitute and half-time or less
 - F – Fulltime
 - H – Halftime or less
 - S – Substitute
- **Total years of professional experience** – enter completed years of experience (not including current year). Professional includes Teachers, full-time librarians, full-time counselors, full-time school nurses, other employees who are required to hold a certificate and any other personnel reported to PEIMS with a “Professional” Role ID (Code Table 021). **Note. Each new hire shall complete a Disclosure of Previous Employment Information at the time of hire. The new hire shall have a total of 30 days to submit all supporting documentation for the years of experience. Validated Years of Professional Experience shall be entered in this field.**
- **Total Years of Professional Experience in the District** – enter completed number of years of professional experience even if a break in employment occurred. [Note. This field should add the total years of experience in the professional staff category only.]
- Non-Professional Experience – Total Years and Years in District. **Note. Each new hire shall complete a Disclosure of Previous Employment Information at the time of hire. The new hire shall have a total of 30 days to submit all supporting documentation for the years of experience. Validated Years of Non-Professional Experience shall be entered in this field.**
- Contract Information – Contract class, term and year
- Extended Leave – Begin and End date of extended leave such as FMLA, Temporary Disability, etc. as reflected on an Employee Action Memo (change in employee status form)
- Termination date – Effective date of termination/separation and the reason code [drop down box] as reflected on an Employee Action Memo. Note. All terminations shall be reported to TRS through an MD90 record.
- Unemployment Eligibility – Check all appropriate boxes for Quarters 1, 2, 3 and 4.
- Fingerprint information – Status of extract, extract date and fingerprinting date
- Estimated Annual Salary – enter the budget code(s) and estimated annual salary only for auxiliary staff not paid on an annualized pay basis. **Note. This information is reported on a non-annualized employee’s PEIMS 060 Record.**

The employee demographic data denoted in **BOLD** is submitted through **PEIMS**.

Pay Information

Pay information shall be collected and entered by the payroll department. The pay information may include:

- Pay status – the status should be determined by the payroll department:
 - 1 – Active - employee is active to receive a paycheck
 - 2 – Inactive – employee is not active to receive a paycheck
- Pay status – campus or department of primary job or location
- Dock rate – calculated amount if the Auto Computing Salary is activated (HR District Options)
- Tax Information – based on most recent Form W4 – verify the employee master file SSN. [Note. If the employee has elected to have an additional amount deducted from their pay (box 6), enter the amount in the Deduction Code record.]
 - Tax Exempt – “Exempt” is written on box 7
 - W4 marital status - box 3
 - Number of exemptions – box 5
- TRS Information
 - Refer to the TRS Coding of New and Reclassified Employee
- FSP Staff Salary Data
 - Health Insurance Code – **The data in this section should match the Insurance Data section.**
 - N – Not eligible for insurance
 - S – Spouse employed with the same district is eligible and participating in the insurance plan of the employee
 - W – Employee is eligible for insurance but waived coverage
 - Y – Employee is eligible and participating in the insurance plan
 - FSP Staff Data Code
 - F – Full-time
 - P – Part-time
- Extra duty pay – annualized extra duty pay/stipend including the account code, amount, remaining amount and remaining payments.
- Bank information – Direct deposit information – initial entry and changes should have the PreNote box checked to ensure that the banking information is validated through the district’s depository bank through a PreNote file. Employees should be allowed to select one or more banks to receive their wages. A Direct Deposit Election Form should be completed by the employee upon employment and at any time to change the banking information.

Job Information

Job information shall be collected and entered by the Payroll department. The job information may include:

- Job Code – Employee should have a primary job code, but may have multiple secondary job codes.
 - Every job code must have a percent assigned for the job code.
 - Every job code should have Contract, State Info, Calendar/Local Info, Worker’s Comp Info, and Accrual Info. [Note. Information entered in the Job Code Table will automatically populate. The **Job Code Table** includes the: EEOC code, account code, salary scale, FSP Salary code, Accrual Code, W/C code, and FTE hours.]
 - The Human Resources department shall maintain the Job Code Table.
- Primary campus – select the campus or department code

- Contract Info – If the “Automatically Compute” boxes are checked in District HR Options, the daily rate and pay rate are calculated when the salary data is entered.
 - Pay type
 - 1 Contracted employee (Professional employee whose salary is annualized). [Caution. The employee will automatically receive a check if the pay date is less than the employee’s payoff date.]
 - 2 Non-contracted employee (Para or auxiliary employee whose salary is annualized). [Caution. The employee will automatically receive a check if the pay date is less than the employee’s payoff date.]
 - 3 Hourly – (Para or auxiliary employee who is paid based on the actual work hours). [Note. If no hours are entered or imported, the employee will not receive a paycheck.
 - 4 Substitute – (Substitute employee paid on an hourly or daily basis based on the actual work hours/days. [Note. If no hours/days are entered or imported, the employee will not receive a paycheck.]
 - Pay Grade – should match the pay grade on the Para/Auxiliary Pay Scale (HR Tables) for the job code(s)
 - Salary – the total salary and remaining salary are set the same at employment. If a salary is recalculated during the school year, the total salary, remaining salary, number of remaining paychecks, daily rate, pay rate, and payoff date should be changed to match the new salary. The “Calculate” function may be used to calculate the daily and pay rates or the amounts may be entered manually.
 - Payoff date – the payoff date should represent the final paycheck for the school year. If the date is incorrect, an early payoff and delayed payoff may occur. The payoff date may also impact the deductions taken on each pay date.
 - EEOC code should reflect the employee’s job code. The Job Code Table includes the: EEOC code. If the EEOC code is included on the Job Code Table, it will automatically populate which should ensure consistency in data.
 - Exempt status – the exempt status box should be checked if the employee meets the Fair Labor Standards Act (FLSA) exemption rules. Note. The employee’s exempt status is noted on the employee’s job description.
 - Overtime eligible – the overtime eligibility box should be checked for all non-exempt employees as defined by the FLSA.
 - The overtime and hourly rates should also be entered for non-exempt employees to ensure that the overtime calculations are accurate.

State Info

- State Step – the state step shall reflect the total years of creditable experience based on the Commissioner’s Rules.
- TRS Year – If an employee is an 11 or 12-month employee and receives their 1st paycheck of the school year in July or August, the TRS Year should be “checked”
- TRS Member Position Code – the TRS member position code is an important data field for TRS reporting purposes. The TRS-required codes and expanded definitions are noted below:
 - 01 – Professional – Superintendent, Principal, Accountant, Director, Administrator, etc.
 - 02 – Teacher, librarian
 - 03 – Support staff – Aide, clerk, Security, Maintenance, Groundskeeper, Food Service, Secretary, Computer Technician, etc.
 - 04 – Bus Driver
 - 05 – FT nurse/counselor
 - 06 – Peace Officer

- 07 – Food service worker
 - State Minimum Salary, Foundation Daily rate, percent assigned and days employed
- Calendar/Local Options
 - Calendar – the School/work calendar for the employee should be entered based on the total days the employee is “scheduled” to work. Actual work days may vary. Best practice: the district should attempt to minimize the number of work day calendars to facilitate management of work/accrual calendars.
 - Begin and end dates should match the employee’s start and end dates for the school year.
 - Number of days employed – should match the employee’s scheduled work days
 - Years Job Experience – enter the job-related experience. RISD: This field is used to record non-public education experience that was awarded on a 2:1 ratio for the employee’s primary job.
- Accrual Information
 - The accrual code for the job code should be used to expense the employee’s salary based on the actual days worked rather than on the payment schedule. The accrual information is applicable if the employee is on a 10-month or 11-month work schedule but is paid over a 12-month period. RISD: The bus drivers/aides are not subject to accrued wages, nor are employees on a 12-month work calendar.
 - Accrual rate – This is the employee’s daily rate for accrual purposes and should typically be the same as the daily rate in the Contract Info section unless the employee’s salary has been changed during the school year.

Distributions

The Distribution information shall be collected and entered by the Payroll department. The distribution information may include:

- Account code for each job code. The account code may be entered in the Job Code Table to automatically populate the correct code for each job code.
 - The account code must represent the funding source, function, object code, organization, fiscal year and program intent code for each job code.
 - The object codes for exempt staff are restricted to:
 - 6112 – Substitute teacher pay
 - 6118 – Stipends and extra duty pay
 - 6119 – Base salary for exempt staff
 - The object codes for non-exempt staff are restricted to:
 - 6121 – Extra duty pay/overtime
 - 6122 – Substitute support staff
 - 6129 - Base salary for non-exempt staff
 - The object code for employee allowance such as auto, housing, cell phone and uniforms is 6139.
 - The district’s Chart of Accounts should be used to ensure that the correct account codes are used in the distribution record.
 - If an account code entered for an employee generates an error message, the account code may not be part of the finance general ledger (budget). If this occurs, notify the finance administrator to determine if the account code is accurate and must be added to the finance general ledger or if it’s incorrect and must be corrected in the distribution record.
 - Account codes for teachers and education aides shall be based on the students that they serve. The FTE Summary shall reflect the percentage of time by Program Intent Code (PIC) for each staff member as supported by the campus master schedule and/or campus roster of personnel.

