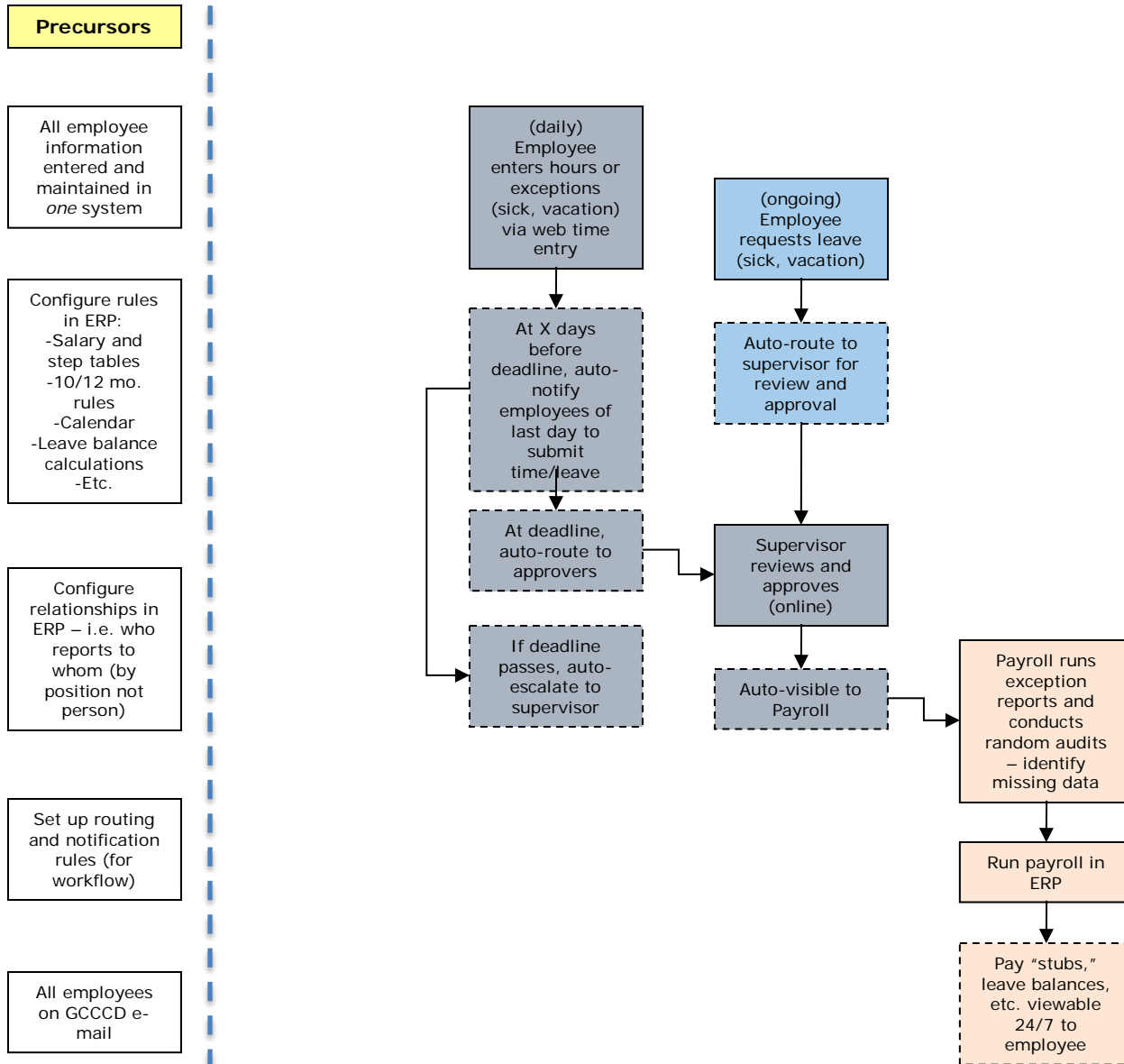# Payroll Process

Top Opportunities
Over the course of the workshop, participants identified many opportunities for process improvement. At the end of the session, they participated in an anonymous weighted voting exercise. Each participant was given ten "votes." An individual could place all her votes on a single opportunity or spread her votes among several. This allows us to identify which opportunities the group deems most important for the Colleges and the District. It also lets us see if there is emerging consensus around any items. The results are listed below:

