

## **BEST PRACTICES, Controller's Office - Payroll**

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**Title:** Cash Reimbursement Process **#** 1

**Source:** University of Memphis **Co Area:** Controller's Office - Payroll

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2004.html](http://www.sacubo.org/sacubo_resources/best_practices/2004.html)

**Abstract:** In the spring of 2001, the Accounting Office implemented the disbursement of travel and other cash reimbursements and payments via Automatic Deposit to expedite this process that is so critical to our customers.

For faculty and staff, funds are deposited to the account used for automatic deposit for payroll. To inform the customer of the transaction and to ensure that adequate records are maintained, employees receive an email from the Accounting Office identifying the reimbursement transaction, the dollar amount, and the date the funds were wired to the employee's bank account. This email is directed to the employee's University email address, and is automatically generated by the financial system.

In addition, this process has also been expanded to include approximately 50 vendors and many independent contractors, who have opted for this form of payment and have provided their bank and e-mail information for prompt payment and notification.

Implementation of this process has improved customer satisfaction as faculty, staff and vendors have expedited access to their funds. And, by eliminating the need to issue approximately 400 checks per month, this process has improved the efficiency of the Accounting Office and eliminated the need to replace lost checks.

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**Title:** Converting Paychecks to Direct Deposit **#** 7

**Source:** George Mason University **Co Area:** Human Resources - Employme

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices/2005.html](http://www.sacubo.org/sacubo_resources/best_practices/2005.html)

**Abstract:** George Mason University Administrative Policy Number 2201 mandates electronic direct deposits for all employees hired on or after February 1, 2002. Until March of 2004, however, this policy had not been enforced. Our challenge was to begin to enforce the policy in order to increase the number of employees on direct deposit and reduce the number of physical paychecks we generated.

## **BEST PRACTICES, Controller's Office - Payroll**

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**Title:** Payroll Best Practices

# 147

**Source:** Book by Steven M. Bragg

**Co Area:**

**Addl Info:** [Accounting Best Practices - Chpt 17, pg 346 - Contact Dianne Parkerson, 561 297-3946](#)

**Abstract:** Many of the book's Payroll Best Practices do not apply, but are listed here. If more information is needed, contact Dianne Parkerson, 7-3946. Details are provided for a few.

### Employee Deductions

- 17-1 Disallow prepayments
- 17-2 Give employees direct access to deduction data - See #148
- 17-3 Minimize payroll deductions
- 17-4 Prohibit deductions for employee purchases

### Employee Forms

- 17-5 Automatic fax-back of payroll forms - See #149
- 17-6 Post forms on an intranet site - See #149
- 17-7 Avoid job costing through the payroll system
- 17-8 Switch to salaried positions
- 17-9 Use bar coded time clock
- 17-10 Use biometric time clocks
- 17-11 Use honor system to track vacation and sick time

### Payments to Employees

- 17-12 Issue electronic W-2 forms to employees
- 17-13 Offer clear cards to employees - See #150
- 17-14 Send remittances as e-mail messages
- 17-15 Transfer payroll to credit card balances - See #151
- 17-16 Use direct deposit

### Payroll Management

- 17-17 Automate vacation accruals
- 17-18 Consolidate payroll systems
- 17-19 Eliminate personal leave days
- 17-20 Link payroll changes to employee events
- 17-21 Link the 401(k) plan to the payroll system
- 17-22 Link the payroll and human resources databases
- 17-23 Minimize payroll cycles
- 17-24 Outsource the payroll function
- 17-25 Use Web-based payroll outsourcing

## **BEST PRACTICES, Controller's Office - Payroll**

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**Title:** Give employees direct access to deduction data # 148

**Source:** Book by Steven M. Bragg **Co Area:**

**Addl Info:** [Accounting Best Practices - 17-2 , pg 349 - Contact Dianne Parkerson, 561 297-3946](#)

**Abstract:** This suggests an interface with the payroll system. The employee could see their deductions and if appropriate, edit them. There would be a split screen with one side showing gross pay, less deductions and net pay. The other side would show how the net pay would change if a deduction would change - such as an increase/decrease to a pre-tax 403b or a change in the number of tax withholdings. These types of changes might be done online by the employee, but other changes, such as insurance changes could not be done - but the results could displayed "as-if" with text indicating changes of this nature are allowed only during open enrollment.

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**Title:** Automatic fax-back of payroll form or Post forms on an intranet site # 149

**Source:** Book by Steven M. Bragg **Co Area:**

**Addl Info:** [Accounting Best Practices - 17-5&6, pg 352 - Contact Dianne Parkerson, 561 297-3946](#)

**Abstract:** These two suggestions eliminate the manual task of sending out and returning forms. Prior to the popularity of the Web, "fax-back" systems were often used to automate disbursement of needed forms. However, posting forms on an intranet site is more in use today. We do have most forms on the Web, but I don't believe the W-4 is on line. If possible, all forms kept in stock should be available on line.

