
Policy and Procedure on Payroll

In line with NFR 03 & 04

Dun Laoghaire Rathdown
Outreach Project

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1.Responsibility for approval of policy	Board of Management
2.Responsibility for implementation	Manager
3.Responsibility for ensuring review	Manager
4. Version	Version 1 July 2019 AC

1. Policy Statement

- 1.1. Dun Laoghaire Rathdown Outreach Project (DROP) is committed to ensuring that the organisation's finances are managed to a high standard, and in line with established accounting practices, and that this policy concerning DROP payroll is compliant with the National Financial Regulations (NFR's) – 03 & 04.
- 1.2. Payroll is the single largest item of expenditure for DROP.

2. Purpose

- 2.1. The purpose of this policy is to set out an internal control system for payroll administration, to safeguard the assets of DROP and to ensure an appropriate level of fiduciary responsibility, whereas ensuring that the payroll payments are made only upon proper authorisation to bona fide employees, that payroll payments are properly computed, recorded, and related legal requirements are complied with.
- 2.2. This policy, in line with NFR-03, establishes uniform accountability standards, strengthens internal controls over payroll processes and provides for equitable and consistent interpretation and applications in conformance to state laws, regulations and applicable collective bargaining agreements.

3. Scope

- 3.1. This policy covers:
 - 3.1.1. The payroll process by employment classification, payment methods, appointments and retirements/resignations to include also incremental credit, allowances, pay on promotion, timekeeping and absence reporting. It includes the policy for benefit as well as payroll deductions.
 - 3.1.2. This policy should be read in conjunction with the Financial Policy & Procedures, Procurement & Capital Expenditure Policy and other relevant policy documents.

4. Glossary of Terms and Definitions

- 4.1. Payroll: the sum of all financial records of salaries, bonuses, allowances, incremental credit, and deductions.
- 4.2. Salary: the recompense or consideration paid, or stipulated to be paid, to a person at regular intervals for services.
- 4.3. USC: Universal Social Charge.
- 4.4. EFT: Electronic Funds Transfer.
- 4.5. Budget: This is the agreed projected spending for the year – all actual spending will be compared to this to ensure there is sufficient funding to cover costs.
- 4.6. HSE: Health Service Executive.
- 4.7. DEASP: Department of Employment Affairs & Social Protection
- 4.8. Bank Reconciliation Form: this is a tool for checking that the amount in the bank matches the information in the accounts ledger and the income and expenditure account.
- 4.9. CES: Community Employment Supervisor.

5. General rules on the administration of the payroll

- 5.1. DROP is ethically and legally required to pay its employees correctly, deduct and return revenue and the USC and promptly correct mistakes, errors and omissions that may have occurred during the payroll processing cycle. It is important that employees are neither overpaid nor underpaid. The accuracy of EFT transfer and payroll related payments, as well as the data integrity of leave balances and associated accounting transactions and records, are dependent upon the accuracy of DROP Time Sheets.
- 5.2. No employee may approve documents which affect the employees own pay. Formal approval at Board of Directors level is always required.
- 5.3. Payroll processes operate within a regulatory framework which is governed by legislation, audit requirements and direction from the Board of Directors and any circulars issued by the HSE.
- 5.4. Payroll is processed weekly and fortnightly and revenue returns made in line with Revenue Online System procedures. Timely and accurate payroll reporting is necessary to appropriately budget, plan and manage costs and to correctly report on the financial conditions of DROP.

- 5.5. DROP may collect, maintain, use, transmit, share or disclose information about employees to the extent needed to administer its programs, services and activities in line with GDPR. Nonetheless, DROP will safeguard all confidential information about employees and respect employees' privacy rights to the full extent required under this regulation.
- 5.6. DROP Management is responsible for ensuring this policy, which is based on NFR-03, is followed through and that designated employees are delegated with appropriate authority to perform their duties.
- 5.7. The Manager is responsible for ensuring that the salary and wages payments are authorised in accordance with established policies and are appropriate within DROP's annual approved budget.
- 5.8. Pay rates are currently aligned with HSE Consolidated Salary Scales (2008). Since 2008 a pay freeze has been in operation therefore DROP does not pay allowances and increments.