# of Votes	Opportunities
45	One integrated system
20	Web entry of all time – positive and negative – for all employees
18	Eliminate paperwork
14	Make information available 24/7
13	Implement a robust reporting tool
11	Give consumer control of information – e.g. web access to view pay stubs, leave balances, update address, change tax forms, etc.
8	Simplify processes
8	Eliminate duplicate data entry
6	Use system notifications ("workflow") to route for approval
5	All employees assigned GCCCD e-mail for all "official" communication
5	Eliminate need for shadow systems – e.g. additional data maintenance in Access, Excel, etc.
3	Smoother flow of work
2	Classified report only exceptions – e.g. leave, overtime, etc.

Ideal Payroll Process

Precursors

All employee information entered and maintained in *one* system

Configure rules in ERP:
-Salary and step tables
-10/12 mo. rules
-Calendar
-Leave balance calculations
-Etc.

Configure relationships in ERP – i.e. who reports to whom (by position not person)

Set up routing and notification rules (for workflow)

All employees on GCCCD e-mail

(daily) Employee enters hours or exceptions (sick, vacation) via web time entry

At X days before deadline, auto-notify employees of last day to submit time/leave

At deadline, auto-route to approvers

If deadline passes, auto-escalate to supervisor

(ongoing) Employee requests leave (sick, vacation)

Auto-route to supervisor for review and approval

Supervisor reviews and approves (online)

Auto-visible to Payroll

Payroll runs exception reports and conducts random audits – identify missing data

