

**Payroll
Policies and
Procedures
Effective:
12/19/23**

**Approved by:
Select Board and
Treasurer's
Office**

PURPOSE:

To define time and attendance and payroll standards and practices to assure that all payrolls presented for payment are valid obligations of the town based upon approved time and attendance records and are consistent with the requirements of collective bargaining requirements.

AUTHORITY:

MGL Chapter 41 §§41, 41A, 41B, 41C, 42 and 43

Collective Bargaining Agreements in effect with the Town

POLICY:

It is the town's policy to assure sound controls for all payroll transactions by requiring *Letters of Offer* from the appointing authority and/or *Employee Rate Change Forms* to set up new hires, reclassifications and salary adjustments in the payroll system. Department heads are responsible for the timely submittal to the Town Administrator of Employee Rate Change Forms.

The Treasurer's office is responsible for oversight and administration of the biweekly payroll based on receipt of approved time and attendance documentation from all town departments. The town payroll is paid biweekly against valid appropriations.

Personnel Actions

PROCEDURES:

An Employee Rate Change Form and/or Letter of Offer from appointing authority is required to document and approve new hires, promotions, demotions, pay changes, transfers and changes in employment status.

- The department head (or designee) completes the Employee Rate Change Form to initiate any changes in the pay or status of an employee. The department head must sign the Employee Rate Change Form. The department retains one copy and the other is forwarded to the town administrator's office.
- The Treasurer is responsible for the entry of municipal new hires, pay adjustments and any changes in the employee status in the payroll system.

- The Employee Rate Change Form adjustments that affect payroll must be entered on a timely basis to assure the correct pay for the appropriate payroll period. They must be entered before any further payroll reports or time and attendance data entry can be completed.
- Annual pay raises will be calculated per the approved town meeting warrant and set up in the Harper's Payroll Module consistent with all requirements of the respective agreements/contracts.

Time and Attendance

POLICY:

It is the policy of the Town that the Treasurer's office will only process a department's payroll based upon receipt of a department's certified record of time and attendance. All employees paid on an hourly basis are required to record hours worked (time in and time out) in the time and attendance system. Employees paid on a salary basis are required to record hours worked in the time and attendance system. Employees who are elected or otherwise paid a stipend are not required to record hours in the time and attendance system, but must use the system to submit for their stipend or elected stipend in order to be paid. The town utilizes this policy to promote transparency, mitigate risk, aid in future retirement buybacks and control the following submitted through the time and attendance timeclock system:

- accurate computation of employee earnings, deductions and net pay
- accurate computation of employee sick, vacation and other leave.

PROCEDURES:

- Each department must submit their time through the time and attendance payroll timesheet system for the respective pay period. The system will indicate the employee name, employee number and the payroll hours for that period, including:
 - Regular Salaried
 - Overtime – Straight
 - Overtime
 - Vacation
 - Sick Leave
 - Personal
 - Compensatory Time
 - Stipends

as well as the respective VADAR General Ledger appropriation and account code (organization and object accounts) to be charged.

- The department head is responsible to review all entries submitted through the timeclock system. Consistent with state law, the department head approves the payroll and "certifies under the penalty of perjury that the statements set forth on this payroll are true to the best of my knowledge."
- Consistent with MGL Chapter 41 §41, each department head must make arrangements with the Town Administrator to provide for a lawful alternate payroll approver. The treasurer's office will not allow an alternate signature until the Selectboard authorizes said signer.

- The department's timesheets must be submitted/approved through the time and attendance timeclock system no later than 10am on the Monday following the end of the payroll period (Tuesday if Monday is a holiday).

Payroll Processing and Issuance of Pay Checks

PROCEDURES

The Treasurer is responsible for the entry, processing and review of all payrolls from the time and attendance timeclock system submitted into the payroll system.

- The Treasurer processes all related time and attendance data through the Harper's payroll system based upon the exceptions reported on each department's submittal through time and attendance.
- The Treasurer records the total payroll of each department reported.

When the final reconciliation is complete, the actual processing of the payroll begins.

- The Accountant prepares the *Payroll Warrant* and assigns a *Payroll Warrant Number*. The *Payroll Warrant* must be signed by the Accountant and the town Selectboard after the treasurer to release the payroll checks and direct deposit advisories. The warrant includes:
 - The Harper's Payroll Register detailing the payroll earnings by pay type (regular pay, overtime, sick, vacation, shift differential etc.)
- The Treasurer prints the Harper's Payroll Register YTD and the County Retirement for the retirement office for posting and reporting of retirement deductions.
- The treasurer is responsible to fund the payroll and to transfer the required funding to the payroll bank account and to transmit the direct deposit activity to the town's payroll bank. The Accountant pulls the following reports from the Harper's system to allow the final payroll processing and reviews by the accountant:
 - Deduction Reports (Vendors)
 - G.L. Distribution Journal
 - The Payroll Warrant as signed by the Select Board and the Treasurer.

Paychecks and direct deposit advisories are only recorded as disbursements after a careful review by the accountant.

- A copy of each report submitted to the treasurer is retained in the Treasurer's office.

State and Federal Tax Payments and Reporting

The Treasurer transmits data on all new hires to the Commonwealth's Department of Revenue within one week. This transmission is done through the payroll software.

The treasurer is responsible for reporting to the IRS and the Commonwealth of Massachusetts. Quarterly reports must be filed with the IRS (941 and 945) and Commonwealth of Massachusetts. Weekly employment taxes are paid to the IRS and the Commonwealth. This transmission is done

through the payroll software.

Payroll Disputes

All questions regarding payroll should be communicated through the Town Administrator, if the Town Administrator is on vacation an alternate contact will be provided to department heads. A preliminary response will be provided within 2 business days. The Town Administrator will then research the issue with the Treasurer and a response will be provided to the employee by the Town Administrator as soon as the matter has been fully researched. If any payroll adjustments are required they will be made by the Treasurer on the following payroll.