- Account type – the default account type is G – Standard gross pay. If the payment is a Non-TRS non-taxable business allowance such as a “cell phone allowance”, the account type should be a “T”.
- The amount to be charged (annual amount) to each account code should be entered. If an employee has two or more account codes for their base salary, the appropriate percentage should be entered for each account code. The total base salary percentages should total 100%.
- Activity code – the default activity code is 80 – base salary. The PEIMS Payroll Activity Code Table C018 should be used to determine the correct activity code for supplemental pay such as athletic, club or other stipends.

Deductions

The Deduction information shall be collected and entered by the Payroll department. All employee deductions shall be supported by a signed (written or electronically acknowledged) document.

The Benefit Election Form shall be used to enroll, change or drop deductions managed through the districts’ Third Party Administrator, First Financial Administrators.

The deduction information may include:

- Deduction code – the deduction codes are included in the Deduction Code Table. An employee benefit enrollment form should be used to ensure that all deductions that the employee has elected for the school year are entered in the deduction information section.
- Net Amount – the net amount represents the employee-paid amount for each deduction.
- An employee’s election to have additional withholding deducted from their wages should be documented on a Form W-4.
- An employee’s election to have annuity deductions from their wages should be documented on a Salary Reduction Agreement **and** approval from the district’s 403b Administrator to ensure that the annual limits are not exceeded.
- All other employee elections should be supported by the appropriate benefit enrollment form or employee written statement.
 - Employee benefit elections for TRS Active Care, Dental, Group Term Life, and other voluntary deductions, except for agent-required products noted below, can be posted to the Deductions section upon receipt of the election form. Note.
 - Employee benefit elections for an agent-required product such as disability, cancer, accident, or Texas Life insurance must be processed by First Financial Administrators before making any payroll deductions. Upon approval from FFA, the deductions should be added in the Deduction section.
 - Employee benefit elections for Texas Life Insurance is not effective until after the 1st deduction is made. For example, if the 1st deduction is on Oct. 15th, the effective date of coverage is Nov. 1st.
- Employer contribution – the employer contribution represents the district-paid amount for each deduction. RISD: The employer-paid contributions include the following:
 - TRS Active Care contribution up to \$342 per month, or a combination of an FSA contribution and TRS Active Care contribution not to exceed \$342 per month. The semi-monthly contribution is ½ of the total monthly contribution.
 - Dearborn National Term Life contribution of \$0.48 per month. The semi-monthly contribution is \$0.24 per pay date.
- Remaining Payments – the remaining payments is used to determine how many times the deduction will be taken from the employee. Options are to set the remaining payments to 12 or less per school year, or set to

the default of 99 which means that the deduction would continue to be taken until it is changed due to a benefit election change or termination of employment. RISD: The default is to set the remaining payments to 99 unless specified otherwise in a particular deduction such as United Way contributions that may be for a limited number of months.

- Cafeteria Plan – the cafeteria plan flag should be checked for each deduction that the employee has elected to include in their cafeteria plan election for the plan year. RISD: The Plan Year for the district is November 1 through October 31st.
- Prior to every payday, the deduction information should be changed as necessary to include employee benefit election changes.

Every employee shall complete a Wage Deduction Authorization Form upon employment to ensure that if a miscellaneous deduction due to overpayment of wages, leave taken in excess of earned, non-return of district uniforms/supplies, etc. that the district has written authorization to make the deduction(s).

Leave Information

The Leave Information shall be collected and entered by the Payroll department. The leave balance information may include:

- Leave type – the leave type codes are included in the Leave Type Table. The leave codes noted below should be added for all district employees (except substitutes, temporary or seasonal workers).
 - Local Sick Leave – 5 days for all staff
 - State Personal Leave – 5 days for all staff
 - Comp time – applicable only to non-exempt staff – hours posted as used and/or earned
 - Other leave type codes should be added as needed throughout the school year
- Beginning leave – The beginning leave should represent the balance of year carried forward from the prior school year, if any. The beginning balance may also include state leave (state sick or state personal) that the employee transferred to the district on an Official Service Record.
- Earned leave – The leave earned should represent the leave earned during the school year. According to TEA, all state leave shall be made available to employees at the beginning of their school year. The district has the option to provide the local leave at the beginning of the school year or throughout the school year in accordance with DEC Local policy. RISD: The district shall make all state and local leave available to employees at the beginning of their school year.
- If an employee begins the school year after the begin date of their respective work calendar, the employee's leave earned shall be reduced to the appropriate amount of leave based on the district's leave pro-ration policy. RISD: The district pro-rates state leave based on the number of days employed and local leave based on the number of days worked in accordance with Board Policy DEC Local.
- If an employee separates from their employment before the end of their respective work calendar, the employee's leave earned shall be reduced to the appropriate amount of leave based on the district's leave pro-ration policy. RISD: The district pro-rates state leave based on the number of day's employed and local leave based on the number of days worked in accordance with Board Policy DEC Local. The Payoff Calculation Form should reflect the actual leave earned based on the date of separation or number of days worked, as applicable.
- Used leave – The leave used should represent the leave that the employee has used during the school year. Note. The leave used and leave balance do not include any leave transactions that have not been processed through a payroll check.

- Leave balance – The leave balance should represent the remaining leave available for use by the employee. Note. The leave used and leave balance do not include any leave transactions that have not been processed through a payroll check.

Employee Payroll File Management

Employee Payroll File

Employee payroll files shall be created and maintained by the Payroll department. A Payroll Employee File Checklist form shall be used to ensure that all required documents are maintained in the appropriate file system. The employee payroll file may include the following:

- Employee Status Changes
 - Personnel Action Memo Form – Record of employee status such as:
 - New employment
 - Change of name/address
 - Resignation/Termination
 - Leave of Absence
 - Change in Salary, Step, Degree, etc.
 - Transfer to Other Position
 - Other status change
- Salary Information
 - Applicant Disclosure of Experience – Form is used to obtain total years of educational and non-educational experience related to the position
 - Teacher Service Record (copy – original in HR File) – Copy is used to post any state leave carried forward from a previous employment.
 - Estimated Salary Worksheet – Form is used to provide an estimated salary to the employee at the time of job offer
 - Salary Worksheet – Signed by employee to acknowledge the estimated annual salary
- Tax Information
 - Form W4 – Form(s) executed by the employee to designate the withholding status and number of exemptions
- Direct Deposit Information –
 - Direct deposit form – Form(s) executed by the employee to designate their bank(s) for net pay direct deposit purposes.
 - Pre-note verification and/or bank account number rejection notice
- Other Documents
 - Benefit Election Forms – Employee election forms (if not filed separately)
 - TRS Eligibility – TRAQs Employee Information Inquiry to determine if the employee is an active TRS member at the time of employment and/or re-employment
 - COBRA Notice - Form signed by the employee at the time of employment to inform them of their COBRA rights

Other documents may be filed in an alpha or pay campus order for ease of use, retrieval and/or reconciliation. Examples of documents to be filed separately include:

- Benefit Election Forms
- Cafeteria Plan Enrollment Forms
- 403b Election Forms

Upon separation from the district, the employee payroll file shall be inactivated and move to the inactive files for archival purposes.

Payroll Data Verification

The payroll department shall conduct data verifications throughout the school year, especially in the areas of new hires, transfer of personnel and employee separations.

New Hires

All applicable payroll data fields shall be entered upon initial employment of a new hire. The payroll data shall be verified with the sources documents such as the Personnel Action Memo, Form W-4, Benefit Election forms, etc.

Employee Transfers and Other Changes

All payroll data fields shall be verified for accuracy after an employee transfer from one position, employment status, or other change. Some examples are noted below for illustration purposes only.