Run payroll in ERP

Pay "stubs," leave balances, etc. viewable 24/7 to employee
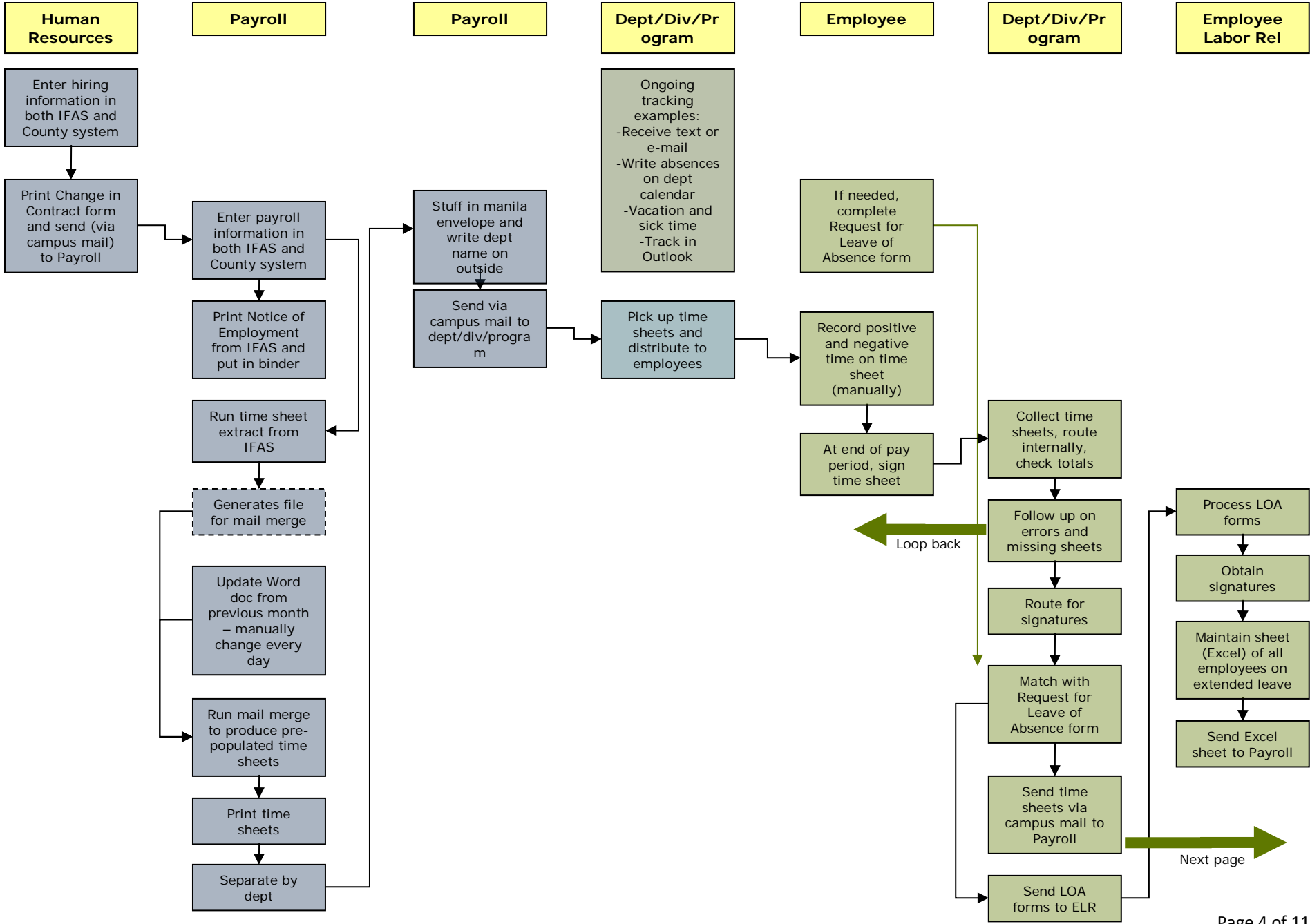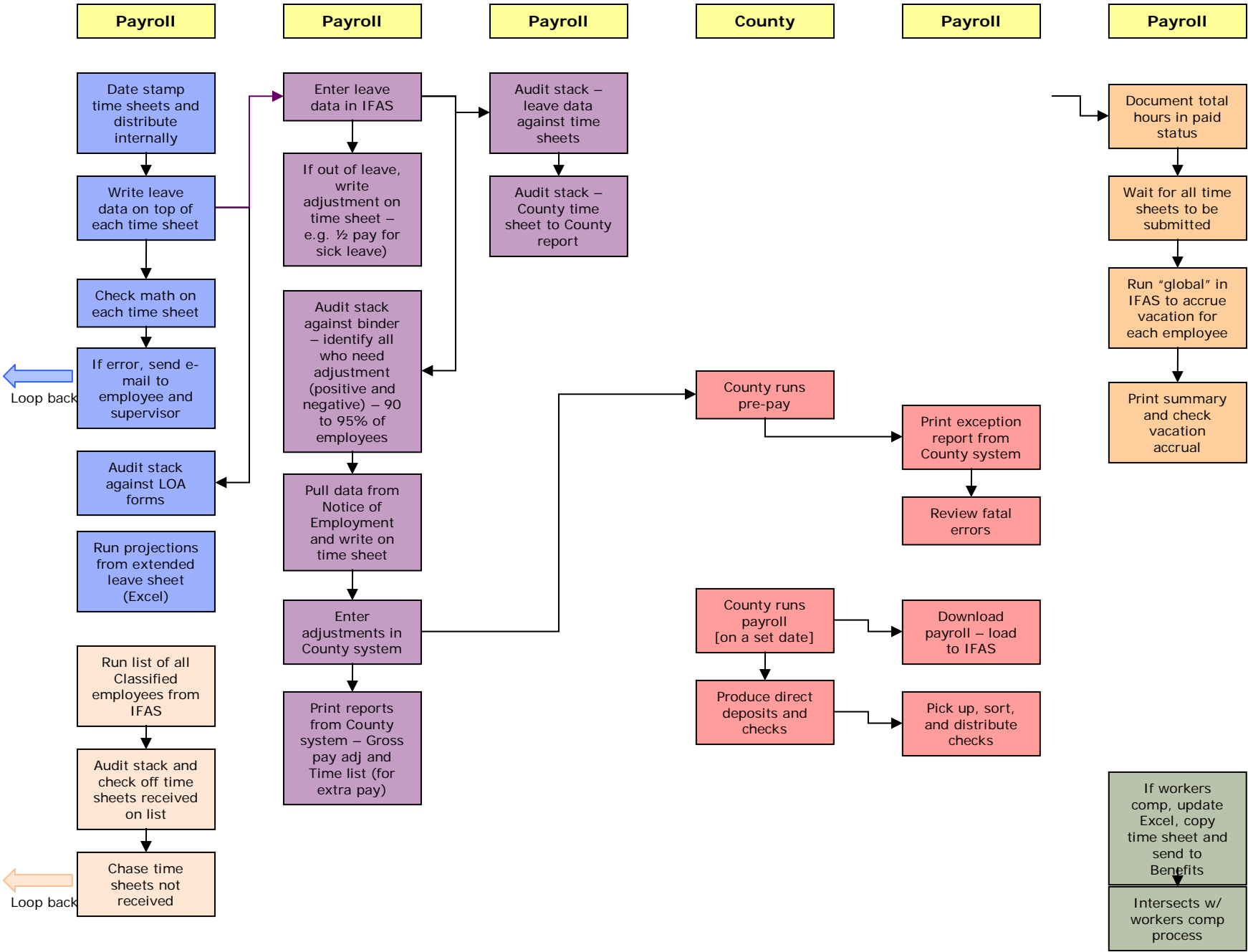
Ideas:
-If instructor out sick, auto-notify students, auto-display on electronic display
-If approver on vacation, set up proxy role
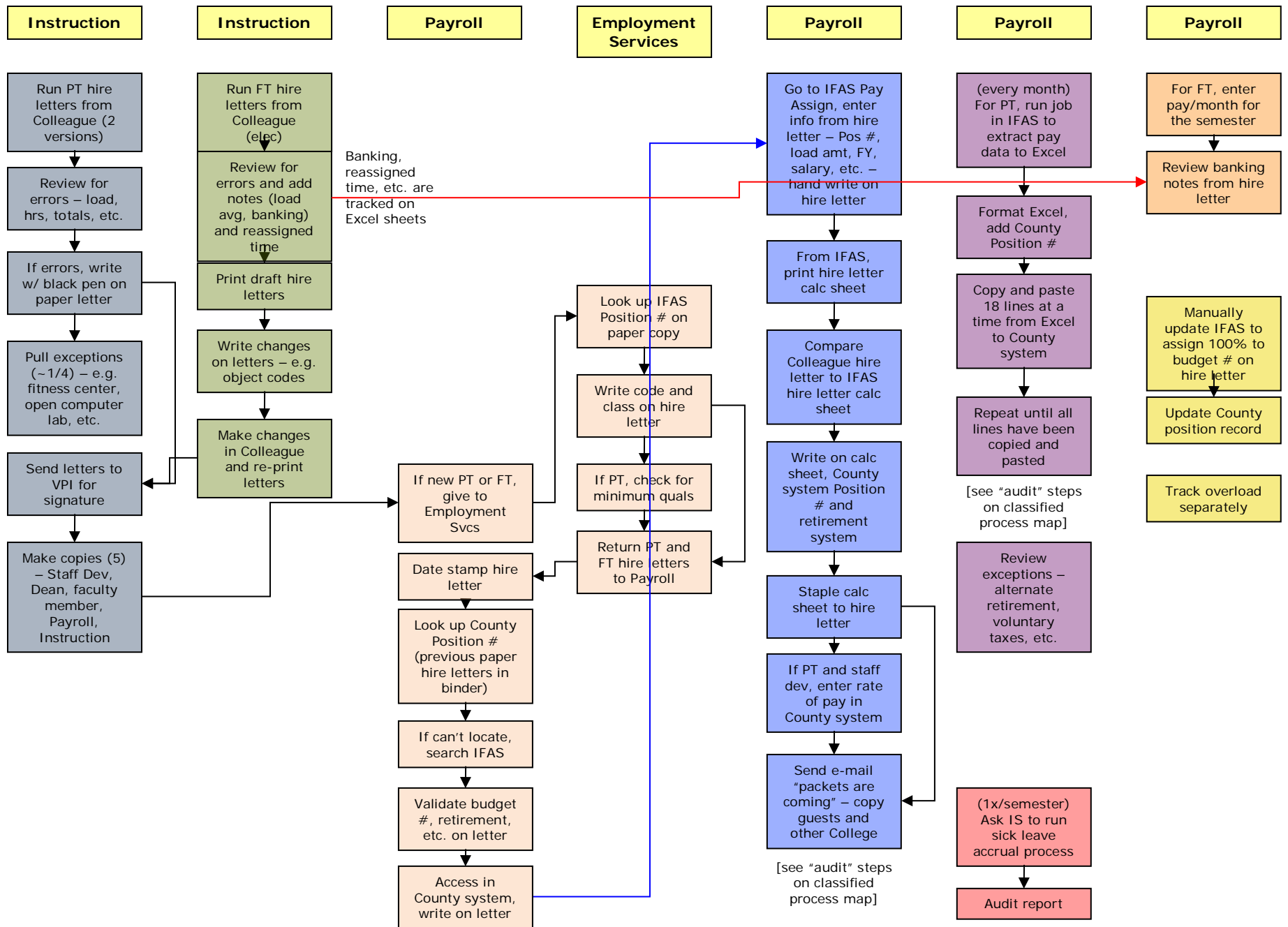-Include banked hours as part of leave balances

