

CAROLINA FAMILY HEALTH CENTERS, INC. PROCEDURE

TITLE: FIN-107.01 Payroll

EFFECTIVE DATE: December 2003

SECTION: Finance

REFERENCE POLICY: FIN-107 Payroll

RESPONSIBLE CHIEF OF STAFF: Chief Financial Officer

RESPONSIBLE COMMITTEE: Finance CIT

REVIEWED: 12/09, 05/12, 10/13, 01/16, 07/16, 02/17, 09/17, 06/27/2022, 08/18/2025

I. PURPOSE

The purpose of this procedure is to establish guidelines for the payroll payables at Carolina Family Health Centers, Inc. (CFHC, Inc.).

II. PROCEDURE

Paycheck Preparation

1. Contract and 1099 employees are paid bi-weekly on the last work day of the week, typically on Friday.
2. All employees are required to utilize the designated time system, which is the Automatic Payroll Systems, Inc. Employee and Manager Self-Service (eSS) Module. Refer to *HR-703 Employee Time Keeping*.
3. Payroll documentation and approval of timecards are due to Finance by the employee no later than 10:00 AM and the employee's supervisor no later than 12:00 PM on payroll Monday. Employees are responsible for accurate timecard recordkeeping. The Finance department communicates any changes to this approval deadline.
4. Timesheets are locked on payroll Monday at 12:00 PM by the Staff Accountant.
5. The Staff Accountant verifies all calculations notated in the time clock system.
6. The Staff Accountant verifies that timecards are complete based on FTE and makes the necessary changes.
7. Calculation of garnishments is completed by the Staff Accountant.
8. The Staff Accountant prints the Payroll Summary Audit Report, reviews, and submits payroll to the Director of Finance.
9. The Director of Finance reviews the Payroll Summary Audit Report and timecards per employee. A red check mark on the Payroll Summary Audit Report confirms each item has been checked.
10. Employees are paid through direct deposit. Pay stubs/vouchers are available to all employees via eSS.
11. The Chief Executive Officer reviews select payroll stubs/vouchers.
12. Corrections to payroll must be documented on the *Payroll Correction Form* (see attachment),

signed by the finance employee making the change. Corrections of less than eight hours worked are made on the employee's next paycheck. Corrections of more than eight hours worked are made on the Monday following paycheck distribution.

13. Payroll discrepancies must be addressed by the employee prior to the following payroll, except for discrepancies mandated by law.

Reports/Payments

The following reports are generated by the Staff Accountant every payroll period:

1. Payroll Summary Audit Reports are prepared, which identify gross pay, deductions, and net pay for the employee.
2. Health Savings Account (HSA) funds are deposited into the employee's account electronically.
3. FSA and Dependent Care funds are deposited into the employee's account electronically.
4. State payroll taxes are paid electronically.
5. Federal payroll taxes are paid electronically.
6. Child support payments are paid electronically. An Administration Fee of \$2 is charged for each garnishment. Administration Fee not to exceed \$10 per month.
7. 401(k) report identifies the employee deductions and company matching due to each employee's account. An electronic report is submitted to the Retirement Account Administrator through the payroll processing system.
8. Garnishment checks are prepared, and stubs/vouchers are compared to the deduction report through the payroll processing system. An Administration Fee is charged for each garnishment. The Administration Fee is \$3.50 per garnishment transaction. When garnishment requests are received, the *Payroll Garnishment Form* (see attachment) is filled out and signed by the Staff Accountant and the employee.

The following reports are generated by the Staff Accountant every quarter:

1. Quarterly IRS Form 941.
2. North Carolina Withholding.
3. North Carolina Unemployment. Payment is made electronically.
4. Multiple Worksite Report with the US Department of Labor is made electronically.

The North Carolina Sales and Use Tax Form is generated by the Finance Associate I - Accounts Payable semi-annually.

Each year, the Staff Accountant generates a W-2 for each employee and 1099s for contract employees. These are mailed to employees and contract employees by the payroll vendor.

Direct Deposit

1. Direct Deposit is uploaded and processed by the payroll vendor by 4:00 PM two days prior to the pay date.
2. A report is printed from the Direct Deposit System and maintained in the current payroll

folder.

I. ATTACHMENTS

- *Payroll Correction Form*
- *Payroll Garnishment Form*
- *Child Support Garnishment Form*