6. Roles and Responsibilities

- 6.1. The Manager is responsible for instructing the Finance and Audit Subcommittee as to the correct sources of funding for payroll administration and for reviewing appointments and expenditure at regular interval.
- 6.2. The Manager is responsible for authorising the time records and for ensuring that all overtime, time in lieu and leave requests is appropriate. Their authorisation submittal affirms the accuracy of the time records and the allocation of the leave.
- 6.3. The Finance and Audit Subcommittee is responsible for the accurate and prompt application of all aspects of these procedures. Such responsibility should ensure that procedures provide for systematic review to ensure that adequate controls for payroll operations have been established and are implemented including adequate separation of duties within the Staff.
- 6.4. The Financial Administrator is responsible for the accurate and timely payments of employees and the prompt corrections of mistakes or errors and omissions that may have occurred during the processing cycle.
- 6.5. Each employee is responsible for:
 - 6.5.1. Accurately reporting his/her worked and non-worked time (via timesheet records). The submittal signature that appears on these records attests on behalf of the payee that the time reported is accurate including the allocation between time worked and absence reporting.
 - 6.5.2. Providing Management with any variations that may affect payroll processing or disbursement (such as changes of address, bank details or personal circumstances that may affect deductions).

7. Forms and Documentation

- 7.1. The employees are responsible for ensuring that Time Sheets are submitted to the Manager, fully completed and on a timely basis .
 - 7.1.1. Community Employment participants are responsible for submitting their Time Sheets to the CES weekly for reconciliation, with any deductions authorised by the CES. The CES is responsible for submitting all payroll details for CE participants to the Financial Administrator weekly in advance of payroll processing.
- 7.2. Daily attendance and job time records, including sick leave and annual leave records shall be maintained on a formal and current basis.
- 7.3. These timesheets or equivalent, either manual or electronic must include the following as a minimum requirement:
 - 7.3.1. Employee name;
 - 7.3.2. Dates worked;
 - 7.3.3. Hours worked;
- 7.4. Requested changes to Time Sheets are not deemed to be authorised until appropriate amendments to time sheets have been correctly completed, authorisation for change is appropriate and that requested changes have been entered on the relevant system. Incomplete time sheets lead to delays in processing and recording of information which can result in either overpayments, or in some cases, employees not being paid at all.
- 7.5. All employees/participants must prepare and present completed, accurate and timely documentation of their time and attendance for the review and approval by the Manager or CES. The CES is responsible for entering the participant time records in the event of the absence of the

employee. Failure to review and authorise time records or equivalent is an inappropriate action by the person responsible for this check.

- 7.6. Employees are responsible for checking their available leave hours before they formally request it. To ensure that leave request do not exceed the rightful amount of hours, the Manager and CES should promptly review leave request and leave forms.
- 7.7. Deadlines for submission of documents concerning employees working hours by CES/Manager to Financial Administrator for any changes to the payroll system are as follows:
 - a. Hiring New Employees at a minimum 2 weeks;
 - b. Change in Position at a minimum 2 weeks;
 - c. Changes in Compensation (Increments/Upgrades etc); minimum 2 weeks;
 - d. Changes in Working Terms and Conditions at a minimum 2 weeks;
 - e. Salary Deductions at a minimum 2 weeks;
 - f. Requests for Maternity Leave at a minimum 4 weeks;
 - g. Unpaid Extended Maternity Leave at a minimum 4 weeks;
 - h. Terminations, Resignations as per periods contained in contract of employment and as soon as is possible;
 - i. Career Breaks at a minimum 4 weeks;
 - j. Parental Leave at a minimum 4 weeks;
 - k. Paternity Leave at a minimum 4 weeks;
 - l. Unpaid Leave at a minimum 4 weeks;
 - m. All Other Changes at a minimum 4 weeks.
- 7.8. The Manager has responsibility for ensuring that all forms are approved, within the timelines specified. Upon authorisation by Management, copies of all forms must be forwarded to the Financial Administrator.
- 7.9. Forms which are not consistent with current DROP policy shall not be processed.
- 7.10. Forms which have not been sanctioned by the CES or Manager will not be processed.