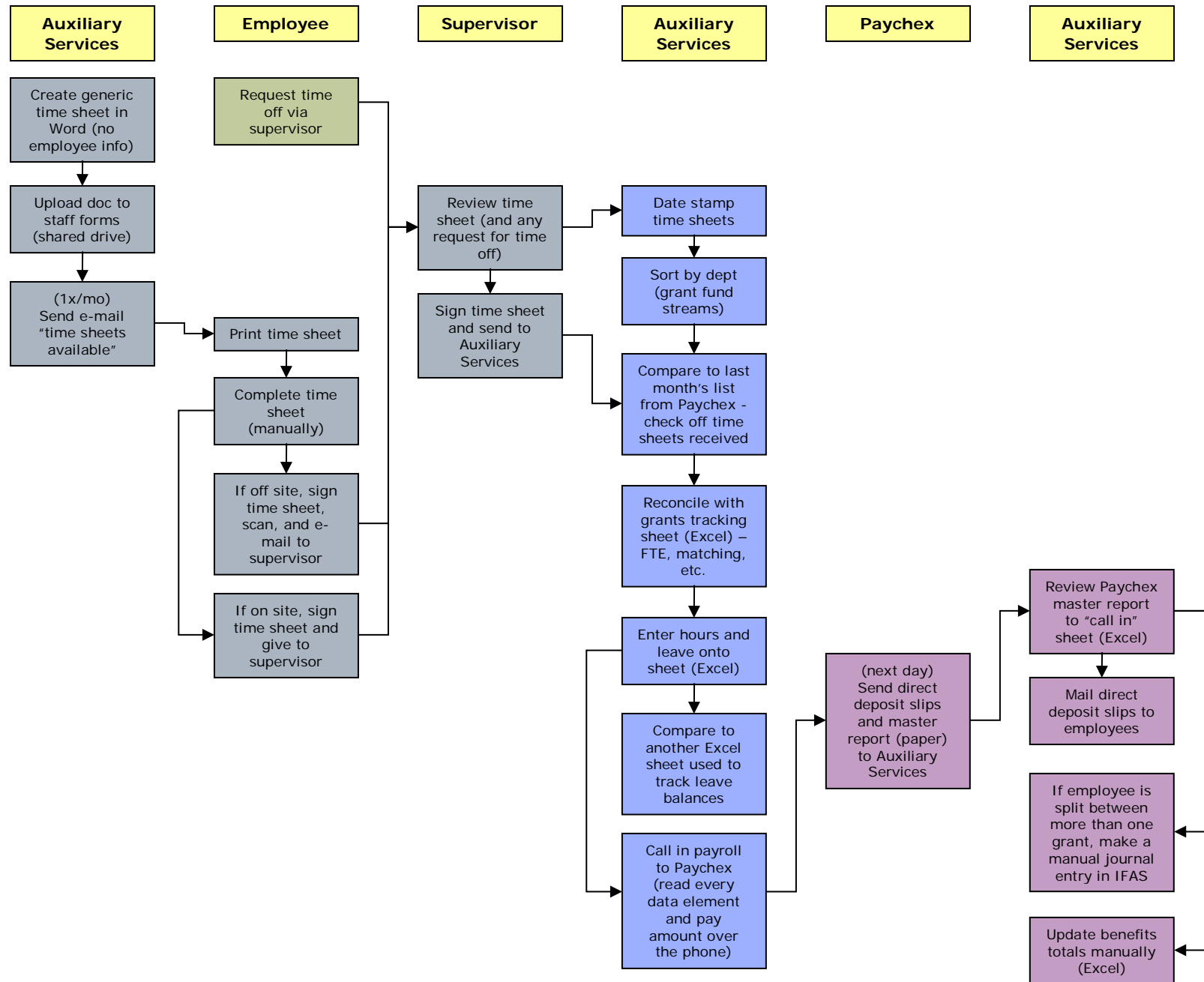# Current Payroll Process – Contract Classified – 1

