Payroll Processing

SOPs

Payroll Conference 2014

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Payroll & Time System Manager
FMS Website: Payroll

Payroll Voucher Documentation
Biweekly payroll vouchers become available the final Thursday of the pay period. However, do not modify until Time information has been imported to HRMS on Sunday after the close of the pay period.

Monthly payroll vouchers become available around the 10th of each month.

Payroll vouchers can be accessed by navigating through OneStart to the HRMS.

Please review the attached guides for more information on payroll vouchers and adjustment vouchers.

Payroll Training PowerPoint Slides: Reference this document to identify some basic how-to’s and a refresher on material covered in the Payroll Essentials class hosted by FMS.

Monthly Payroll Standard Operating Procedures: Reference this document for procedural guidance when reviewing your monthly Vouchers.

Biweekly Payroll Standard Operating Procedures: Reference this document for procedural guidance when reviewing your Biweekly Vouchers.

For more assistance with payroll vouchers, please contact your department's payroll processor representative or submit a FMS Support form.

Payroll Processors Information & Procedures
Looking for procedure documentation, various earn code lists, payroll policies, or any other payroll administrative information? We have Standard Operating Procedures, Object Code Tables for University Posted Benefits, and other important payroll documentation that you might need when reviewing your payroll voucher information.

Payroll for Employees
Payroll is something that affects all of our staff here at Indiana University. We have documentation for new hires and direct deposit setup and other relevant information to our staff at large.

Central Payroll Office Resources
Reference material and procedural documentation is available for the unique tasks handled by central payroll offices across Indiana University. We have consolidated these resources for ease of reference.
Payroll Processing Training

Objectives

• 65.5% of the university budget is Payroll

• Objective of payroll: Ensure accurate payment of all employees

• **Vouchers** are the distributed electronic form to confirm payment amounts

• Objective of **voucher** training:
  • Introduction to payroll/HR concepts
  • Understanding of payroll process
  • Knowledge of deadlines
  • Provide resources for when you are processing
Voucher Basics: Introduction
Voucher Basics: Filter & Navigation

- “Find” Search Box
  - In Empl ID/In Name
  - Approved/Unapproved
- Sort
  - By Name, By Empl ID
- Paging
  - Grouped 10 rows per page
  - Arrows at top and bottom
Voucher Basics: Employee Info

- Job Information
  - Values pulled in from Job
  - Salary/Hourly Rate
  - FTE

- Workstudy Award and Balance
  - Use this to verify award is not exceeded by totals earned in the payroll
Voucher Basics: Buttons

- **Voucher Save**
  - Saves changes made on voucher. Not approval.

- **Voucher Approve**
  - Certification entry is correct and appropriate.
    - Not necessary on vouchers approved by Time Extract.
  - Approve button on each earnings entry.
  - Approve All on “Payroll Voucher Balance” Tab.
Voucher Basics: Funding

- **Show Details**
  - Click “Show Details” on the voucher header to expose the full accounting key, including the additional pay sequence number.

- **Make any one time funding changes**
  - Funding defaults from job
  - One time change or due to late eDoc funding save
Voucher Basics

Pending Faculty/Staff and Hourly Voucher Page
  • Biweekly run ID will default, or check Monthly box
  • Type in Business unit and Department code
  • Click Fetch and then Count Vouchers
  • Any results indicate there is an entry on the voucher which needs to be approved.
    • Click on the link to open the voucher. Use the Find section in voucher header and select “Unapproved” from the drop down.
    • Make any necessary corrections and mark as approved.
  • Always do this on the pending cutoff day, EVEN if you’ve already approved your vouchers. Some payroll calculation processes can unbalance your vouchers.
Schedule: Payroll Monthly Work Calendar

<table>
<thead>
<tr>
<th>Sunday</th>
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<th>Wednesday</th>
<th>Thursday</th>
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- Vouchers Available
- Pay Period End
- Time Approvals (approvers)
- Time Approvals pay proc
- Time Extract
- Job Pay Flag Cutoff
- Pending Voucher Cutoff
- Payroll Close
- Payday
- Lock/Close Offcycle

https://fms.iu.edu/payroll/payroll-calendars/

*Note: HR and Academic HR publish separate calendars*
Monthly Pay Life Cycle

Start of pay period – 1st of the month

- **11th of the Month**
  - Payroll Vouchers Available
    - verify that the employees that you expected to pay are on the voucher and at the right amount and funding