Transfer from Part-time to Full-time status:

Percent Day Employed	From: Current %	To: 100%
FSP Staff Data Code	From: P – Part-time	From: F – Full-time
Salary information	From: Part-time salary	To: Full-time salary

Transfer from Substitute position to TRS-Eligible Position [Teacher]:

Pay Period	From: Pay Period 5	To: Pay Period 6
Employee status	From: Type 6 or 7	To: Type 1 – Active Professional
Highest Degree	From: Blank	To: Bachelors, Masters, or Doctorate
Percent of Day	From: 0%	To: 100%
Professional Yrs Exp	From: 0	To: [Creditable Number of Years]
Contract Information	From: Blank	To: Probationary Contract, 1 st Year
Pay Campus	From: Substitute	To: Campus Number
TRS Status	From: 3 - Substitute	To: 1 – Eligible
Health Insurance Code	From: N – Not Eligible	To: Y – Yes or W – Waived
Job Code	From: Sub Job Code	To: Teacher Job Code
Pay Type	From: 4 – Substitute	To: 1 – Contracted Employee

Other payroll data related to estimated salary, number of paychecks, payoff date, state step, calendar, workers' compensation, accrual information, distributions, deductions and leave shall be changed to ensure accuracy in payment and reporting of the employee wages and benefits.

On at least an annual basis, the critical data fields shall be verified using HR/Payroll system data extracts, payroll file audits, and other data quality checks, as appropriate.

At a minimum, the following critical data shall be verified at the designated time periods as noted below:

- PEIMS Data Fields – prior to the Fall PEIMS Submission deadline – typically mid-November
- Leave data – prior to the beginning of the school year **and** prior to generation of Teacher Service Records – typically by June 30th
- Funding related data (such as FSP Staff Salary) – prior to the 1st report month (September)
- TRS related data – prior to the 1st report month for the school year (September)
- Salary related data – prior to the 1st pay date
- Deductions – prior to the 1st deduction of the school year or plan year, as applicable
- Account code data – after the budget adoption **and** before the 1st pay date
- Year-to-Date Earnings data – prior to the preparation of the Form W2s (typically January)
- Insurance related data – prior to the Affordable Care Act reporting deadline (typically January)

Payroll Processing Procedures & Checklists

The payroll department shall use the Payroll Processing Checklist to ensure that all payroll disbursements are processed in a consistent and accurate manner. The Payroll Processing Checklist includes multiple steps such as:

- Preparation
- Maintenance Data Tab
- Payroll Processing Tab
- Reports

Every item on the checklist is included for a specific purpose; therefore, no steps shall be skipped during the payroll process.

A Payroll Processing Checklist shall be completed by the payroll department for every pay date. The pay frequency, pay date, pay period and beginning and ending check numbers must be noted on the checklist. A master list of check numbers shall be updated and maintained in the Payroll Shared Folders. The master list, or Excel workbook, shall include a worksheet for monthly, semi-monthly, and deduction checks.

Payroll Preparation

Changes to employee data that occurred during the pay period should be updated prior to entering or importing timekeeping or leave records.

Change in Employee Information (Name and Address/Phone Number)

All employee changes should be received from the HR department on a weekly basis (due every Monday by 5:00 p.m.) for the prior week. Changes such as name, address, or other contact information shall be submitted to the payroll department on a Change of Employee Information form or through Employee Access on Skyward Finance.

The HR department shall enter the employee information changes in the Demographic record in the Skyward Finance HR/Payroll system.

The payroll department shall enter the employee information changes as noted below:

- Payroll file – the employee's payroll file should be re-labeled if a name change has occurred, otherwise the copy of the Change of Employee Information form shall be filed in the payroll file after processing all of the changes.
- FFENROLL/Well Systems – the benefit enrollment system(s) should be changed to reflect the name and/or address change to ensure that the insurance carrier(s) are notified to update their systems and possible to issue an insurance card(s) under the new name.
- TRS – the name and/or address changes shall be submitted to TRS through the TRAQS reporting system to ensure that the employee's member file at TRS reflects the current name and/or address.
- Finance Vendor file – the vendor file should be updated with the name and/or address if the employee has a vendor record to receive district reimbursements, travel advances/settlements, etc.

HR Action Memos

All employee changes should be received from the HR department on a weekly basis (due every Monday by 5:00 p.m.) for the prior week. All changes due to the following shall be submitted to the payroll department on an Employee Action Memo or Employee Access on Skyward Finance,

- New employment – All new employee information shall be submitted in accordance with the Payroll Data Management section of this procedural manual.

- The TRS Eligibility and New Member coding is critical before the 1st paycheck is issued to the new employee. A TRS Employee Information query (through TRAQS) shall be generated using the employee's social security number to determine whether they have an existing TRS account.
- After entering the new employee information, an Employee Data Listing Skyward Report shall be generated and used to verify all of the data.
- Leave of Absence – A leave of absence may be with or without pay. The impact to the employee's salary and benefits should be determined based on the type of leave of absence.
- Change of Salary, Step, Degree, etc. – A change in salary, step, degree, etc. shall be compared to the employee's current salary or other data. The changes shall be posted as noted in the Payroll Data Management section of this manual.
 - After entering the new employee information, an Employee Data Listing Skyward Report shall be generated and used to verify all of the data.
- Transfer from one position to another – A transfer in position may result in a higher or lower salary, but could also impact the employee's eligibility for insurance benefits, TRS eligibility, Workers Compensation type, etc. All data fields in the Payroll Data Management should be reviewed to ensure that all appropriate changes have been made in the payroll system.
 - After entering the new employee information, an Employee Data Listing Skyward Report shall be generated and used to verify all of the data.
- Resignation/Termination – A resignation or termination date will impact the date that the employee should receive their final paycheck from the district. A Payoff Processing Checklist and Payroll Final Paycheck Calculation form shall be used to determine the balance owed to the employee or to the district.
 - A different calculation form shall be used for exempt and non-exempt staff. Non-exempt staff shall be reimbursed for compensatory time, if any, at the time of their separation of employment.
 - The Payroll Final Paycheck Calculation form shall be reviewed and approved by the Business Manager.

Change in Banking Information

The payroll department shall receive and enter employee banking information in the payroll system. The Direct Deposit Authorization Form shall be used to collect the banking information. A canceled check or deposit slip containing the bank routing number, account number and type of account must be submitted with the form. The banking information (bank routing number, account number and type of account) should be entered in the Pay Information tab. All changes to banking information shall be submitted to the district depository bank at least 10 days prior to the next scheduled pay date using the prenote process. The first paycheck will be mailed or/paper check.

If the employee submits a change in banking information within 10 days of the next scheduled pay date, the employee shall be informed that the banking information shall remain the same until the next pay date. If the employee has closed the bank account currently used for direct deposit, the banking information change should be processed after informing the employee that without processing a prenote with the bank, that their net pay amount may be returned by the district's bank which would result in a delayed receipt of their payroll earnings.

Change in Payroll Tax Information

The payroll department shall receive and enter employee payroll tax information from a signed, Form W-4. The information as noted on the most recent Form W-4 should be entered in the Payroll Information Tab. An employee may change their Form W-4 at any time of the year. The changes should be posted to their payroll record before the next schedule pay date if possible, otherwise the changes should be posted no later than the next pay date. The Form W-4 shall be filed in the employee payroll file for audit purposes.

Change in Benefits or Other Deductions

The payroll department shall receive and enter employee benefit changes in the Deduction tab. The number of deductions to be taken during the school year, as appropriate. Every deduction change shall be supported by a Benefits Enrollment form, Salary Reduction Agreement (403b), or other employee election form.

The payroll department shall verify that all mid-plan benefit changes are in compliance with the Section 125 Plan and that the changes meet the Qualifying Event regulations.

Extended Leaves

The payroll department shall review and process all request for extended leaves prior to **every** payday. Extended leaves may include the following:

- Workers Compensation – the list of employees absent due to workers compensation should be reviewed to determine if the employees have any compensable work hours and/or leave. If an employee receiving workers compensation benefits (Temporary Income Benefits – TIBS) requests to use his/her available paid leave, he/she shall complete a Leave Offset Form. Any leave paid at the employee’s request shall be offset with the TIBS in accordance with state law.
- Family Medical Leave Act – the list of employees absent due to FMLA should be reviewed to determine if the employees have any compensable work hours and/or leave. FMLA leave shall be subject to Board Policies DEC and DECA Legal and Local. The district’s Board Policy DEC Local requires that all employees use FMLA concurrently with all other leaves.
 - FMLA leave is an unpaid leave, but payment of district-provided insurance benefits is required during the FMLA period.
 - If an employee has available paid leave, the leave requested by the employee shall be posted to the leave transaction file.
 - If the employee has no available paid leave, the appropriate absence deductions shall be posted to the payroll transmittal file.
 - If the employee will not receive a paycheck due to either no available leave or an absence deduction that is greater than their paycheck, the employee shall be notified that he/she will not receive a paycheck **and** that he/she must submit their employee-paid benefit payments, if any. The district-paid benefits shall be posted to the general ledger through a journal voucher approved by the Business Manager.
 - If an employee has exhausted all of his/her FMLA (maximum of 12 or 26 weeks, as appropriate), the employee shall be notified in writing with an End of FMLA Leave Letter. The immediate supervisor shall be notified of the end date, too.
 - If any new requests for FMLA have been received, the FMLA Compliance Checklist and FMLA Eligibility Worksheet should be used to determine the employee’s eligibility for FMLA. The employee shall be notified in writing with an FMLA Designation Notice (WH-382) and Notice of Rights and Responsibilities (WH-381) within five (5) business days if the FMLA leave has been approved.
- Sick Leave Pool - The district’s Board Policy DEC Local states: *An employee who has exhausted all paid leave and who suffers from a catastrophic illness or injury may request the establishment of a sick leave pool, to which District employees may donate only local leave for use by the eligible employee.*
 - Sick Leave Pool leave is a full paid leave, subject to receipt of days from other employees. There is no guarantee that an employee will receive donated days from other employees.
 - The Sick Leave Pool shall be administered in accordance with the district’s Administrative Regulations.
 - The employee requesting the leave days from a Sick Leave Pool shall submit an Application for Sick Leave Pool to the H/R department. (Form is on District Website)