Human Resources	Payroll	Payroll	Dept/Div/Program	Employee	Dept/Div/Program	Employee Labor Rel

Human Resources
- Enter hiring information in both IFAS and County system
- Print Change in Contract form and send (via campus mail) to Payroll

Payroll
- Enter payroll information in both IFAS and County system
- Print Notice of Employment from IFAS and put in binder
- Run time sheet extract from IFAS
- Generates file for mail merge
- Update Word doc from previous month – manually change every day
- Run mail merge to produce pre-populated time sheets
- Print time sheets
- Separate by dept

Payroll
- Stuff in manila envelope and write dept name on outside
- Send via campus mail to dept/div/program

Dept/Div/Program
- Ongoing tracking examples:
  - Receive text or e-mail
  - Write absences on dept calendar
  - Vacation and sick time
  - Track in Outlook
- Pick up time sheets and distribute to employees

Employee
- If needed, complete Request for Leave of Absence form
- Record positive and negative time on time sheet (manually)
- At end of pay period, sign time sheet

Dept/Div/Program
- Collect time sheets, route internally, check totals
- Follow up on errors and missing sheets
- Route for signatures
- Match with Request for Leave of Absence form
- Send time sheets via campus mail to Payroll
- Send LOA forms to ELR

Loop back

Employee Labor Rel
- Process LOA forms
- Obtain signatures
- Maintain sheet (Excel) of all employees on extended leave
- Send Excel sheet to Payroll

Next page

Current Payroll Process – Contract Classified – 2

Payroll	Payroll	Payroll	County	Payroll	Payroll

Payroll (column 1):
- Date stamp time sheets and distribute internally
- Write leave data on top of each time sheet
- Check math on each time sheet
- If error, send e-mail to employee and supervisor → Loop back
- Audit stack against LOA forms
- Run projections from extended leave sheet (Excel)

- Run list of all Classified employees from IFAS
- Audit stack and check off time sheets received on list
- Chase time sheets not received → Loop back

Payroll (column 2):
- Enter leave data in IFAS
- If out of leave, write adjustment on time sheet – e.g. ½ pay for sick leave)
- Audit stack against binder – identify all who need adjustment (positive and negative) – 90 to 95% of employees
- Pull data from Notice of Employment and write on time sheet
- Enter adjustments in County system
- Print reports from County system – Gross pay adj and Time list (for extra pay)

Payroll (column 3):
- Audit stack – leave data against time sheets
- Audit stack – County time sheet to County report

County:
- County runs pre-pay
- County runs payroll [on a set date]
- Produce direct deposits and checks

Payroll (column 5):
- Print exception report from County system
- Review fatal errors
- Download payroll – load to IFAS
- Pick up, sort, and distribute checks

Payroll (column 6):
- Document total hours in paid status
- Wait for all time sheets to be submitted
- Run "global" in IFAS to accrue vacation for each employee
- Print summary and check vacation accrual

- If workers comp, update Excel, copy time sheet and send to Benefits
- Intersects w/ workers comp process

Current Faculty Payroll Process

Instruction	Instruction	Payroll	Employment Services	Payroll	Payroll	Payroll

Instruction (column 1)

- Run PT hire letters from Colleague (2 versions)
- Review for errors – load, hrs, totals, etc.
- If errors, write w/ black pen on paper letter
- Pull exceptions (~1/4) – e.g. fitness center, open computer lab, etc.
- Send letters to VPI for signature
- Make copies (5) – Staff Dev, Dean, faculty member, Payroll, Instruction

Instruction (column 2)

- Run FT hire letters from Colleague (elec)
- Review for errors and add notes (load avg, banking) and reassigned time
- Print draft hire letters
- Write changes on letters – e.g. object codes
- Make changes in Colleague and re-print letters