During the pay period

- **5PM**
  - Job Pay Flag Cutoff
    - Edocs that affect the pay of monthly employees for the month being approved must be final by 5pm on this day

- **4PM**
  - Pending Voucher Cutoff
    - Go to OneStart HRMS Portal. Click "Pending Faculty/Staff Voucher" link - even if you have already approved your vouchers

End of pay period – last day of month

- **Last business day of the month**
  - Pay Day

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<table>
<thead>
<tr>
<th>SUNDAY</th>
<th>MONDAY</th>
<th>TUESDAY</th>
<th>WEDNESDAY</th>
<th>THURSDAY</th>
<th>FRIDAY</th>
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<td>28</td>
<td>29</td>
<td><strong>30</strong></td>
<td><strong>PAYDAY MO # 32</strong></td>
<td><strong>MO # 32 Vouchers Available 03-01-14 – 03-30-14</strong></td>
<td><strong>MO Job Pay Flag Off @ 5 pm</strong></td>
<td></td>
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</table>
Monthly Voucher Basics

• Vouchers include records for all active job and additional pay records associated with that voucher code and effective during the pay period.
  • IUIE Report **Employee List of Positions** pulls all active employees and salaries for your dept.
  • IUIE Report **Additional Pay Detail** pulls all active additional pays for your dept.
  • **Payroll processor ONLY** makes adjustments to the vouchers if full pay is not appropriate.
• New hire/transfer partial month pay is calculated by the system
Monthly Voucher Review

- Review vouchers for changes effective during the pay period closely.
  - “Employee Activities” eDoc search
  - “Additional Pay” eDoc search

- Process any terminations for the pay period.
  - Follow terminations process
    - S10/S12 Termination Procedures
    - Academic Terms will calculate the final month regular pay based on the term date.
  - If the termination eDoc will not be saved before the payroll cutoff, process an adjustment voucher to remove the regular pay for the individual to avoid an overpayment.

- June & July Reminder: A10 & S10 Employees will show H2M on the voucher which will subtract their regular pay for these two no pay months.
Monthly Voucher Pay Adjustments

• Adjustments are not needed if employee receiving full pay.
• Record any UNPAID time: Hours absent without benefit time to cover.
  • Exempt professional staff record attendance in ePTO. ePTO does NOT update the payroll voucher. The voucher must be manually adjusted.
  • Record the number of HOURS in the voucher. The system will calculate the amount of pay to subtract based on the PS hourly rate. Limited earn codes available in the voucher:
    • ABE: Absent, Enter positive hours.
    • IJM: Injury (Only used if approved by Worker’s Comp), Enter negative Gross amount.
    • SNE: Suspension (Only used if approved by HR), Enter positive hours.
    • Other earn codes are available in ePTO to classify earnings, but these are the only ones entered on the voucher.
• If regular pay reduction is needed, process an adjustment voucher.
Monthly Voucher Balancing

- Verify Totals on each voucher
  - Faculty/Staff Voucher
    - Enter Dept ID and search
  - Click on the “Payroll Voucher Balance” tab
  - Verify Earn codes and totals are as expected.
    - Compare to prior monthly payroll totals and expected hours based on active jobs and additional pays.
      - Absent hours are not calculated and subtracted from the total amount.
  - Keep in mind eDocs for this pay period, ex: ALW, Temp Pays
- Note: Each department may have their own procedure for balancing.
Biweekly Pay Life Cycle

Final week of pay period

Thursday
Payroll Vouchers Available

End of Pay Period

Saturday

Sun - Tue

Time Approvals approver level

Wednesday

Time Approvals payroll processor level by 3PM

Wednesday

Job Pay Flag Cutoff

Wednesday

Pending Voucher Cutoff

2nd week after end of pay period

Thursday

Friday

Pay Day

Day

SUNDAY
MONDAY
TUESDAY
WEDNESDAY
THURSDAY
FRIDAY
SATURDAY

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Close BW # 31 @ 8 am
No On-line checks
No Tax Entry

BW # 31 Vouchers Available
08-31-14 - 09-13-14

Next Period Timesheets Available

End of Pay Period

TIME approvals (approver)

TIME approvals (approver)

TIME EXTRACT @ 3 pm
Time = Proc Final Approvals by 3pm

BWHR. Pend. Voucher Cutoff @ 4 pm

Payday BW # 31
Time Activities during the Pay Period

• Errors, Warnings and Notes
  • Approvers and Payroll Processors should be reviewing the Approval tab for warning and note icons to look for issues. These corrections should be made throughout the pay period.
  • This is monitored centrally also and emails are sent to the approvers to correct invalid assignments and overlapping timeblocks.

