


Category:	Financial	INCA Community Services Financial Procedure 
Reviewed Date:	3/23, 3/24, 3/25, 3/26	
Revised Date:		
Forms:		
Responsible:	Board of Directors, Executive Director, Accounting Department	

Payroll Procedures

Introduction/Purpose

Payroll actions will be effected in accordance with Personnel Policies and other Agency policies. All payroll policies and procedures will be administered, recorded and documented in accordance with acceptable accounting principles and Federal wage and hour guidelines.

INCA operates on a semi-monthly payroll. The first payroll period ends on the 15th of the month, the second payroll period ends on the last day of the month.

For all INCA employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in INCA's Personnel policies.

Hiring

- W-4 form (employee withholding certificate state/federal)
- Direct Deposit Form
- Insurance Application Form (if applicable)
- 401K Application Form
- I-9 form
- Authorization forms for other deductions from pay

An employee's hiring is not effective until the payroll transaction form and W-4 are completed and turned in to the Accounting Department. The Accounting Department will maintain a personnel file for each employee including the payroll transaction form, W-4 form, authorization for insurance and other deductions form and any other information that is relevant to payroll. All other employee information will be kept in their main personnel file in the Administrative office. The information for new employees will be given to the Accounting Department who will assign all new employees an employee number and enter the employee information into the computer.

Time Sheets

Employees will be responsible for entering their time in the EWS system each pay period. Timekeepers are responsible for ensuring accurate time is documented for each employee following each of the payroll dates. Employees taking holiday, annual, and/or sick leave must submit leave time in the EWS system accordingly. Timekeepers are responsible for approving all time in the system and communicating completion with the Accounting Department.

Procedures for ensuring accuracy of time is listed within the Payroll Policy.

Payroll will be processed on a semi-monthly basis. Timesheets must be submitted by the following day after the 15th and the last day of the month. Direct deposit will be issued within five working days after the end of each pay period.

Changes in Payroll Data

The accounting department should be notified of all changes that affect payroll by completing a Payroll Change Notice. Changes would include a change in department, job, hourly rate, benefit plan, withholding tax deductions or other. Any employee changes will be submitted to the Accounting Department before the day of the payroll processing. Changes will be made in the computer for each employee at that time. Upon receipt of approved timesheets the Accounting Department will process the payroll.

Termination

The accounting department will be notified by the program director of a termination by completing a termination report.

Garnishments

Employees are expected to meet their obligations. The accounting department must abide by the directions of the court in deducting earned income. Such an amount is sent to the place designed by the court. A copy of the garnishment order will be forwarded to the employee.

Insurance Processes

When the health and life insurance bills, 401(k) bill and other payroll deduction bills are due, they will be routed to the Accounting Department who will pay them from the proper payable. The Executive Director will have the bills reviewed by the Accounting Department to ensure that any coverage, which should have been dropped or added, is correctly reflected on the bill.

Income Tax Withholdings

The accounting department is responsible for ensuring all required tax forms and other required reports are properly completed and submitted, and that all required taxes are withheld and paid. The financial director will be responsible for preparing all checks and entering journal entries for payroll taxes and benefits.

Income Tax Withholdings are done each payroll period. Quarterly reports are prepared at the end of each quarter by the Accounting Department and submitted to the Executive Director for approval, then processed for payment.

At quarter end the Accounting Department will do the following things:

- Will print the quarterly reports from the computer and file in the payroll report binders.
- Will prepare the quarter and 941 reports. A worksheet will be done showing the salary amounts recorded on each program's general ledger for the quarter. These amounts will be reconciled to the 941 salary amounts on the payroll report. Any discrepancies will be resolved and/or explained.
- Will prepare the state unemployment report. A worksheet will be prepared to allocate the portion of the bill due by each program. Checks will be prepared for each program's share.

Tax Form 990

An independent auditing firm will prepare form 990 in conjunction with the annual audit. The Executive Director will sign the form 990.

Dissemination of Policy

The policy will be made available to all employees through the agency's website. The agency will educate and train employees and supervisors regarding the policy and any conduct that could constitute a violation of the policy.