

**INTERNAL/ DEPARTMENTAL POLICY AND PROCEDURE**

**TITLE:** Payroll Procedures

**EFFECTIVE DATE:** November 11, 2015

**DIVISION:** BUSINESS AND ADMINISTRATIVE AFFAIRS (BAA)

**CATEGORY:** Payroll

**RESPONSIBLE DEPARTMENT:** Payroll Office

**CANCELLATION:** None

1. **Purpose**

To publish the College's payroll policy and procedures.

2. **Scope and Applicability**

These policy and procedures apply to all budget units of the College.

3. **General Payroll Overview and Guidelines**

Delgado Community College has established payroll procedures and internal controls in accordance with the College's [Internal Control System](#) policy. Since conversion to the Louisiana Community and Technical College System (LCTCS) Centralized Payroll process in the Banner human resources system, the main function of the College's Payroll Office is to facilitate time entry, leave, and verification of payroll and benefits prior to payroll processing by LCTCS Centralized Payroll.

A. **Payroll Web Time Entry Process**

- 1) The payroll process begins the week prior to the pay date. The College's Payroll Office notifies all employees and their supervisors through faculty/staff email distribution, that web time entry is available for time entry. Due dates for web time entry submission and supervisor approval are included in the email notification.
- 2) Web time entry is constantly monitored by the Payroll Manager and the IT Functional Payroll Specialist to identify any employee whose web time entry is incomplete and/or has not been approved. These employees are contacted by email and/or telephone.

- 3) The web time entry process is closed at the end of the day on the Thursday prior to pay week. Web time entry that was not completed by that time must be submitted on a paper time sheet and must be approved by the supervisor.
- 4) Employees *not* designated to participate in the web time entry process must provide documentation of time worked to the Supervisor for the work agreement or contracted period.

**B. LCTCS Centralized Payroll Requirements**

LCTCS Centralized Payroll Office requires the following actions *prior* to each payroll being processed:

- 1) Any adjustments to employee deductions that result in a refund to or additional amounts due from an employee must be made.
- 2) Payment of leave for employees who are retiring or who have separated from the College must be entered.
- 3) Any retroactive pay calculations due to promotions or salary changes or for late payroll adjustments for the prior pay period must be entered.

**4. Timesheet Creation for Exceptions**

- A. When the time sheet process opens, paper time sheets, compensatory time, overtime, post-certification pay, and leave adjustments are entered manually by the Payroll Office.
- B. Web time entry is performed by each employee; however, the Banner human resources system uses exception-based reporting for salaried employees, where only leave is entered. In accordance with the College's [Employee Handbook: Leave Guidelines and Policy](#) section, [Approved Leave Requests, Form 2400/001](#) must be submitted to the department head for the payroll period during which an employee was on leave.
- C. The Payroll Office reviews the web time entry process to identify and delete the time sheets of active employees who are not working on the current cycle, which are mostly hourly employees who did not work the current pay period.

**5. Payroll Reports**

- A. The LCTCS Centralized Payroll Office sends reports to the College's Payroll Office to identify issues with employees' pay prior to finalizing the payroll. Corrections are made by the College's Payroll Office and the LCTCS Centralized Payroll Office will re-run the reports until corrections are finalized.
- B. The LCTCS Centralized Payroll Office also sends reports via email to aid in verifying that employee leave accruals and leave rates are correct for the current period.

6. **Verification of Pay Check**

- A. Hours submitted on web time for hourly employees, leave without pay, retroactive pay, overtime, and annual and sick leave paid on separation or retirement are entered into an Excel spreadsheet and calculations are verified by the College's Payroll Office as to the amount to be paid.
- B. The LCTCS Centralized Payroll Office runs a report that is compared to the Excel spreadsheet to verify that the employees are being properly paid.
- C. Payroll dispositions in Banner indicate the status of the payroll. Before running the next payroll process, the College's Payroll Office verifies that all employees are at the same disposition. This can be accomplished by either running PHRDCON or reviewing PHILIST. The disposition descriptions are as follows:

**Disposition Description:**

- 5 Awaiting Re-Extract – indication that something is wrong with the employee's deduction set up;
- 10 Awaiting Time Entry – web time needs to be entered or a time sheet needs to be deleted;
- 15 Awaiting Correction – the earn codes need to be removed and re-entered;
- 20 Awaiting Proof – Payroll is ready to process;
- 40 Awaiting Document - Check processing; and
- 70 Complete – Check process is complete.

7. **Direct Deposit**

In accordance with [LCTCS Policy #6.004, Mandatory Direct Deposit](#), the College's [Direct Deposit of Biweekly Pay policy](#) requires mandatory direct deposit of payroll funds for employees of Delgado Community College. Any errors which result in an employee not receiving a deposit to their bank can be corrected in an off-cycle payroll with the assistance of LCTCS Centralized Payroll.

8. **Recoupment of Overpayments**

A. **General Provisions**

- (1) All employees and agency staff who affect the pay process at the College, including departmental managers, payroll office and human resources staff are responsible to assist in achieving an overall effective system of control to produce accurate payments and prevent overpayments.
- (2) Overpayments occur when compensation that is not owed to the employee is paid in error. This includes but is not limited to overpayment of wages, leave paid in error, as well as, erroneous refunds of deductions. Unearned payments to employees are prohibited by Article 7, Section 14 of the Louisiana State Constitution, which prohibits the donation of public funds.