• Time Audits
  • Approvers and Payroll Processors should run/work the following IUIE reports to look for/resolve issues during the pay period.
    • Clock Log Automatic
    • Timeblock Exceeds Hours
    • Time Hours Audit
    • Clock Log Warning-Unapproved Location
# Time Payroll Processor Tab

![Image of Payroll Processor Tab](image-url)

## Time Help Tab > Approval Tab/Payroll Processor Tab tutorial video

**Calendar:** 1U  Department: BA-RPAS  Work Area: Show All  Approval Status: -- Select a status --

**Search By:** Principal Id  **Value:** enter at least 5 chars  Search  Clear

- **Go to Current Period**

### 5 items retrieved, displaying all items.

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<thead>
<tr>
<th>Name</th>
<th>Document Id</th>
<th>Warnings:</th>
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<tbody>
<tr>
<td><strong>End Notice</strong></td>
<td>192801</td>
<td>Total hours entered (8:00) for Accrual Category SCK has exceeded balance (0). Problem Time Blocks are:</td>
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<tr>
<td><strong>Employee, Eric</strong></td>
<td>1926666</td>
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<tr>
<td><strong>Pined, Dorene</strong></td>
<td>1923</td>
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</tr>
<tr>
<td><strong>Employee, Jan</strong></td>
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<tr>
<td><strong>Due No</strong></td>
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<td>0.00</td>
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</table>

**Notes:**

- Pined, Dorene (0000000007):
  - Created:
  - Created Date:
  - Content:

**HOL: Holiday**

<table>
<thead>
<tr>
<th>Payroll Service: $15.90 Rec 0 UA FMOP</th>
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</thead>
<tbody>
<tr>
<td>Regular Pay</td>
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<tr>
<td>Nonexempt Staff</td>
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<tr>
<td>Payroll Service: $15.90 Rec 0 UA FMOP</td>
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<tr>
<td>Summary for reg pay Totals</td>
</tr>
<tr>
<td>CPE: NO PAY Comp Hours</td>
</tr>
<tr>
<td>Earning</td>
</tr>
</tbody>
</table>

**Approved**

**Refresh Status**
Time Approvals

• Supervisor Level:
  • Timesheets are routed for approval at 1:00am on the Sunday following the end of the pay period.
  • The first level of timesheet approval is to be performed by the individual supervising the employee’s daily work.
  • When all supervisor level approvals are complete, the timesheet routes to the payroll processor level for final approval.

• Payroll Processor Level:
  • Payroll processor approval is a higher level approval verifying timesheets from a payroll and policy compliance perspective.
  • Review any employees with special circumstances, such as FMLA, job change.
  • Payroll Processors have access to earn codes the employee does not. Look for notes or known instances where these codes need to be added. Ex: Injury
Time Extract

• All timesheets are finalized at 3pm on Wednesday by the auto approval process.
  • If a timesheet is not “ready to approve” it will be **disapproved**.
    • Not ready to approve attributes include:
      • Overlapping Time Blocks were found
      • Timesheet contains invalid assignments
      • Overtime has been charged to an HRW job
      • Expected hours are not met
      • ABS hours exceed standard hours
    • An FYI is sent to payroll processors for review. Any adjustments need to be made on the voucher on Thursday.

