BUSINESS OFFICE
INTERNAL CONTROL – PAYROLL & PERS
November 2024

PAYROLL

New employees are set up in the Paylocity system by the Director of HR and the Director of Business Services reviews the information for accuracy. New employee information includes pay rate, W-4, direct deposit, etc. Only the Director of Business Services, the Vice President of Administrative Services and the Director of Human Resources have administrative-level access to the Paylocity system and it requires a unique password for each.

OCCC processes payroll in a timely manner to be ready for payday on the 5th of each month. The Director of Business Services and the Director of Human Resources review the supervisor-approved timesheets in Paylocity, import the part-time faculty hours and then create a payroll batch to be transmitted. Once the batch is ready for transmission, the payroll register is generated and reviewed against all source documents to ensure the accuracy of the batch.

The payroll file is transmitted to Paylocity for processing. Paylocity then delivers any paper paychecks back to OCCC. With few exceptions, paychecks are delivered via direct deposit. The payroll reports that are available through Paylocity are reviewed for agreement with the initial payroll register then an export file is retrieved from Paylocity. The .csv file is then imported into the general ledger.

Employees' regular, over-time, vacation, sick, and holiday hours are calculated by the Paylocity system using calculation templates that have been set up. The Director of Business Services regularly spot checks employees to make sure the templates are working correctly.

The Grants & PR Coordinator balances the general ledger payroll accounts to the Paylocity payroll reports. The reconciliation is reviewed by the Director of Business Services. The Director of Human Resources regularly reviews the payroll reports to ensure that there are no fictitious employees listed.

PERS

The Director of Business Services uploads a new employee into PERS as soon as hired. They do not wait until the 600/ 6 month rule. They ask about previous employment status to ensure the correct PERS plan for the employee. PERS will also check in their records for the appropriate plan for each employee loaded into their system. When they upload an employee, they enter all demographic information, D.O.B., D.O.H., gender, etc.

The Director of Business Services uploads payroll information to PERS website. There is no manual entry of this information, it's a file directly from Paylocity that is then uploaded to the PERS website. The PERS website does show all uploads and PERS acceptances for the FY. PERS will send reminder emails if payrolls are not uploaded timely. The general ledger calculates the PERS rates based off each employee's PERS plan, and posts those to the general

ledger. PERS will separately calculate the PERS costs and automatically withdraw the amount they calculate. If there is a difference the payroll liability accounts will show these "unreconciled differences". Per client they always reconcile the PERS to the general ledger, and this appears to be the case since the PR liability accounts appear reconciled/accurate without significant issues noted. Note - per both payroll employees they do not alter the text file that comes out of Paylocity and gets uploaded to PERS.

Any time there is a hire, termination or some sort of change, the Director of Business Services will upload a "demographic report" directly to the PERS website. This information will then change the employee's demographic profile on the PERS website. NOTE - All status changes will be taken into account as we test the active census data, pass on detailed testing of any "status change" reports within PERS.