


PAYROLL POLICY AND PROCEDURE

Policy Number: 200-113-01-01Nov09

Date: January 2012

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Approval : 
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1.0 POLICY STATEMENT

This policy establishes uniform payroll accountability standards, strengthens internal control over payroll processes and provides for equitable and consistent interpretation and application in conformance to laws, rules, and regulations.

2.0 GENERAL PROVISIONS

- Kepler uses the Unanet website for electronic timesheets.
- The payroll is processed using Gevity/TriNet, an outside payroll/human resources company, to pay employees and provide fringe benefits.
- QuickBooks uses data from both companies to calculate the labor distribution.
- Payroll checks and labor distribution are recorded in QuickBooks as of the end of the pay period.
- Kepler Research pays employees twice a month.
 - Pay periods will end on the 15th and last day of each month.
 - Payroll checks are issued on the 7th and 22nd.

3.0 RESPONSIBILITIES

- All Kepler Research employees must submit accurate timesheets in Unanet.
- Supervisors must review timesheets to verify hours worked on each project.
- The Director, Business Operations will submit payroll data into Gevity/TriNet's web based payroll system.
- PTO balances will be maintained by the Office Managers.
- Gevity/TriNet will process payroll, pay employees, and ensure all withholding are paid properly.
- Director, Business Operations will enter payroll data into Quickbooks.
- Accounting Manger will review all Quickbooks entries.

4.0 TIME AND ATTENDANCE SUBMISSION, REVIEW, AND APPROVAL

- Employees will record the hours they work as they finish working on a project or at least daily. By submitting a timesheet the employee is attesting to the accuracy and truthfulness of the time reported.
- Managers, supervisors, or designated employees shall ensure the review and approval of the timesheet are accurate and timely.
- All hourly/non-exempt employees will be paid for the hours they work. Overtime must be approved in advance.
- All salary/exempt employees will be paid their regular salary unless payment of overtime has been approved.
- All salary/exempt employees are expected to account for 40 hours a week on their timesheets.

5.0 SUBMITTING PAYROLL

- Supervisor will review and approve timesheets at the end of each pay period.
- Pay periods will end on the 15th and the last day of the month.

- Pay dates will be on the 7th and 22nd of each month, unless that day falls on a weekend then payday will be the Friday before.
- The Director, Business Operations will run an Actuals Summary report in Unanet when all timesheets have been approved. This report will show how many hours each person worked by indirect, direct, or fringe project codes; value to each project code; and the payment amounts.
- The Director, Business Operations will submit the hours into Gevity/TriNet's web-based payroll system by 11:00 two days before pay day.

6.0 PROCESSING PAYROLL

- Gevity/TriNet will process the payroll, withhold all required amounts, and pay the employees by direct deposit or by a paper check.
- Gevity/TriNet will forward the paper checks and pay statements to the Office Managers for distribution, if applicable.
- The Director, Business Operations will post payroll in QuickBooks using reports from Gevity/TriNet.
- The Accounting Manager will review all QuickBooks entries.

7.0 PAYROLL ADJUSTMENTS

It is up to each employee to notify Gevity/TriNet when changes need to be made to their withholdings or if they have questions about deductions.

8.0 EXTRACTION OF DATA FROM UNANET

QuickBooks and Unanet use item numbers to identify each project code. The Director, Business Operations is responsible for maintaining the items and project codes. The Director, Business Operation is also responsible for extracting the timesheet data from Unanet and importing the data into QuickBooks. The extraction is the hours worked by employee, by item, by day.

9.0 PROCESSIN PAYROLL IN QUICKBOOKS

The Director, Business Operations processes the payroll using the QuickBooks Payroll Module. Kepler pays Gevity/TriNet for all fringe benefits and payroll taxes each pay period. The Payroll Module is setup to calculate the labor distribution based on Gross Pay only. QuickBooks and Gevity/TriNet use dilution to calculate the value of each hour for EXEMPT employees and the actual hourly rate for NON-EXEMPT employee. Until the pay period ending 31 October 2009, Unanet would only calculate the value of each hour based on hourly rate. Effective 1 November (pay period ending 15 November 2009) Unanet will also use dilution to calculate the value of each hour.

10.0 PROCEDURES FOR RECORDING PAYROLL AND TAX LIABILITIES

QuickBooks charges all labor to Allocatable Expenses: 8001 Labor. The Director of Operations exports the 8001 detail for the pay period into an excel worksheet and prepares a labor distribution report. The Labor Distribution report is the basis for the distributing the Gross Pay to the appropriate labor category in the payroll journal entry.

The Gevity/TriNet Detailed Billing Report is the basis for recording the tax and fringe liabilities on the payroll journal entry.

11.0 PROCEDURE FOR RECORDING ACCRUED LEAVE

The timesheet data in Unanet is used to produce a spreadsheet for calculation of the balance of accrued leave. The Office Managers provide the Director, Business Operations with the balance of accrued personal time off (PTO) by person each month. The Director, Business Operations reviews the data and has the Accounting Manager prepare a journal entry to record the change in accrued leave.

12.0 SAMPLE JOURNAL ENTRIES