• Extract Run by central payroll office (Wednesday 3pm)
  • All Final timesheets are extracted to the payroll vouchers.
    • Process runs overnight to display the data on the vouchers.
    • All hours come to the voucher as “approved”.
Time Extract Errors

• Any hours on Final timesheets that are unable to be extracted to the voucher fall out as **extract errors**.
  • Payroll processors are notified on Thursday morning of any extract errors. These hours will need to be added to the voucher or paid later on an adjustment voucher.
    • Examples: Hire eDoc still enroute, Position reclassification between paygroups
  • There are some situations where we always kick the hours out of the extract and the hours do **NOT** come to the voucher.
    • Staff Terminations (BW1,BWP)
    • Employee on leave (full or partial)
Biweekly Voucher Review

• Vouchers are available on the Thursday of the second week of the pay period.
  • Time employee’s vouchers should not be modified until the day after the Time extract (Thursday).
  • All hours come to the voucher as “approved”.
  • Temporary hours come in as “read only”.

• Review vouchers for changes effective during the pay period closely.
  • “Employee Activities” eDoc search
  • “Additional Pay” eDoc search

• Process any terminations for the pay period.
  • BW1/BWP Termination Procedures
Biweekly Voucher Adjustments

• Payroll processor reviews Time data on vouchers and makes any necessary adjustments.
  • Extract errors
  • Disapproved timesheets
  • Central Office Audit Notices
    • Workstudy Limit Exceeded
    • Over 40 hours
    • HOL on a non holiday week
  • Corrections received after timesheet is final
    • Temporary hours are extracted as read only. A negative entry must be added to reduce hours.
  • Be sure to add a note to timesheets explaining the discrepancy between the timesheet and the voucher.
  • Make any one time funding changes
• Check “Pending Faculty Staff and Hourly Vouchers” pages.
  • Any results indicate there is an entry on the voucher which is not marked as approved.
Biweekly Voucher Balancing

- Verify Totals on each voucher
  - Faculty/Staff and Temporary Vouchers
    - Enter Dept ID and search
  - Click on the “Payroll Voucher Balance” tab
  - Verify Earn codes and totals are as expected.
    - Calculate the expected hours based on employees on the voucher.
      - For BW1 and BWP vouchers total all regular and “counts as regular” codes (ex: VAC). Do not include additional pay codes like Overtime and Shift.
      - This total should match FTE (40hrs) * number of employees.
  - Employee List of Positions IUIE Report
  - Keep in mind eDocs for this pay period, ex: ALW, INP, Temp Pays
- Note: Each department may have their own procedure for balancing.
IUIE Reporting

• After payroll close report recommendations:
  • Auto Approved Timesheet Detail
  • Missed Punch Auto Approval
  • Missed Punch Detail
  • Workstudy Limit of Earnings

• Quarterly report recommendations:
  • Employee List of Positions
  • Time Roles
  • Timesheet Correction Report
  • Hours Balance Report
  • ePTO Balances

• Resources:
  • Payroll IUIE Reports: https://fms.iu.edu/payroll/standard-operating-procedures/iwie-payroll-reports/
  • Time IUIE Reports: https://fms.iu.edu/files/8213/9646/7347/TIME_IUIE_Reports.pdf
Payroll Cycles

• Biweekly Payroll (BW1,BWP, HRR, HRP, HRW...)
  • Overtime eligible employees
  • Paid two weeks in arrears
  • Payroll includes pay for two weeks and any prior period adjustments entered.

• Monthly Payroll (A10,A12,AS0,AS2,S10,S12,FEL,RES...)
  • Exempt employees
  • Paid on the last work day of the month
  • Payroll includes pay for current month and any prior period adjustments entered.

• Off Cycle Payroll
  • Approximately once per week
  • Direct Deposits (1-2 business days) and Online checks (paper check-same day)
  • Cost associated with these transactions
  • All transactions are manually created via adjustment vouchers.
Payroll Terminology

- **OnCycle Payroll**: Regular scheduled payment of employees.
- **OffCycle Payroll**: Irregular payment of employees per request.
- **Paygroup**: Payroll classification of job. Drives which oncycle payroll employee is included in. Ex. BW1=biweekly ot elig staff
- **Earn Code**: Type of compensation. Ex: regular, sick
- **Voucher**: Distributed electronic form to confirm payroll payment amounts.
- **Funding Account**: Kuali Financial account which the department denotes to cover earnings.
- **Voucher Code**: Grouping of employees for payroll processing. Dept > Paygroup > Voucher Code
- **Work Area**: Grouping of employees in Time which drives approvers.