- The employee donating leave shall complete and submit a Sick Leave Pool Donation form to the payroll department. The donated leave shall be posted to the Donated Leave code.
- The maximum number of days of leave that an employee may donate is 3 days of state or local leave in a school year.
- The maximum number of days of leave that an employee may receive is 90 days in a school year.
- Temporary Disability Leave - The district's Board Policy DEC Local states: *Any full-time employee whose position requires educator certification by the State Board for Educator Certification or by the District shall be eligible for temporary disability leave. An eligible employee shall be granted no more than one period of temporary disability leave in a school year. The maximum length of temporary disability leave shall be 180 calendar days.*
 - Temporary Disability Leave is not a paid leave. An employee may use accrued leave, if any, while on TDL.
 - An employee is not eligible for continued insurance benefits during TDL. The payroll department should notify the employee that they must make their insurance contributions during their TDL.

Wage Garnishments

The payroll department shall review the master list of wage garnishments prior to every payday to verify if the garnishment order has changed or expired as of the payroll pay period. The amount of garnishment for each employee shall be calculated from the employee's total wages, i.e. base wages, supplemental wages, overtime, etc. A Garnishment or Withholding Order Notification form shall be completed and provided to every employee for which the payroll department receives a wage garnishment order.

The Withholding Order Calculation form shall be used to determine the appropriate wage garnishment for every paycheck. A copy of the calculation form shall be filed with the payday's payroll processing files.

TRS Retirees, subject to Retiree or Care Surcharges

The payroll department shall compile a master list of all TRS retirees employed by the district that may be subject to the TRS Retiree or Care surcharges, i.e. date of TRS retirement on or after September 1, 2005. Prior to every payday, the payroll department shall obtain the employment status of each retiree and deduct surcharges, as appropriate, in accordance with the [TRS Employment After Retirement Brochure](#).

All TRS retirees with an employment status of "full-time" shall be coded with a check mark on the Take Retiree Surcharge field (Employment Info Tab). The payroll system will automatically apply the TRS Retiree Surcharge to the employee's gross wages at the current rate as defined in the TRS Table.

All TRS retirees with an employment status of "half-time" or less shall submit a work calendar or Retiree Reporting Worksheet the "actual" number of hours worked during the payroll month. The number of hours worked shall be reported to TRS through the ER reports.

Prior to every payday, the payroll department shall generate a View Employee Information report for every retiree subject to the TRS Care Surcharge to determine to actual amount of the surcharge. Note. If a retiree drops or add coverage, reaches the age of 65, or other insurance coverage change occurs, the TRS Care Surcharge is subject to change.

Leave Posting

All leave that was earned and/or used during the pay period shall be collected and posted to the payroll system to the appropriate pay date. The leave shall be imported to the Skyward system.

In the event that the import function is disabled or otherwise not functional, the payroll department shall manually key in all leave collected through the Skyward system or manual leave form (Absence From Duty Form) in the Leave Account Transaction tab.

An employee must have available leave before any additional leave days may be posted to the employee's leave transaction files. If the employee has exhausted all paid leave, the employee's salary shall be reduced by the number of days of leave. A non-exempt employee may be docked for partial days on an hourly basis based on their actual hourly rate. An exempt employee may be docked in ½ or full day increments only based on their actual daily rate.

Board Policy DEC Local states that unless an employee requests a different order, available paid state and local leave shall be used in the following order, as applicable:

1. Local leave.
2. State sick leave accumulated before the 1995–96 school year.
3. State personal leave.

An employee shall submit medical certification of the need for leave if has been absent more than three (3) consecutive workdays because of personal illness or illness in the immediate family. The payroll department shall review leave records on a weekly basis (generally, Tuesday after the Monday, 5:00 p.m. deadline) to ensure that all employees absent more than three (3) consecutive days have submitted the appropriate medical certification. The payroll department shall determine if the employee's illness or family's illness may be subject to the FMLA. If so, the payroll department shall notify the employee by providing a copy of the FMLA Leave Request Form. The Superintendent makes the final decision..

If an employee will be deducted in excess of \$300 (non-exempt) or \$600 (exempt), the payroll department shall notify the employee at least three (3) days prior to the pay date as a courtesy. If time does not allow to provide the advanced notification, the employee shall be informed of the deduction as soon as the payroll processing is finalized. The courtesy, advanced notification is in an effort to minimize the financial impact on the employee before he/she writes personal checks on their anticipated net pay.

Hours/Pay Transmittal Posting

All hours worked by non-exempt staff shall be reported through the district's electronic timekeeping system. No work hours shall be recorded on a separate, paper document. The consolidated timekeeping records are critical to ensure compliance with the Fair Labor Standards Act (FLSA) for overtime purposes; the Affordable Care Act (ACA) to calculate whether the employee is full-time; and the TRS Entity Reporting Portal to report the total working hours with the monthly TRS reporting requirements.

The Timekeeping Procedures shall apply to the collection and reporting of all non-exempt work hours.

All hours worked during the pay period shall be collected and posted to the payroll system to the pay date, as appropriate. The district has chosen to collect all timekeeping data through the TimeClock Plus (TC+) Timekeeping system. A TimeClock Correction Form shall be used to record all manual edits and/or corrections to the timekeeping system. The timekeeping data shall be imported to the Skyward/Payroll system using the Merge Payroll Transaction files function (Utilities).

In the event that the import function is disabled or otherwise not functional, the payroll department shall manually key in all timekeeping data collected through the TC+ system in the HR/payroll system as noted below.

The district has notified all non-exempt staff through the use of a Compensatory Time Affidavit [all non-exempt employees are required to sign this affidavit at employment] that the default method of paying overtime shall be through compensatory time at 1 ½ times if over 40 hours in a workweek. If paid overtime will be granted to an employee, the employee should be notified by their immediate supervisor prior to working the shift(s) of the exception.

All paid-overtime hours shall be compensated at 1 ½ times the regular rate of the employee. The regular rate is defined as the hourly rate of pay that includes all employee compensation such as base pay, stipends, supplemental pay, etc. If a non-exempt employee has more than hourly rate of pay, the paid overtime shall be calculated using the Weighted Overtime Calculation Worksheet.

Annualized Non-Exempt Staff

The total work hours shall be collected through the TC+ system to ensure compliance with the FLSA. The work hours shall be reviewed to identify if any additional time (straight-time compensatory time) or overtime (paid or compensatory time) were worked by the non-exempt employee beyond the number of hours in the pay period that have been included in the employee's annualized salary. **Note. The work hours are not imported or entered into the HR/payroll system due to the annualized salary. The employee will automatically receive one of their regular paychecks unless absence deductions are posted which reduce the gross wages.**

Additional hours worked beyond the annualized hours, shall be added to the employee's compensatory leave balance (leave code 20) as leave hours "earned", unless the employee has been approved to receive paid overtime pay. Any hours below the annualized hours shall be deducted from the leave type requested by the employee. If the employee has no paid leave available, the employee's compensatory time may be used to cover the absences. In the absence of any compensatory time available, the employee's pay shall be deducted at the actual hourly rate of the non-exempt employee.

Exempt Staff

The total work hours for exempt staff are not collected in a timekeeping system. The immediate supervisor is responsible to ensure that the employee reports all absences for personal and/or business leave through the AESOP system. **The employee will automatically receive one of their regular paychecks unless absence deductions are posted which reduce the gross wages.**

All supplemental wages are paid according to the pay periods established for monthly paid staff. At the present time, all supplemental work hours/days such as tutoring, staff development, curriculum writing, etc. are collected through a Supplemental Pay Sheet and posted through the Extra Duty Pay Transmittal tab using the appropriate payroll activity code and account code.

