

Kids Central, Inc. System of Care Policy & Procedure

Series: Finance, Accounting and Contracts

Policy Name: Payroll

Policy Number: 933

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Revision Date: 02/27/07

Authority:

Policy:

It is the policy of Kids Central, Inc. to make accurate and timely payroll and payroll tax payments and to maintain and report accurate payroll records as required by state and federal law.

Procedure:

1. Employee time cards are reviewed and approved by supervisors in the ADI Time Clock system. An e-mail is then sent to the employee designated by the Accounting Director, to be uploaded into the Paycor payroll system. The time card approval e-mails are due to the Accounting Department by 10:00 AM on the Wednesday prior to the pay date.
2. The employee designated by the Accounting Director reviews the approved time cards by department and employee name. The designated employee reviews the requests for payroll changes that have been approved and entered into the Time Clock system since the previous payday, such as leave requests. Other requests for payroll changes are received from the Human Resources department and include items such as, new-hire information, severance pay instructions for terminations, pay rate changes and benefit deduction changes. The designated employee reviews the time cards for unusual items and follows up with the department supervisors for corrections.
3. The designated employee makes the payroll changes received from the Human Resources department into the Paycor payroll system. The employee uploads the time card information into the Paycor payroll system. The designated employee prints a payroll change report and a payroll journal report from the Paycor payroll system.
4. The Accounting Director and designated employee review the payroll journal report for unusual items and reconcile the total hours paid to the total hours that have been calculated from the ADI Time Clock system. Any necessary corrections to the data may be made at this time. All payroll change requests are also matched to the payroll journal report.

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5. The Accounting Director gives approval to the designated employee to transmit the payroll file to Paycor for processing.
6. Paycor processes the paychecks, direct deposits, and all payroll tax deductions. Via electronic transaction, Paycor is reimbursed from the payroll bank account for the employee direct deposits and payroll tax deposits that were made for Kids Central.
7. Paycor sends the paychecks, direct deposit notices, final payroll journal, and other payroll reports to the Accounting Director. The Accounting Director places the paychecks and direct deposit notices in the Accounting Department's safe and reviews the final payroll journal for accuracy.
8. On payday, the Accounting Director designates a member of the accounting department staff to distribute the paychecks and direct deposit notices to the employees. Paychecks and direct deposit notices for absent employees are returned to the safe until the employee returns to work.
9. The designated employee uses the Paycor payroll reports to prepare a journal entry to record payroll expenses by department, program and cost pool. The reports are also used to prepare a check request for the deposit of employee 401(k) deductions and company match.
10. Quarterly, Paycor sends documentation that required state and federal payroll tax filing has been completed.
 - a. Copies of the Federal Form 941 and the Florida Unemployment Report (UCT6) are filed in the Finance Department.
 - b. The Accounting Department reconciles the general ledger accounts to these reports.
11. Annually, Paycor prepares W-2 and W-3 forms in accordance and as required by the Internal Revenue Service.
 - a. The Accounting Department mails the W-2 forms to the employee's home address, no later than January 31st of the following year. Any undeliverable forms are returned to the Accounting Department and can be picked up with proper identification.
 - b. Copies of all W-2's and W-3 transmittal forms are filed in the Accounting Department.

Approved By:

Cynthia A. Schuler, Chief Executive Officer

Date