Banking, reassigned time, etc. are tracked on Excel sheets

Payroll (column 3)

- If new PT or FT, give to Employment Svcs
- Date stamp hire letter
- Look up County Position # (previous paper hire letters in binder)
- If can't locate, search IFAS
- Validate budget #, retirement, etc. on letter
- Access in County system, write on letter

Employment Services (column 4)

- Look up IFAS Position # on paper copy
- Write code and class on hire letter
- If PT, check for minimum quals
- Return PT and FT hire letters to Payroll

Payroll (column 5)

- Go to IFAS Pay Assign, enter info from hire letter – Pos #, load amt, FY, salary, etc. – hand write on hire letter
- From IFAS, print hire letter calc sheet
- Compare Colleague hire letter to IFAS hire letter calc sheet
- Write on calc sheet, County system Position # and retirement system
- Staple calc sheet to hire letter
- If PT and staff dev, enter rate of pay in County system
- Send e-mail "packets are coming" – copy guests and other College

[see "audit" steps on classified process map]

Payroll (column 6)

- (every month) For PT, run job in IFAS to extract pay data to Excel
- Format Excel, add County Position #
- Copy and paste 18 lines at a time from Excel to County system
- Repeat until all lines have been copied and pasted

[see "audit" steps on classified process map]

- Review exceptions – alternate retirement, voluntary taxes, etc.
- (1x/semester) Ask IS to run sick leave accrual process
- Audit report

Payroll (column 7)

- For FT, enter pay/month for the semester
- Review banking notes from hire letter
- Manually update IFAS to assign 100% to budget # on hire letter
- Update County position record
- Track overload separately

Current Payroll Process – Auxiliary Services

Auxiliary Services	**Employee**	**Supervisor**	**Auxiliary Services**	**Paychex**	**Auxiliary Services**

Auxiliary Services:
- Create generic time sheet in Word (no employee info)
- Upload doc to staff forms (shared drive)
- (1x/mo) Send e-mail "time sheets available"

Employee:
- Request time off via supervisor
- Print time sheet
- Complete time sheet (manually)
- If off site, sign time sheet, scan, and e-mail to supervisor
- If on site, sign time sheet and give to supervisor

Supervisor:
- Review time sheet (and any request for time off)
- Sign time sheet and send to Auxiliary Services

Auxiliary Services:
- Date stamp time sheets
- Sort by dept (grant fund streams)
- Compare to last month's list from Paychex - check off time sheets received
- Reconcile with grants tracking sheet (Excel) – FTE, matching, etc.
- Enter hours and leave onto sheet (Excel)
- Compare to another Excel sheet used to track leave balances
- Call in payroll to Paychex (read every data element and pay amount over the phone)

Paychex:
- (next day) Send direct deposit slips and master report (paper) to Auxiliary Services

Auxiliary Services:
- Review Paychex master report to "call in" sheet (Excel)
- Mail direct deposit slips to employees
- If employee is split between more than one grant, make a manual journal entry in IFAS
- Update benefits totals manually (Excel)

APPENDIX A

Opportunities for Improvement

Payroll Process

In brainstorming fashion, participants identified the following opportunities. (These are not listed in ranked order, nor do they necessarily represent consensus.)

- Auxiliary Services on the same integrated system – with clear separation of funds – and ability to flag exceptions – e.g. hired at District and Aux Services
- Web-based time entry for all employees
- Workflow to route for approval and notification
- Employees view pay stubs, leave balances, etc. via self-service
- Integrate in order to have a single "system of record"
- Each employee has one ID number and one password
- For classified, report only leave or overtime – exception reporting
- Pre-populate NOE with data from ERP
- Pull information right when needed – of too early, it becomes out-of-date quickly
- Consider including grants evaluation as part of evaluation of Finance system
- In the short run, Auxiliary Services enter directly to Paychex – rather than "call it in"
- Build in parameters/rules to support compliance – e.g. minimum enrolled units for student employees
- Use web time entry to auto-total columns, ensure balances not exceeded, etc.
- One version of hire letter – or discontinue routing paper altogether
- Allow deans' offices to control object codes, reassigned time, etc. – process principle, "keep transaction close to decision"
- Make information available 24/7 via self-service – take time and location out of the process
- Rename hire letter (confusing because it's not about hiring)
- Load data directly to County – rather than re-entering
- Become fiscally independent – thank and say goodbye to County
- Require direct deposit
- Auxiliary Services – access pay stubs online and discontinue paper pay stubs
- Make web time entry available 24/7 – employees enter positive and negative time on an ongoing basis
- Integrate Auxiliary Services in new ERP
- Simplify payroll process
  - Design around the rule and handle the exception
  - Reduce the number of steps
  - Provide 24/7 access from any location
- Single system
  - Enter data once
  - Conduct exception audits
  - Eliminate need for shadow systems – e.g. Excel, Access, lists, etc.
- Let systems do what systems do (math, never sleep, follow rules, etc.), in order to free people up to utilize their experience, expertise and creativity (thinking, analyzing, relating, planning, innovating)
- Eliminate paper