8. Emergency Arrangements

- 8.1 Where DROP does not receive the prescribed notice period from an employee who goes on leave without pay or gives or receives notice of resignation or termination, the Manager or CES must inform the Financial Administrator immediately by phone and in writing of the effective date of the employees leave or termination. In emergency situations, where it is a priority to contact the Financial Administrator to request that a payment is stopped in order to prevent a material error occurring it is acceptable that the initial communication is verbal (by telephone). In these situations formal submission of paperwork must be completed by the end of the next working day.
- 8.2 The Financial Administrator will implement a special fast track procedure in these emergency situations to ensure that the system is updated immediately.

9. Payroll Checklist and Sign Off Procedure

- 9.1. The Manager must prepare and enforce a payroll sign off procedure, consisting in:
 - 9.1.1. Preparation of a listing of all current authorised changes in hours, positions, shifts or terms and conditions of employment resulting in increased or reduced hours/remuneration, by employee (including start and end dates);
 - 9.1.2. Preparation of a list of all authorised unpaid leave/retirements/resignations/terminations, by employee (including start and end dates);
 - 9.1.3. Check that payroll payments processed correctly for employees referred to in (9.1.1) above;
 - 9.1.4. Check that payroll does not include payment to employees included in the list at (9.1.2) above;
 - 9.1.5. Checklist ensuring that all employee records/timesheets are checked and signed off for each payroll run;
 - 9.1.6. Checklist ensuring that payments from the DEASP due to the DROP are reclaimed for employees;
 - 9.1.7. When sick pay is being paid employees must claim illness benefit and ensure reimbursement to DROP from the DEASP s per sick leave policy.

- 9.2. The Community Employment Supervisor must present the completed checklists (including a list of deviations from authorised hours) for sign off to the Manager for each payroll run.
- 9.3. This list must be reviewed and sign off by both Financial Administrator and Manager prior to the processing of payroll.
- 9.4. The Financial Administrator is responsible for the timely review of all relevant payroll reports to ensure there are no instances of payroll overpayments and/or underpayments for all employees.
- 9.5. Where possible, all material queries should be resolved prior to processing of payroll for the period concerned.
- 9.6. Weekly payroll report must be printed off by the Financial Administrator and then inputted on the banking online system.
- 9.7. As per EFT payment, process payroll authorisation for payment is made through dual password and manual sign off by the Financial Administrator and the Manager, and payroll reports attached to payment requisition.
- 9.8. The Financial Administrator should draft reports off all actual transactions, copies of bank statements and bank reconciliations to the Treasurer monthly for review.

10. Safeguarding

- 10.1. Employments and payroll information is confidential. All documents and electronic records related to payroll must be handled and stored in a manner consistent with their confidentiality by all who have responsibility for any aspect of the payroll function.
- 10.2. All payroll systems and related payroll data must be restricted by password control or equivalent and shall be appropriate to the authorising level of the Financial Administrator.
- 10.3. Information can be released to outside parties only when a written release application signed by the requester is received. The Board of Management administers the release of payroll information.
- 10.4. The Financial Administrator should work with the Information Technology provider to ensure that appropriate backups and security measures are in place and these are reviewed frequently.

11. General rules on Financial and Audit procedures

- 11.1. All the policy and procedures listed above must be complied in accordance with DROP's Financial Policy and Procedure and in line with the National Financial Regulations 1 and 3 from the Health Service Executive.
- 11.2. Audit procedures about payroll will follow the general rules stated in DROP's Financial Policy and Procedure.