
PAYROLL ADMINISTRATION

PAYROLL

SUMMARY

Payroll disbursements, both semimonthly and weekly, represent the single largest expense category to the University. It is critical that administrators responsible for payroll are knowledgeable about payroll issues. This will ensure that all payroll-related actions are consistent with current University policies and procedures and federal regulations.

Payroll processing functions play an important role to ensure internal control for the accurate disbursements of salary, wages, and fellowships in accordance with University policies and procedures and federal regulations. The disbursement of salary, wages, or fellowships to staff and students is made through the payroll system based on completion of an electronic personnel/payroll document. When a paper form is processed in place of an electronic document an administrative fee will be assessed. The electronic systems currently available for payroll disbursement are

ENTL - (new hire, termination and leave information)
EDEM - (demographic information)
ESAL - (salary information)
ESUP - (overtime, reduction, and other supplemental pay)
EB15 - (payroll/fellowship transfer form)

University signature authority controls apply to all payroll documents. Routing of all electronic documents must have the approval of the appropriate divisional business office.

WEEKLY PAYROLL

For staff and graduate students paid weekly, hours worked are recorded on time cards signed by the employee/graduate student and authorized by the supervisor. A department designee is responsible for reporting hours worked on the departmental weekly voucher. Departments are required to retain original time cards in accordance with record retention policies. Responsibility for the weekly payroll voucher/diskettes authorization and the distribution of the pay checks must be separate.

For undergraduate students paid weekly, hours worked are recorded on time cards with signature authorization by the student and supervisor. Departments should maintain a copy of the original time cards. The original time cards should be submitted to the Office of Student Employment in a sealed confidential envelope. The Office of Student Payroll is responsible for entering student hours into the Electronic Student Voucher System.

SEMIMONTHLY

The department is to submit documents for new hires, salary/fellowship increases, and status changes in the appropriate payroll cycle in order to pay employees and students in a timely manner and prevent non-payment of new employees and retroactivity of existing employees. Retroactive corrections of fellowship to wage/salary and wage/salary to fellowship must be avoided due to the adverse tax implications for both the individual and employer (JHU).

Wages / Salary - payment for services rendered
Educational Grants/Fellowship - allowances for which no services are rendered, that is, the activities performed are primarily for the benefit of the recipient not the University.

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The department is to give notification to divisional or central payroll offices of student and employee terminations and LOAs (leaves of absence) in the payroll cycle it occurred. This will prevent overpayments, unauthorized use of departmental resources, and unauthorized access rights to University systems. If the termination/LOA occurs too late to meet the payroll cut-off date, the department must immediately call either its divisional or the University payroll office to notify it directly and avoid overpayment.

When dealing with international employees the hiring department should refer such individuals to the international office to make sure that visa, I-94 date, I-9, and Social Security numbers or individual tax identification numbers are in order.

INTERNAL CONTROLS

OBJECTIVES <ul style="list-style-type: none">• Proper authorization and payment of salary, wage, and fellowship commitments• Responsibility for payroll processing separated between the authorization and the distribution of the pay check• Proper allocation of resources and system access privileges• Current submission of payroll documents
RISKS <ul style="list-style-type: none">• Non-compliance with federal/state regulations• Civil liability/lawsuits• Non-compliance with University policies• Penalties/fines• Fraud/theft• Retroactive transactions• Personal/employer tax liabilities• Overpayments/unallowable costs

AUDIT CHECKLIST

	Are staff members who approve or process payroll documents (e.g., weekly payroll vouchers/diskettes and electronic documents) restricted from access to payroll checks?
	Are University signature authority controls being applied?
	Are efforts being applied to process payroll electronically?
	Is access to time cards restricted from workers after they are approved by supervisors?
	Are undergraduate students' original time cards submitted to the Office of Student Employment in a sealed confidential envelope with total hours written out?
	Are time cards being checked for accuracy?
	Are terminated employees removed promptly from payroll and access rights?
	Are new hires processed and paid in the appropriate pay cycle?
	Are pay increases processed in the pay cycle of the anniversary date?
	Are efforts made to avoid salary expense transfers?

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AUDIT CHECKLIST, CONTINUED

	Are original transactions charged directly to the proper accounts?
	Are NIH salary caps and guidelines followed?
	Are visa expiration dates monitored?

SOURCES FOR POLICY

Administrative Bulletin (<http://www.controller.jhu.edu/admbull.htm>)
Human Resources Memoranda
Personnel Policy Manual (<http://www.jhu.edu/~hr1/pol-man/contents.html>)
School of Medicine NRSA/NIH Memoranda
Student Employment Manual (<http://www.jhu.edu/~stujob/>)

RESOURCES FOR ASSISTANCE

Administrative Policy Training Program Courses, 410-516-6800
Divisional Human Resource Offices/Cutoff Schedules
Online Electronic Document Manuals
([http://128.220.185.198:5000/MCGI/SEND1^WEBUTLTY\(317,46\)/652946837](http://128.220.185.198:5000/MCGI/SEND1^WEBUTLTY(317,46)/652946837))
Payroll Office, 410-516-8146
Student Employment Office, 410-516-7232

FORMS ON THE WEB

Direct Deposit Authorization (C-100) (<http://www.controller.jhu.edu/uforms/c100.pdf>)
Special, Reduction, and Overtime Payroll Request (C-257)
(<http://www.controller.jhu.edu/uforms/c-257.pdf>)