Pre-Post Calculations

After all employee changes, hours worked, leave taken, etc. have been posted to the payroll system, the payroll department shall run the pre-post calculations (Run Payroll tab). The initial pre-post calculations shall serve to ensure that there are no fatal errors.

The payroll department shall review all pre-post reports to verify the accuracy and run the pre-post calculations multiple times, as necessary.

- Payroll Earnings Register
 - Verify the total earnings and total hours for all staff, look for outliers (either too low or too high)
 - Verify the supplemental pay including Non-TRS payments
 - Verify the deductions, especially any deductions coded as a “refund”
 - Verify New TRS Gross and Deposits - new employees not active in TRS (90-day period)
 - Verify the FICA gross and Medicare gross – all Robstown ISD employees pay full FICA under the district’s 218 Agreement
 - Verify that all surcharges have been applied, as appropriate
 - Other current pay period changes such as name, withholding exemptions, deductions, etc.
- Check Register
 - Look for net pay outliers such as over \$8,000 and less than \$100 – this may be indicative of an error in payroll posting or deductions
 - Verify that all employees have banking information – Robstown ISD is a 100% direct deposit employer
 - Verify last pay date and remaining payments – an error would result in an early or delayed payout for an employee due to an incorrect payoff date
- Payroll Balancing Calculation Report
 - Verify that the Payroll Earnings + Accruals = Total Expenses
 - Due To and Due From account totals should be in balance
 - Verify the Payroll Balancing Report – the report must reflect “Balanced”
- Deduction Register
 - Verify that all payments reflect number of deductions taken as “1”, unless the multiple deduction are due to an early summer payoff or deduction correction
 - Verify that deductions remaining – all should be “99” unless it the deduction is for a specific number of deduction such as United Way or a deduction correction
- Account Distribution Journal
 - Verify the account codes for supplemental salaries to ensure that the expense account matches the source documents.
 - Verify that the account codes for the base salaries are correct based on the pre-determined account codes for non-teaching positions. The teaching position base salary account codes should be based on the Staff FTEs Summary Form prepared by the campus principals to match the campus master schedule.
 - Note. If a teacher’s master schedule assignment(s) changes, a revised Staff FTEs Summary shall be obtained from the campus principal and the correct account codes, if any, entered in the payroll system.
- Accrual Payroll Account Distribution Journal
 - Verify that employees with accrued wages (all except for 12 month employees) reflect either an expense (addition) or credit (reduction) under the Accrued Pay column. It is expected that the Accrued Pay will be a credit (reduction) during the pay period that includes an extended holiday such as Winter Break, Spring Break, and the summer months for a 10-month employee.

- Account Code Comparison
 - Verify that no account codes are on the Account Code Comparison report. This report includes all account codes used in the current paycheck that **do not** exist in the finance system. If any account codes are on the report, the data entry should be verified with the source document(s).
 - If the account code(s) are incorrect, the appropriate corrections should be made in the payroll system.
 - If the account code is correct and should be added to the finance system, forward the account code(s) to the Business Manager.
- General Journal Transactions
 - Verify that the debits and credits for all fund groups are in balance.
 - Verify that the clearing fund (Fund 863) for the current fiscal year is in balance and includes all of the liabilities such as FICA, Withholding, etc.
 - Verify that the clearing fund (Fund 863) for the current fiscal year's cash account (1101) matches the net pay (check register total).
- Leave Dock Report
 - Verify that the leave dock report includes the correct employees and the correct absence deductions for the current pay period.
 - Notify the employees if the total amount to be docked exceeds the notification thresholds.
- Payroll Control Listing
 - Verify the critical pay period data such as:
 - Pay date
 - Pay period
 - TRS Month
 - TWC Quarter
 - TRS and Tax Rates
 - Beginning Reference Number (beginning check number for direct deposit)
 - Leave and deduction code options for current pay period
- Leave Status Report
 - Verify leave used during the current period – the total leave used should match the leave transmittal
- FSP Staff Salary Report
 - Verify that all employees have the correct code
 - Verify all employee changes during the current pay period to ensure that the codes were changed, as appropriate

After the payroll department reviews all pre-post reports to verify the accuracy of the data, errors if any, should be posted to the payroll system and the pre-post reports regenerated to verify the corrections.

Posting the Payroll Calculations

The posting of the payroll calculations should be processed by the payroll department after the accuracy of the paychecks have been verified and the Payroll Reconciliation Worksheet has been verified as accurate.

The Payroll Frequency files should be backed up in the event that the posting process fails and the payroll files must be reloaded to make additional corrections.

After posting the files to the payroll master file, the verification steps as noted below should be conducted by the payroll department.

- Generate a YTD Payroll Earnings Register for at least one (1) employee in the current paydate. The current paydate details should be posted to the YTD Payroll Earnings Register. If the current paydate details are not included in the YTD report, the payroll master file was not updated during the posting process. Steps should be taken to research and resolve the error.
- Verify that the beginning and ending check numbers are accurate. Record the beginning and ending check number on the Payroll Check Number Log.

If all of the verification steps are completed and no errors are detected, the payroll reports listed below should be printed to PDF format and saved under the paydate file in the Payroll Shared Folder for audit purposes.

- Payroll Control Listing
- Proof List of Payroll Transactions
- Check Register
- Payroll Earnings Register
- Deduction Register
- Account Distribution Journal
- Bank Account Listing
- Wage and Earning Statements

Generating the Electronic Funds Transfer (EFT) File

Every employee at Robstown ISD receives their paycheck through direct deposit by sending an EFT file to the depository bank. Employees may choose to deposit their net pay in a checking or savings account at any bank in the US. At employment, and at any time during the year, an employee should complete a Direct Deposit Authorization form to notify the district of their banking information.

The EFT file must be submitted to the depository bank no later than 6:00 p.m. one (1) business days before the scheduled pay date.

The EFT file should be created with the appropriate “effective date” which should be the same as the paydate. The EFT Report should be compared to the Check Register to verify that the net payroll for each employee is accurate and that the grand total of the EFT Report and Text File match the check register total. The total number of transactions should also match among the reports and file. The EFT file should be saved in the Direct Deposit folder for the pay date in the Payroll Shared Folder.

The EFT file should be payroll loaded to the depository bank by the Payroll Supervisor as a Direct Deposit ACH transaction. The Payroll Supervisor should notify the 1st approver Business Manager that the EFT file has been loaded and is ready for approval. **Note. As an internal control, the same individual should not load and approve the EFT file.**

After the 1st approver has reviewed and approved the ACH transaction, a copy of the approved ACH Report should be saved in a PDF format and saved in the Payroll Shared Folder.

Interfacing the Payroll to the Finance System

All payroll transactions should be posted to the finance system after completing the payroll posting process. The payroll department should create a General Journal for the pay date and save the journal to the Payroll Shared Folder. After reviewing that all accounts are in balance (credits and debits are equal), the payroll department should post the General Ledger to the finance system.

The finance system should be backed up before the interface process in the event that an error occurs which requires that the finance system be reloaded to its original state. The payroll transactions should be posted to the accounting period of the paydate. **Note. Caution should be taken to avoid posting the payroll transactions to an incorrect accounting period if more than one (1) accounting period is open at the time of the interface process.**

After the interface process has been posted to finance system, the verification steps as noted below should be conducted by the payroll department.

- The Finance General Journal should be generated through the finance system and matched to the Payroll General Journal. The journals should match and all debits and credits should be in balance.

Processing Deduction Checks and/or ACH Transactions

The Deduction Register should be reviewed to determine if any garnishments such as Child Support must be paid immediately. If so, the garnishments should be disbursed via check, ACH or Expert Pay, as appropriate. A copy of the Deduction Register for the particular deduction code(s) should be attached as supporting documentation with the payment.

Other deductions should be processed for payment in accordance with the Payroll End-of-the-Month Checklist.

Update Monthly Payroll Worksheets

In an effort to facilitate the end-of-month and end-of-quarter reporting requirements, the following worksheets should be updated immediately after processing the payroll.