- - No time sheets
  - No hire letters
  - No files/folders
- Utilize workflow – automatic routing for notification and approval
- Give employees control via self-service
  - Maintain direct deposit information
  - Change address
  - Request LOA
  - Maintain other data – e.g. tax forms
  - View pay stubs and leave balances
- Send reminders automatically – e.g. time entry deadly, auto-escalate if late, etc.
- All employees on GCCCD e-mail – utilize as the only method of "official" communication
- Use targeted messaging in a portal – rather than e-mail, display message upon signing in
- Clock-in at sign on
- Use the correct TOPS code – balance budget
- Less church on changing budget codes
- Count banking as a cost/liability
- Discontinue hire lever every semester
- Hire letters are obsolete
- Have deans review exceptions
- Training

Obstacles

Payroll Process

In the same manner, participants identified the following obstacles:

- Terminology – e.g. "hire letter" for long-term employees, "contract change form" even if there's no change in the contract, etc.
- 200 employees not using direct deposit – therefore requiring paper checks
- Paper time sheets – manually produced every month
- Time not recorded in system – may pose a problem for workers' comp claim
- Lost in the mail
- Not clear how to use the "Comp Time" box on the time sheet
- Late submission of time sheets – tracking and follow up represents process "churn"
- Manually audit and total columns for every employee, every pay period
- Most time sheets to not arrive in Payroll by the deadline
- Proliferation of shadow systems – represents the same data being entered 2, 3, and 4 times
  - Access
  - Excel
  - Word list
- Lots of moving parts – same data being entered in three systems
  - IFAS
  - Colleague
  - County
- Previous two bullets represent:
  - Massive overhead costs (the time it takes people to keep these disparate systems in sync)
  - A profound challenge to data quality (the risk of error increases every time the same piece of data is entered)
- Employees have at least three ID numbers – EID, CID, SSN
- Pay is on one system, leave is on another
- Pay assign records in IFAS are not easy to read – information on several different screens
- Contact hours do not always calculate/display correctly
- Confusion about the "grid"
- Continuing Ed load information is not included on the hire letter
- Class schedule change retriggers the entire process
- Many (most?) classes entered with "staff" assigned
- AOJ classes require manual input and changes
- More exceptions every year – not scalable
- Exceptions becoming the rule – e.g. "notes" on most faculty records, extra pay, release time, stipends
- Work experience classes are difficult to process – don't know enrollment figures until 6 weeks into semester – and additional "paperwork" is required
- Position number is not in Colleague (symptom of being on separate systems)

- Auxiliary Services using Paychex and require direct deposit – BUT generating paper pay stubs
- Auxiliary Services – fields on time sheet not pre-populated with employee's data
- Auxiliary Services -- List from Paychex is a month old
- Auxiliary Services -- At the end of a grant, FTES assigned changes – difficult to process payroll
- Auxiliary Services – "Call in" pay every pay period
- Auxiliary Services – No audit/review step with Paychex
- Auxiliary Services – Paying for Paychex services but still many manual steps
- Auxiliary Services – Checks to benefits vendors go from Paychex to Auxiliary Services the Auxiliary Services to vendor
- Auxiliary Services – Running everything from Excel
- Adding hours incorrectly
- County charging for manual checks
- Paper falls through the cracks
- Reluctance to use technology
- Time to work on project