IX. Payroll Processes

A. Overview

The Payroll department processes salary and wage payments through the Oracle Payroll application for all RIT employees including faculty, staff and student workers. In addition, Payroll staff submit tax payments to state and federal governments, and prepare and distribute over 11,000 Form W-2's each year.

Objectives:

In this chapter you will learn about:

- which office is responsible for setting up new employees in the Oracle Human Resource application
- the difference between a bi-weekly and a semi-monthly payroll
- the Kronos automated time and attendance system
- how to process payroll corrections
- how to process additional payments
- the pooled benefit rate

B. New Employees

1. The Human Resources Department processes paperwork for all new hires and employee changes for staff and faculty.
   a. Complete an Employee Action Form (EAF) and forward to Human Resources for processing.

   > The Employee Action Form is available on the Human Resources Department web page: http://finweb.rit.edu/HumanResources/forms.html.

2. The Student Employment Office (SEO) processes paperwork for all new hires and employee changes for student employees (students registered for 12 or more credit hours).
   a. Complete an RIT Student Employment Hire Form and forward to SEO for processing. Note: a department can not hire a student unless he/she has an employment eligibility card.
   b. Complete an RIT Student Employment Payroll Change Form for changes such as a merit increase, other rate change, or account number change.

   > If you have questions about processing SEO forms, contact the Student Employment Office at ext. 5-2631.

Introduction to Accounting at Rochester Institute of Technology: RIT Accounting Practices, Procedures and Protocol
Chapter IX: Payroll Processes
Revised September 1, 2008

1

C. Bi-Weekly Payroll Process

1. All hourly paid (non-exempt) employees, including staff and students, are paid bi-weekly, throughout the year (26 pay dates).
   a. Each 14-day pay period runs from Friday through Thursday. The pay date is Friday of the following week.
   b. Hourly paid employees may access their pay stubs online through Oracle Employee Self-Service application. Paychecks for employees who are not on direct deposit are mailed to their homes prior to the pay date.
   c. Paychecks for student employees are mailed to the students' home departments for distribution on the pay date.
   d. Summary payroll information is transferred and posted to the general ledger after each payroll is processed.

2. Hourly paid employees, including staff and students, record their hours worked using the *Kronos* Time & Attendance System. Departments have several time collection options to choose from when using the Kronos system.

Key Word:
Kronos

   a. Time clocks are located throughout the campus for employees who are required to swipe or punch in at the beginning of their shift and out at the end of their shift.
   b. Departments may choose to set up information in Kronos for employees who work set times and then pay them according to the hours on the schedule. Only exceptions such as sick or vacation time are recorded for these employees by their supervisors.
   c. Kronos software is installed on departmental supervisors' personal computers to approve the hours worked by their employees.

3. A new employee may record his/her time using a time sheet until he/she is set up in Kronos.
   a. Human Resources or the Student Employment Office enters new employee information into the Oracle Human Resource application.
   b. Payroll staff transfers new employee information to Kronos from the Oracle Human Resource application each day.
   c. Once the new employee's information is available in Kronos, the employee's supervisor may enter his/her hours from the time sheet.
   d. The new employee may begin to punch or swipe at a time clock or the supervisor may establish a schedule for the employee in Kronos.

> An annual bi-weekly payroll schedule is available from the Payroll Department and on the Controller's Office web page:
> http://finweb.rit.edu/controller/payroll/.

Introduction to Accounting at Rochester Institute of Technology: RIT Accounting Practices, Procedures and Protocol
Chapter IX: Payroll Processes
Revised September 1, 2008

2

D. Semi-Monthly Payroll Process

1. All exempt staff and faculty, including adjuncts, are paid semi-monthly on the 15th and the last day of each month (24 pay dates per year).

2. Exempt employees may access their pay stubs online through Oracle Employee Self-Service application. Paychecks for employees who are not on direct deposit are mailed to their homes prior to the pay date.

E. Payroll Change Form

1. A Payroll Change Form (PCF) is used to make corrections to a pay code or hours from a prior pay period.

2. Complete a PCF and forward it to Payroll (GEM, 6th floor) for processing with the next regularly scheduled payroll.

> The Payroll Change Form may be found on the Controller's Office web page: http://finweb.rit.edu/Controller/forms/payroll_change.pdf. Call the Payroll Department at ext. 5-2381 or ext. 5-2382 if you have questions about how to complete a PCF.

F. Processing Additional Payments

1. Additional wages for work over and above an employee's regular wages are processed using an Additional Payment Form. Note: an hourly paid employee (e.g., non-exempt) is not eligible to receive an additional payment for extra hours worked; process a Payroll Change Form.

2. Payroll processes Additional Payment Forms during the next applicable payroll period.

3. Additional payments are taxed at the employee's regular W-4 tax rate and are reflected as a supplemental payment on the employee's pay stub.

> The Additional Payment Form may be found on the Controller's Office web page: http://finweb.rit.edu/Controller/forms/additional_payment.pdf. Call the Payroll Department at ext. 5-2381 or ext. 5-2382 if you have questions about how to complete an Add Pay Form.

G. Access to Payroll Information in the Oracle General Ledger

1. Summary payroll information (total salary information by object code for the period) is transferred from the Oracle Payroll application subledger to the Oracle General Ledger application after each payroll is processed.

Introduction to Accounting at Rochester Institute of Technology: RIT Accounting Practices, Procedures and Protocol
Chapter IX: Payroll Processes
Revised September 1, 2008

3

    a. This information is available on monthly department and project statements.

2. Payroll distribution reports provide detailed information about amounts paid to specific employees during each payroll.
    a. Use the information on payroll distribution reports to reconcile your department and project statements.

> Employees with access to the Reporting, Inquiry & Payroll responsibility may request Payroll Distribution Reports on line. To be given access to this responsibility, please complete a General Ledger Security Access form available on the Controller's Office web page: http://finweb.rit.edu/Controller/forms/gl_security_access.pdf.

> Refer to the sample Payroll Distribution Report in
> Chapter XVI, Section G.

H. Benefits

1. Benefit expenses are charged to departments and projects each month based upon the appropriate benefit rate negotiated by RIT with the federal government.

2. Once all of the payrolls for the month have been processed, Accounting runs a process that calculates the benefit expense based upon the total salary expenses by type for the period.

3. The benefit expenses are charged to the benefits expenses object code (72050). Note: only Accounting & Budget Office staff may process journal entries to the benefit object code.

> Refer to Chapter IX, Payroll Processes or to the Payroll section of the Controller's Office web page: http://finweb.rit.edu/controller/payroll/ for additional information about benefits expense.

Introduction to Accounting at Rochester Institute of Technology: RIT Accounting Practices, Procedures and Protocol
Chapter IX: Payroll Processes
Revised September 1, 2008

4