Payroll Wages & Taxes Worksheet

The Payroll Wages and Taxes Worksheet should be updated with the totals on the Payroll Earnings Register to facilitate the end-of-month and end-of-quarter 941 Report reconciliation. The following data should be posted to the Payroll Wages and Taxes Worksheet:

- Gross Salary
- Withholding tax
- FICA Gross
- Medicare Gross
- FICA Tax
- Medicare Tax
- TRS Gross
- TRS deposit
- Annuities
- Non-Pay taxable payments
- Net pay

TRS Monthly Worksheet

The TRS Monthly Worksheet should be updated with the totals on the Payroll Earnings Register to facilitate the monthly TRS reporting requirements. The following data should be posted to the TRS Monthly Worksheet:

- TRS Gross
- TRS deposits
- TRS Employee Care
- TRS Federal gross
- TRS Federal deposits
- TRS Federal Care
- TRS BuyBack
- TRS New Member gross
- TRS New Member deposits
- TRS Retiree Gross
- TRS Retiree Surcharge
- TRS Retiree Care Surcharge

Archive Payroll Files

After the entire Payroll Processing Checklist has been completed, it should be filed with all payroll transaction files for audit purposes.

Payroll Reporting Requirements

Payroll Reporting Checklists

The Payroll department is required to submit reports on a monthly, quarterly and annual basis. The following checklists should be utilized to ensure that all reporting requirements are filed accurately and timely.

Payroll End-of-the-Month Checklist
Payroll End-of-the-Quarter Checklist
Payroll End-of-the-Calendar Year Checklist

Each processing list includes the how-to process the data extract and/or report, the due date, and the submission instructions.

Payroll End-of-the-Month Checklist

The End-of-the-Month (EOM) Checklist includes report requirements related to the following:

941 Monthly Report
Teacher Retirement System
FSP Staff Salary Data
Deductions
New Hire Reporting

941 Monthly Report (Payroll Wages and Taxes Worksheet)

The 941 Monthly Report should be reconciled on a monthly basis to ensure that payroll transactions are tracked and reconciled on a regular basis prior to the quarterly and/or annual reporting deadlines. **There is no reporting deadline on a monthly basis.**

The 941 data should be tracked manually on a Payroll Wages and Taxes Worksheet (Excel spreadsheet) and compared to a Payroll System 941 Worksheet/Report Skyward Finance on a monthly basis.

As part of the Payroll Processing Checklist, the Payroll Wages and Taxes Worksheet (Excel spreadsheet) should be completed after every payday, including all voids and issues. This worksheet tracks the following data from the Payroll Earnings Register. The last page of the Payroll Earnings Register contains all of the summary information.

- Salary: Total Gross, Withholding Gross, FICA Gross, Medicare Gross, and TRS Gross
- Taxes: Withholding Tax, FICA & Medicare Tax (Employee or Employer)
- Other Deductions: TRS Deposit, Annuities, Non-Pay Taxed Payments and Other Deductions

The EFTPS Worksheets (Pay 5 and Pay 6) include the withholding tax, FICA tax, and Medicare tax information for all paydates, including voids and issues. This worksheet is used to compile the tax liability and post the tax payment to the EFTPS system (www.eftps.gov). All tax payments should be posted on the 941 Report Deposit Recap Worksheet and posted to the finance system through the Transfer Transaction Processing (Skyward Finance) or posting the Journal Voucher.

The 941 Report Deposit Recap Worksheet includes the tax liability and payments by payday. The Totals per Month should match the 941 Worksheet monthly totals.

As part of the Payroll Processing Checklist and the Payroll Wages and Taxes Worksheet (Excel spreadsheet) should be completed after every payroll paydate, including all voids and issues. This worksheet tracks the following data from the Payroll Earnings Register. The last page of the Payroll Earnings Register contains all of the summary information.

A copy of the 941 monthly worksheet, EFTPS Recap Worksheet, Payroll Earnings Register totals for each paydate and the Payroll Business system (TxEIS) 941 Worksheet report should be filed in the Form 941 Worksheet file for reconciliation of the quarterly report. All e-files should be filed in the Quarterly Reports – Form 941 Shared Folder.

Teacher Retirement System (TRAQS Reports)

As part of the Payroll Processing Checklist and the TRS Monthly Worksheet (Excel spreadsheet) should be completed after every payroll paydate, including all voids and issues. This worksheet tracks the following data from the Payroll Earnings Register. The last page of the Payroll Earnings Register contains most of the summary information. Additional information should be available through the Deduction Register and the Child Nutrition Claim Report.

- Salary: TRS Gross Salary, TRS Federal Gross, New Member Gross, and TRS Retiree Gross
- Deposits: Member Deposits, Federal Deposit, Federal CARE, BuyBack, Employee CARE, Employer CARE, New Member Deposits, Retiree Surcharge, and Retiree CARE Surcharge.

Several documents should be gathered in an effort to collect all data necessary for the TRS TRAQS reports. Some of the documents are listed below:

- List of all TRS retirees by date of retirement. All retirees with a retirement date after September 1, 2005, may be subject to one or both of the TRS Surcharges (Retiree and/or CARE). The TRAQS View Employee Information screen should provide the necessary data.
- The “actual” work hours for all post-2005 retirees should be submitted to the payroll department no later than the 1st of each month for the prior month.
 - Exempt Staff (FLSA status): The TRS Retiree Reporting Worksheet (or similar form) should be submitted by every retiree within the timeline noted above.
 - Non-Exempt Staff (FLSA status): The total work hours on the district’s timekeeping system (Time Clock Plus) shall serve as the official record of actual work hours.
- Child Nutrition Claim Report to enter the Federal Grant Salaries and deposits for the Child Nutrition Program.
- Combined Deduction Register for the current month for the Buy Back (Special Purchase) and Surcharge Deductions.
- HR Employment Changes spreadsheet with the new hires, separations and name/address changes that have occurred during the current month. This data is used to enter and/or verify the MD 20, MD 30, MD 40 and MD 90 records.

The step-by-step procedures on the EOM Checklist should be followed to extract the TRAQS data in the Payroll system Skyward Finance and to perform the necessary maintenance to the extracted data. The TRAQS submission data files (TXT file) should generated and saved in the TRS Shared Folder.

The TRAQS reports generated through the Payroll system (Skyward Finance) should be compared to the TRS Monthly Worksheet (Excel spreadsheet) to ensure that the data is accurate.

The step-by-step procedures on the EOM Checklist should be followed to submit the TRAQS reports through the TRAQS system at: <https://oapi.trs.state.tx.us/TRAQS/do/logoutPage>. The submission process should start with the MD Reports. Only after the MD Reports are in “Complete” status, the other reports should be submitted through the TRAQS system.

Teacher Retirement System (Payment of TRS Deposits)

After reconciling the TRS Monthly Worksheet (Excel spreadsheet) and TRAQS Reports (Skyward Finance) the TRS deposits shall be submitted through the TEX-NET system at https://texnet.cpa.state.tx.us/Txn_IdLocPwd.aspx?.

The payment must settle on or before the 6th of the following month. If the 6th of the month falls on a weekend or holiday, the due date **rolls-forward** to the previous business day.

The Payroll Manager shall prepare the TRS Monthly Worksheet: Remit Summary and forward to the Executive Chief Financial Officer for review and approval.

As an internal control procedure, the preparation of the Remit Summary and the TEX-NET payment should be completed by two (2) separate individuals. The Payroll Manager shall prepare the Remit Summary and the Executive Chief Financial Officer shall submit the payment through TEX-NET.

The Remit Summary and TEX-NET payment confirmation (with Trace Number) should be forwarded to the Finance Manager for posting to the general ledger or posting via the Transfer Transaction Processing (Skyward Finance).

The Payroll Manager shall log on the TRAQS System to verify if all reports are in the "Complete" status and to verify if there are any Termination Certifications pending action.

A copy of all TRS Monthly Reports and supporting documentation shall be filed for audit purposes.

FSP Salary Staff Data

The FSP Staff Salary Data should be submitted through the Staff Salary Subsystem through a TEAL/TEASE account throughout the school year. **Note: At the beginning of the year (September), the Payroll Supervisor shall verify that all FSP Staff Salary Data Codes are accurate for the primary job code of each employee. At the time of hire, all employees should be coded with the code for their primary job.**

According to TEA's Staff Salary Subsystem data, School districts, charter schools, regional education service centers, and transportation co-ops must use the Foundation School Program (FSP) Staff Salary subsystem to submit the employee counts used in calculating their staff salary allotments. The number of district employees who are not administrators or employees subject to the minimum salary schedule determines the amount of this allotment. Each entity receives \$500 for each full-time employee and \$250 for each part-time employee who meets these criteria.

Additional background information is available on the TEA website at:

http://tea.texas.gov/Finance_and_Grants/State_Funding/Additional_Finance_Resources/Staff_Salary_Subsystem/

According to TEA's Staff Salary Subsystem training materials, You can view, enter, or edit your data each month or anytime throughout the year, but you MUST WAIT until you have entered data for ALL 12 months before you can submit the data form to the superintendent or to TEA. At the end of the year, if all of your data is correct and complete, you can send it to the district approver to submit to TEA. If you are the district approver, you can submit the information directly to TEA. An automatic email notification is sent to both the contacts--at the email addresses you entered--when you send the form to the superintendent and when it's approved or returned by TEA.

