

Series: Fiscal Management **COA: FIN 8**
CFOP: 15-7

Procedure Name: Payroll Payment Processing
Procedure Number: FM-205
Revision #/Date: (1) 2/10/09
Effective Date: 08/1/04
Applicable to: All CBCB Staff

SUBJECT: Payroll Payment Processing

PURPOSE: To process payroll through sound payroll practices to comply with federal and state wage and hour laws.

PROCEDURE:

References

CBCB Policies/Procedures: GOV-202, GOV-208, RQ-504, CM-101, AP-450 (maybe some HR procedures but nothing on the share drive yet)

Fair Labor Standards Act (FSLA)

Exempt Time Sheet

Non-Exempt Time Sheet

Definition

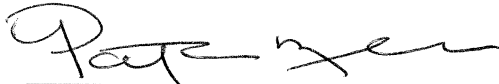
The FSLA establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

- A. Payroll payment processing will be completed as outlined in Flow Chart# 50 – Payroll Payment Processing.
- B. A separate bank account for payroll is not maintained.
- C. CBCB contracts with a PEO (Professional Employer Organization) to provide specific services to the Agency including the processing of payroll, calculation and filing of taxes and the preparation of year end W-2's for all employees. This arrangement establishes a three-way relationship between CBCB, the employee and the PEO. The PEO and CBCB are considered co-employers and the employees are considered "leased employees." This allows the PEO to provide various benefit programs, administration of some programs

and payroll processing for the Agency. Certain employment related liabilities are shared as a result of this arrangement. The PEO takes responsibility for certain HR administration (COBRA Election Notices, FMLA forms and notice requirements, processing of the tuition reimbursement programs, etc.) and compliance, for which the PEO charges a fee. The employees continue to work at the CBCB locations and CBCB exercises control over the business.

- D. Due to the contractual relationship describe in Section C, CBCB does not perform an annual reconciliation of gross pay, FICA withheld and employer FICA with the W-2's. All W-2's are prepared, reconciled and mailed to each employee's home address by the PEO.

BY DIRECTION OF THE CHIEF EXECUTIVE OFFICER:



DR. PATRICIA NELLIUS-GUTHRIE
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APPROVAL DATE: 3/17/09