

**Priority:** Accountability  
**Program Offer Type:** Internal Service  
**Related Programs:** 71009

**Lead Agency:** County Business  
**Program Contact:** Dave Boyer

**Frameworks:**

### **Executive Summary**

Payroll is responsible for the accurate, timely and legally compliant payment and recording of salaries, wages, net pay, deductions, leave accruals, and auto reimbursements; calculating amount of, and disbursing deducted funds to third parties; and issuing legally compliant W-2s to minimize financial risk to the County.

### **Program Description**

Central Payroll supports the County's human resources program by responding to customer needs through the provision of training; providing advice and consultation to timekeepers; answering managers' and employees' questions on time entry, leave management, union contracts and personnel rules related to pay; responding to subpoenas and requests for employment/earnings verifications.

The primary products of Central Payroll are semi-monthly paychecks/direct deposits, off-cycle and final manual checks, W-2s and third party payments. This requires the monitoring time entries, changes in pay and net pay every pay period; timely and accurate collection and remittance of required taxes, union dues, garnishments, child-support, and other third party payments; and direct deposits to financial institutions.

Central Payroll performs regular accounting functions, including third party payment reconciliations, review / approval of accounting transactions, and preparing required reports

### **Program Justification**

Central Payroll contributes to the Accountability priority by assuring the Board of County Commissioners, citizens and employees that County payroll expenditures are legally compliant, and consistent with negotiated contracts and Board approved policies. The unit does this through regular monitoring, having effective internal controls in place, and using sound accounting practices. Payroll results are posted and charged to Departments' cost centers through the County's enterprise system, and are relied upon by end users for budget monitoring, cost accounting and calculating personnel costs.

### **Performance Measures**

- Percent and Number of correction checks issued monthly at less than 1%
- Percent and Number of W-2C (corrections) issued annually at less than 1%
- Amount of penalties assessed for failure to be legally compliant at \$0.00.

### **Summary of last year's program results and this year's expected results**

From 1/1/04 - 12/31/04 for:

- o Paychecks/dir deposit per pay period = 6683
- o Correction checks per pay period = 13
- o % corrections check for 1/1/04 – 12/31/04 = .19%

For Calendar Year 2003:

- 6105 W-2s issued
- .23% W-2C (corrections) issued; 14
- 0 penalties

Results for 2004 are expected to be the same.

Unit will continue work to improve training and auditing processes to reduce timekeeper error. Will inform Department Directors which time approvers are not timely in approving time so that Departments can take action. Work with Department HR Units to identify and address issues related to timekeepers with high error rates.

**Program Mandate: 2 Mandated Program with Funding/Service Level Choice**

Ten union contracts; County personnel rules and Administrative procedures; Internal Revenue Code; OFLA; FMLA; FLSA; State wage and hour, child support, payment and collection of wages and revenue laws; Bankruptcy Act; USERRA; FICA;OASDIAct; ITAX; Family Support Act as amended; Uniform Interstate Family Support Act; Consumer Credit Protection Act; and laws regulating financial institutions.

**Revenue/Expense Detail**

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2005	2005	2006	2006
<b>Program Expenses</b>				
Personnel	\$0	\$370,633	\$0	\$385,734
Materials & Supplies	\$0	\$7,975	\$0	\$9,699
Internal Services	\$0	\$66,151	\$0	\$132,428
Subtotal: Direct Exps:	<b>\$0</b>	<b>\$444,759</b>	<b>\$0</b>	<b>\$527,861</b>
Administration	\$0	\$0	\$0	\$65,000
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$65,000</b>
Total GF/non-GF:	<b>\$0</b>	<b>\$444,759</b>	<b>\$0</b>	<b>\$592,861</b>
Program Total:	<b>\$444,759</b>		<b>\$592,861</b>	
Program FTE	0.00	0.00	0.00	5.50
<b>Program Revenues</b>				
Fees, Permits & Charges	\$0	\$0	\$0	\$630,859
Program Revenue for Admin	\$0	\$0	\$0	\$52,500
<b>Total Revenue:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$683,359</b>

**Explanation of Revenues**

County Business Services' allocation based on annual average number of employees paid each pay period by Department.

**Significant Program Changes**

Increase in responsibility for training of timekeepers a task previously performed by SAP Support Team. Will provide reference manual for timekeepers and training as needed. Will ensure more consistency in time entry within County and improve timely, accurate and legal compliance of payroll by reducing errors and liability to the County. Subject to implementation of the SAP long range strategy, will assist with implementation of employee self-service options. Plans include allowing employees to look up leave accruals, potentially disseminate direct deposit notices and W-2s via the web, which would also result in a cost savings.