The Payroll Manager should follow the step-by-step process on the EOM Checklist to submit the FSP Staff Salary data on a monthly basis, within 10 days after the EOM.

Eligible staff are defined as follows:

Full-Time Staff – A full-time employee is an active contributing member of the Teacher Retirement System of Texas (TRS), works 30 or more hours each week, and **cannot** be a full-time classroom teacher, a full-time librarian, a full-time registered nurse, a full-time counselor, or an administrator.

Part-Time Staff – A part-time employee is an active contributing member of the TRS, works fewer than 30 hours each week, and **cannot** be a part-time classroom teacher, a part-time librarian, a part-time registered nurse, a part-time counselor, or an administrator.

As an internal control procedure, the submission of the FSP Staff Salary Data and Annual Submission should be completed by two (2) separate individuals. The Payroll Manager shall prepare and enter the monthly Staff Salary data, the Executive Chief Financial Officer shall review and approve the monthly data at the end of the fiscal year (within 15 days after August 31, XXX) and the Superintendent shall submit the annual report to TEA within 30 days after August 31, XXXX.

Deductions – Disbursement of all Employer and Employee-Paid Deductions

All deductions should be disbursed in accordance with federal or state law. For example, the disbursement of all 403B annuities to the vendor must comply with federal law. And, the disbursement of Child Support Garnishments should be in accordance with the Withholding Order. The disbursement of all other deductions, not governed by federal or state law, should be disbursed no later than five (5) days after the end of the month.

The Payroll Manager should follow the step-by-step process on the Payroll EOM Processing Checklist to disburse all of the employee and employer-paid deductions.

The total deductions for each paydate, as reflected on the total page of the Payroll Earnings Register, should be reconciled with a Combined Deduction Register (Skyward Finance: HR Reports: YTD Reports).

Payroll deduction disbursements should be made as noted below:

- Expert Pay – Child Support Garnishments
- ACH – Third Party Administrator managed deductions
- TEX-NET – TRS ActiveCare premiums (by the 15th of the current month)
- Vendor Accounts Payable checks – All deductions not disbursed as noted above

All deductions should be reconciled by the categories noted above on the Deduction Disbursements Worksheet (Excel spreadsheet). All deducted amounts by deduction code should be entered on the “Input” worksheet. The amounts should be populated on the appropriate worksheet (voucher) for the deductions paid through a check or electronic disbursement.

The vouchers should be forwarded to the Accounts Payable department (Finance Manager) for payment through the established check processing schedule.

All deduction disbursements, other than vendor accounts payable checks, should be posted to the finance general ledger through a JV form or the Transfer Transaction Processing (Skyward Finance Utilities).

Payroll End-of-the-Quarter Checklist

The End-of-the-Quarter (EOQ) Checklist includes report requirements related to the following:

941 Quarterly Report
TWC Wage Reporting
TWC Quarterly Benefits Reports

941 Quarterly Report

The 941 Quarterly Report is due to the IRS within 30 days after the end of a quarter. For the purposes of submission of the Form 941 Report, the quarters and due dates are noted below:

The Quarter Includes....	Quarter Ends	Form 941 is Due
January, February, March	March 31	April 30
April, May, June	June 30	July 31
July, August, September	September 30	October 31
October, November, December	December 31	January 31

Detailed instructions related to the completion and filing of the 941 Quarterly Federal Tax Return can be found on the IRS website at: <https://www.irs.gov/pub/irs-pdf/i941.pdf>. The 941 Quarterly Federal Tax Return and Form 941 Schedule B for the current calendar year can be found on the IRS website at: www.irs.gov under Forms and Publications.

The 941 Monthly Report should be reconciled on a monthly basis to ensure that payroll transactions are tracked and reconciled on a regular basis prior to the quarterly and/or annual reporting deadlines. **There is no reporting deadline on a monthly basis.**

At the end of the quarter, all three months in the quarter should already be reconciled and filed in the Quarterly Reports – Form 941 Shared Folder. The Payroll Wages and Taxes Worksheet (Excel spreadsheet) and the Payroll System 941 Quarterly Worksheet/Report (Skyward Finance) should be compared to ensure that the quarterly totals are reconciled between the reports.

The total taxable wages and taxes as reflected on the Payroll Wages and Taxes Worksheet (Excel spreadsheet) should be entered on the 941 Quarterly Federal Tax Return. The appropriate Quarter and Year should be entered on the Return.

The tax liability as reflected on the 941 Report Deposit Recap Worksheet (Excel spreadsheet) should be entered on the Schedule B (Form 941). The total tax liability for each month and the quarter should total the monthly and quarter totals on the Recap Worksheet. If the tax liability does not match the tax payments on the Recap Worksheet, the district should pay the remaining tax liability with the Return. The appropriate Quarter and Year should be entered on the Form.

As an internal control procedure, the preparation of the 941 Quarterly Federal Tax Return/Schedule B and approval/signature of the Return/Schedule B should be completed by two (2) separate individuals: 1) The Payroll Manager shall prepare and enter the Return/Schedule B and supporting documents; and, 2) the Executive Chief Financial Officer shall review, approve and sign the Return.

The Return and Schedule B should be submitted electronically or mailed as noted on the Form 941 Instructions:

Without a Payment Mail to:

Department of the Treasury Internal
Revenue Service Ogden, UT 84201-
0005

With a Payment Mail to:

Internal Revenue Service P.O.
Box 37941 Hartford, CT 06176-
7941

The finance general ledger should be reconciled at the end of each quarter to ensure that all tax deductions are paid to the IRS. Specifically, the Payroll Clearing Fund (Fund 863) tax liability accounts (object codes 2151 and 2152) should zero out at the end of quarter. If the tax liability accounts are not zero, funds may be owed to the IRS or a refund may be due to the district from the IRS.

All 941 Report documents should be filed in the Quarterly Reports – Form 941 Shared Folder for audit purposes and for preparation of the annual return (Form W-2 and Form W-3).

TWC Wage Reporting

[Texas Workforce Commission \(TWC\) Rules 815.107 and 815.109](#) require all employers to report Unemployment Insurance (UI) wages and to pay their quarterly UI taxes electronically. Employers that do not file and pay electronically may be subject to penalties as prescribed in [Sections 213.023 and 213.024 of the Texas Unemployment Compensation Act \(TUCA\)](#).

The TWC allows employers multiple methods to file their quarterly reports:

- Electronic methods: Unemployment Tax Services – employers with 1,000 or fewer employees may file via the Internet. This free service allows the uploading of a file (Excel or comma-separated format)
- QuickFile – employers with any number of employees or agents/payroll providers representing multiple clients.
- Printed Employer’s Quarterly Report – only authorized for use by employers who have approved hardship waivers on file with the Commission

The Due Dates for Employer’s Quarterly Reports and Payments are noted below:

For Wages Paid During	Quarter Ends	Must Be Filed & Paid By
January, February, March	March 31	April 30
April, May, June	June 30	July 31
July, August, September	September 30	October 31
October, November, December	December 31	January 31

If the due date for a report or tax payment falls on Saturday, Sunday or a legal holiday on which Texas Workforce Commission offices are closed, reports and payments are considered timely if they are **received on or before the following business day**.

Contributions are paid to the Texas Workforce Commission (TWC) in one of two ways: taxes or reimbursements. Taxed employers pay taxes every quarter. Reimbursing employers, which include certain non-profit and government employers, pay no taxes but must repay TWC for unemployment benefits paid to eligible former employees.

A reimbursing employer is required to report wages for employees. If unemployment benefits are paid to former employees, the employer is billed quarterly for the amount of regular benefits and 50 percent of any federal extended benefits paid during the prior quarter, except for government employers who pay 100 percent of federal extended benefits.

The district has elected to pay taxes as a Reimbursing Employer and pays the unemployment benefits to former employees as noted in the section titled: TWC Quarterly Benefits Report (Payment). If the district chooses to change from a Reimbursing Employer in the future, the reimbursing status may be changed by filing the Application for [Withdrawal of Election to Pay Reimbursements \(Form C-6F\)](#) with TWC no later than December 1. The new status takes effect January 1 of the following year.

The district has subscribed to TASB’s Risk Management Fund’s Unemployment program. The Quarterly Wage Report is filed through TASB through the online wage report submission process on TASB’s website at: https://www.tasb.org/apps/ucw/ucw_districtinput.cfm. The deadline to file the Quarterly Wage Report to TASB is the 25th of the month after the end of the quarter.