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**Title:** Offer "Clear Card" to employees # 150

**Source:** Book by Steven M. Bragg **Co Area:**

**Addl Info:** [Accounting Best Practices - 17-13, pg 360 - Contact Dianne Parkerson, 561 297-3946](#)

**Abstract:** Employees can find themselves in credit trouble from time to time, frequently resulting in requests for payroll advances (N/A for FAU) which is a time-consuming process. An alternative to the payroll advance is to offer a "Clear Card" to employees. Under this approach, an employee pays for something with a MasterCard and then has the payment automatically deducted from their paycheck over the next two months, with no interest or late fees charged on the payment. Employees pay \$29 per year for this service, while the employer pays no fee at all. The credit card provider installs the automatic linkage through the corporate payroll system to process payroll deductions, and does so free of charge. The card is only available to employees earning at least \$20,000 per year and who have worked for a company at least six months. The credit limit on the card is 2.5 percent for those earning less than \$75,000 per year, with a 4 percent limit for those earning above this amount.

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## **BEST PRACTICES, Controller's Office - Payroll**

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**Title:** Transfer payroll to credit card balances # 151

**Source:** Book by Steven M. Bragg **Co Area:**

**Addl Info:** [Accounting Best Practices - 17-15, pg 361 - Contact Dianne Parkerson, 561 297-3946](#)

**Abstract:** This suggestion is for the few people that do not have direct deposit because they do not have a bank account. A good solution to this problem is to set up a Visa debit card, called the Visa Paycard, for any employees requesting one, and then shift payroll funds directly into the card. This allows employees to pull any amount of cash they need from an ATM, rather than the entire amount at one time from a check-cashing service. The card can also be used like a credit card, so there is little need to make purchases with cash. Further, the fee to convert to cash at an ATM is much lower than the fee charged by a check-cashing service. There is also less risk of theft through the card, since it is protected by a personal identification number (PIN). Employees will also receive a monthly statement showing their account activity, which they can use to get a better idea of their spending habits.

The Paycard has only recently been rolled out by Visa, and is only available through a few banks. One must contact the corporate bank to see if it has this option available.

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**Title:** Payroll Expenditure Review/Reconciliation # 398

**Source:** University of California Berkeley **Co Area:**

**Addl Info:** <http://payroll.berkeley.edu/Resources/ExpenditureReconcil.pdf>

**Abstract:** 3 Slide PowerPoint Presentation for departments to review and validate payroll expenditures.

## **BEST PRACTICES, Controller's Office - Payroll**

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**Title:** Payroll Best Practices # 690

**Source:** Book by Steven M. Bragg **Co Area:**

**Addl Info:** [Book available from FAU Library G 4028.P5B73 2005](#)

**Abstract:** Excellent Resource

1. Success or Failure with Best Practices
2. Employee Time Tracking
3. Employee Benefits and Deductions
4. Payroll Forms and Reports
5. Payments to Employees
6. Commission Calculations & Payments
7. Payroll Outsourcing
8. Payroll Management
9. Payroll Systems
10. Payroll Controls
11. Payroll Measurements
12. Payroll Policies and Procedures
12. Best Practices Implementation Plan

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**Title:** Controls for Payroll Self-Service # 713

**Source:** Accounting Control Best Practices by Steven M. Bragg **Co Area:**

**Addl Info:** [Book available from FAU Library HF 5636.B83 2006](#)

**Abstract:** P 227-228. Require secondary approval or notification of bank account number changes.

This relates to someone obtaining access to a terminated employee's user ID and password. Book suggested requiring secondary approval of changes or at least notification of another person.

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## **BEST PRACTICES, Controller's Office - Payroll**

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**Title:** Speeding Through Tax Time: Electronic W-2 Forms at George Mason

# 882

**Source:** George Mason University

**Co Area:**

**Addl Info:** [http://www.sacubo.org/sacubo\\_resources/best\\_practices\\_files/2008\\_files/Electronic-W2-Forms.pdf](http://www.sacubo.org/sacubo_resources/best_practices_files/2008_files/Electronic-W2-Forms.pdf)

**Abstract:** The Payroll Department at George Mason University utilized web-based technology to make W-2 forms available to the university community in a more customer-driven, timely, and accurate manner. Mason was the first and largest university in Virginia utilizing the Banner software system to implement 100% paperless delivery of W-2s. Moving to an electronic W-2 form has saved the university time and money as well as improved delivery of important financial information.

The on-line W-2 system has saved the department both time and money as well as greatly reducing the number of W-2 corrections that need to be made. The W-2s are delivered sooner providing ample time to resolve any questions or discrepancies prior to having to send the information to the IRS. The process is more customer focused as staff can spend additional time working with our University customers to ensure that the information we have is accurate. Our customers receive more timely information in a format that facilitates submitting their tax returns electronically thereby receiving their refunds much faster.