- (3) The College handles recoupment of overpayments in accordance with [LCTCS Policy #5.024, Recoupment of Overpayments](#). The College's Payroll Office calculates the amount of overpayment to include net pay and any benefits that were overpaid.
- (4) Immediate written notification of the overpayment is sent to the employee by the College's Payroll Manager prior to withholding the recoupment from future payment(s). The [Sample LCTCS Overpayment Letter](#) is used as a basis for notification to the employee. The notification includes:
  - The pay date(s) the overpayment occurred.
  - The amount of the overpayment.
  - The plan of action for recoupment.
  - Options for reimbursement of overpayment as appropriate.
  - The reason for overpayment.
  - Means by which the proposed recoupment can be disputed.

**B. Recoupment from Active Employees**

- (1) For active employees, the preferred method of recoupment is via direct deposit reversal. However, employees may elect a payment plan that consists of equal withdrawals from subsequent paychecks or payment via personal check or money order.
- (2) The College's Payroll Manager is a designated approver from whom approval must be obtained prior to accepting a check or money order from an active employee. If the active employee chooses equal withdrawals, they may not exceed 12 months, unless the LCTCS System President grants an exception.
- (3) The amount to be recouped in a one-time payment or in recurring payments cannot bring the employee's bi-weekly gross hourly wage amount below the federal minimum wage.
- (4) If an active employee who has been overpaid is separating from the agency, the amount of the overpayment must be withheld from the employee's final paycheck. If the full amount is not recovered, the College's Payroll Manager establishes a payment plan to reimburse the College. A receivable is set up in the Banner financial resource system to track the repayment.
- (5) If the employee chooses to pay by personal check, a receivable is set up in the Banner financial resource system to track the repayment.

**C. Recoupment from Employees Transferring to Another State Agency**

- (1) If an overpaid employee is transferring to another state agency, and the College has not completed the recoupment process, the College must notify the gaining agency that the employee has an outstanding balance due the College. The College must provide pertinent documentation regarding the details of the overpayment and the recoupment plan established

- (2) The College and the gaining agency must work together to determine a reasonable solution for recouping the overpayment from the employee and for transferring funds received at the gaining agency back to the College.
- (3) If a payment plan is established in the payroll system of the gaining agency, the amount to be recouped in a one-time payment or in recurring payments cannot bring the employee's biweekly gross hourly wage amount below the federal minimum wage.

**D. Recoupment from Separated Employees**

- (1) The College must notify separated employee of overpayment according to the general provisions outlined in Section 4A(4), to include a demand for repayment through a one-time payment through personal check or money order or through a payment plan.
- (2) The separated employee may submit multiple payments in accordance with the payment plan as agreed upon with the College; however, the period of recoupment must not exceed 12 months, unless the System President grants an exception.
- (3) The College's Payroll Manager establishes a payment plan with the separated employee to reimburse the College. A receivable is set up in the Banner financial resource system to track the repayment.
- (4) If the College is unable to recover overpayments from a separated employee, the College must consult with legal advisors to determine if legal recourse is warranted. Items to consider are: the total dollar value of the overpayment; the period of time for which the overpayment has occurred; the period of time that has elapsed since the overpayment; the cost of recoupment efforts; and the likelihood of success of continued recoupment efforts.

**E. Recoupment Dispute Procedure**

If the active, transferring, or separated employee disputes the College's claim for overpayment, he or she must contact the College's Payroll Manager in writing within 24 hours of initial notification to cease recoupment efforts until a resolution can be reached. The employee must include justification and explanation for the dispute. All disputes are reviewed by the Vice Chancellor for Business and Administrative Affairs, whose decision is final. The disputing employee will be notified of the dispute outcome prior any subsequent recoupment efforts are initiated.

**F. Collection and Reporting of Accounts Receivable**

Collection and reporting of accounts receivable related to recoupment of overpayments are handled in accordance with the College's [Accounts Receivable and Collection Procedures policy](#) and the [LCTCS Policy #5.009, Allowance/Write Off Policy](#), and as codified in the [Louisiana Register, Volume 28, Number 11, dated November 20, 2002](#).

9. **Garnishments and Salary Liens**

- A. State and federal law requires the College to collect court garnishments, state and federal tax levies and Chapter 13 bankruptcy agreements. The College also collects child support agreements.
- B. All garnishment and lien information received by the College is sent to the LCTCS Centralized Payroll Office.
- C. The LCTCS Human Resources Office notifies the employee upon receipt of the documents from the issuing court or agency.
- D. Deductions begin on the next payroll after receiving notification from the court or agency. Deductions will continue until the amount of the levy or garnishment is paid, or until a notice is received from the court of agency to discontinue the deductions.

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*Policy Reference:* [LCTCS Policy #6.004, Mandatory Direct Deposit](#)  
[LCTCS Policy #5.024, Recoupment of Overpayments](#)  
[LCTCS Policy #5.009, Allowance/Write Off Policy](#)  
[Louisiana Register, Volume 28, Number 11, dated November 20, 2002.](#)  
Delgado Policy and Procedures Memorandum, [Internal Control System](#)  
Delgado Departmental Policy BAA-K01, [Direct Deposit of Biweekly Pay](#)  
Delgado Departmental Policy BAA-D01, [Accounts Receivable and Collection Procedures](#)

*Reviewed by:* Ad Hoc Accounts Payroll Procedures Policy Committee 11/5/15  
Business and Administrative Affairs Council 11/11/15

*Approval:* Vice Chancellor for Business and Administrative Affairs 11/11/15