The Payroll Manager should follow the step-by-step process on the End-of-the-Quarter Processing Checklist to extract, verify and submit the data file to the Executive Chief Financial Officer for review and approval. The Executive Chief Financial Officer should load the TWCWAGES (txt file) to the TASB Member Service Center.

TWC Quarterly Benefits Report (Payment)

Contributions are paid to the Texas Workforce Commission (TWC) in one of two ways: taxes or reimbursements. Taxed employers pay taxes every quarter. Reimbursing employers, which include certain non-profit and government employers, pay no taxes but must repay TWC for unemployment benefits paid to eligible former employees.

The district has elected to pay taxes as a Reimbursing Employer and pays the unemployment benefits to former employees as noted in the section titled: TWC Quarterly Benefits Report (Payment).

Electronic funds transfers are required for an employer that paid reimbursements in the preceding state fiscal year of \$250,000 or more and anticipates doing the same in the current fiscal year. As a small employer, the district has elected to pay the Quarterly Benefit Payment via check.

The Payroll Manager should follow the step-by-step process as noted on the End-of-the-Quarter Processing Checklist. The payment due should be forwarded to the Accounts Payable department for processing of the payment on a timely basis. The Executive Chief Financial Officer should review and approve the payment due in accordance with the Accounts Payable Procedures.

Payroll End-of-the-Calendar Year Checklist

The End-of-the-Calendar Year Checklist includes report requirements related to the following:

941 Annual Report
Form W2 Reports
Affordable Care Act (ACA) 1095 Reports

941 Annual Report

The 941 Monthly Report should be reconciled on a monthly basis to ensure that payroll transactions are tracked and reconciled on a regular basis prior to the quarterly and/or annual reporting deadlines. **There is no reporting deadline on a monthly basis or annual basis. The 941 Annual Report data is used to complete the Form W2s at the end of the calendar year.**

At the end of the calendar year (December 31st), all twelve (12) months and all four (4) quarters should already be reconciled and filed in the Quarterly Reports – Form 941 Shared Folder. The Payroll Wages and Taxes Worksheet (Excel spreadsheet) and the Payroll System 941 Annual Worksheet/Report (Skyward Finance) should be compared to ensure that the annual totals are reconciled between the reports.

The Payroll Manager should follow the step-by-step process as noted in the End-of-the-Calendar Year Processing Checklist to ensure that the 941 Annual Report is reconciled within 10 days after the end of the 4th Quarter (December 31st).

A copy of the final Payroll Wages and Taxes Worksheet (Excel spreadsheet) should be filed in the Quarterly Reports – Form 941 Shared Folder and the W-2 Forms Shared Folder for preparation of the Form W2s.

Form W2 Reports

The final Payroll Wages and Taxes Worksheet (Excel spreadsheet) and 941 Annual Report (Skyward Finance) should be used to compare to the W2 Forms Report (Skyward Finance).

The Payroll Manager should follow the step-by-step process as noted in the Payroll End-of-the-Calendar Year Processing Checklist to ensure that the Form W2 are reconciled, prepared and distributed to employees prior to the IRS filing deadlines. The 2016 General Instructions for Forms W2 and W3 include the following deadline under the What's New section.

New due date for filing with SSA. The due date for filing 2016 Forms W-2, W-2AS, W-2CM, W-2GU, W-2VI, W-3 and W-3SS with the SSA is now January 31, 2017, whether you file using paper forms or electronically.

If the deadlines are not met, the district may be subject to filing penalties. The penalties are based on when the Form W2 is filed. The penalty amounts are indexed for inflation and tend to increase every calendar year.

The planning steps for preparing the Form W2s are critical to ensure that the Form W2s are processed accurately and on a timely basis. For example, it is essential to obtain a copy of the current calendar year General Instructions for Forms W2 and W3 from the IRS website to ensure compliance with any new filing requirements. The What's New section should be reviewed carefully before preparing the Form W2s. The General Instructions provide guidance for all tax statement boxes.

Every employee who received wages and/or paid federal taxes must receive a Form W2 on or before the filing deadline. Employers who file 250 or more Form W2 are required to submit the Form W2s to the IRS through the e-filing process. The district routinely issues more than 250 Form W2 (including substitutes, temporary workers, etc.), therefore, the district's Form W2 shall be filed using the Business Services Online (BSO) website located at: <https://www.ssa.gov/bso/bsowelcome.htm>.

Another critical planning step is to ensure that the Payroll Manager and Executive Chief Financial Officer have access to the BSO website. Failure to register and obtain a password could result in late filing due to a delay in obtaining the website access. On an annual basis, but not later than January 1st, the Payroll Manager and Executive Chief Financial Officer shall ensure that they have access to the BSO website and that their password is up-to-date.

The Payroll Manager should generate the AccuWages test file and upload through the BSO website. Errors, if any, should be corrected until the AccuWages generates no errors. A copy of the reports should be saved in the Form W2 Reports Shared Folder. The Executive Chief Financial Officer shall review and approve the AccuWages test file and results prior to printing and distributing the Form W2s to employees.

Common processing errors, as reflected in the General Instructions, as noted below:

Do not:

- Omit the decimal point and cents from entries.
- Make entries using ink that is too light. Use only black ink.
- Make entries that are too small or too large. Use 12-point Courier font, if possible.
- Add dollar signs to the money-amount boxes. They have been removed from Copy A and are not required.
- Inappropriately check the "Retirement plan" checkbox in box 13. See *Retirement plan*.
- Misformat the employee's name in box e. Enter the employee's first name and middle initial in the first box, his or her surname in the second box, and his or her suffix (such as "Jr.") in the third box (optional).
- Cut, fold, or staple Copy A paper forms mailed to SSA.

Government employers. Federal, state, and local governmental agencies have two options for reporting their employees' wages that are subject to only Medicare tax for part of the year and both social security and Medicare taxes for part of the year.

The first option (which the SSA prefers) is to file a single set of Forms W-2 per employee for the entire year, even if only part of the year's wages are subject to both social security and Medicare taxes. Check "941" (or "944") in box b of Form W-3 or check "941-SS" in box b of Form W-3SS. The wages in box 5 of Form W-2 must be equal to or greater than the wages in box 3 of Form W-2.

The second option is to file one set of Forms W-2 for wages subject only to Medicare tax and another set for wages subject to both social security and Medicare taxes. Use a separate Form W-3 to transmit each set of Forms W-2. For the Medicare-only Forms W-2, check "Medicare govt. emp." in box b of Form W-3. For the Forms W-2 showing wages subject to both social security and Medicare taxes, check "941" (or "944") in box b of Form W-3 or check "941-SS" in box b of Form W-3SS. The wages in box 5 of Form W-2 must be equal to or greater than the wages in box 3 of Form W-2.

The district has decided to file the Form W2s using the first option. The district shall file a single set of Forms W-2 per employee for the entire year, even if only part of the year's wages are subject to both social security and Medicare taxes.

The Form W2s shall be printed and distributed using one or more of the options noted on the End-of-the-Calendar Year Processing Checklist such as: Distribution through the district's internal mail system, US Mail, or distribution through the Skyward Finance HR System Employee Self-Service module.

The W2Report (txt file) should be uploaded to the BSO website, by the Business Manager after completion of the Form W2 and issuance of any corrected Form W2s. The upload confirmation should be saved in the Form W2 Report Shared Folder with all work copies for audit purposes.

Form 1095C Reports

All Applicable Large Employer Members (ALE Members) are required to file Forms 1094-C and 1095-C for 2015. An ALE is defined as an employer that employed an average of at least 50 full-time employees (including full-time equivalent employees) during the calendar year. The district meets the definition of an ALE employer.

The planning steps for preparing the Form 1095Cs are critical to ensure that the forms are processed accurately and on a timely basis. The General Instructions for the Form 1095C and 1094C contain information related to the preparation of the forms and the filing deadlines. The Instructions can be found on the IRS website at: <https://www.irs.gov/instructions/i109495c/ar01.html#d0e31>.

The HR/Payroll System (Skyward Finance) data must be updated throughout the year to facilitate the completion of the Form 1095Cs. Critical data fields include the following:

- Insurance data
- Health insurance status
- Health insurance code

The Payroll Manager should follow the step-by-step process as noted on the End-of-the-Calendar Year Processing Checklist to prepare and complete the Form 1095Cs.

The Form 1095Cs shall be printed and distributed using one or more of the options noted on the End-of-the-Calendar Year Processing Checklist such as: Distribution through the district's internal mail system, US Mail, or distribution through the Skyward Finance HR System Employee Self-Service module.