

Policy Type: Financial Policy
Policy Title: Financial – Human Resources and Payroll
Effective: Spring 2024
Oversight Committee: Audit Committee



Human Resource and Payroll

Payroll Related Expenditures

The Board, with authority delegated to the director, shall ensure that payroll-related expenditures are earned, accurate, and approved (authorized) before payment is made. Additionally, the following applies to payroll-related expenditures:

- Employees are paid on a 12-month schedule, with wages accrued as earned, and in accordance with pay periods and pay dates as authorized by the Board.
- The school shall communicate pay period and pay day information clearly and effectively to individual employees upon hire.
- The school shall communicate pay rate information clearly and effectively to individual employees upon hire and whenever a change occurs.
- Employees will be paid for all services (stipends, additional work, etc.) related to their position at the school through payroll and not as a 1099 employee or service provider.
- Pay advances are not authorized. All payments to employees are to be made only after wages are earned.
- All employee payroll amounts are calculated based upon approved rates included in the individual's personnel file. Any changes to pay rates or benefits must be properly authorized in writing by appropriate individuals or the Board where applicable.
- The director will ensure that employees whose compensation is paid in any portion from one or more restricted sources of revenue shall document their time and effort on a Personnel Activity Report consistent with 2 C.F.R. § 200.430 and applicable state law and rule. Personnel Activity Reports are mandatory to ensure ongoing compliance with program regulations and to ensure funds are not recalled from the school by the state or federal governments.
- The school Director or immediate supervisor (Supervisor) will accurately record and track all employees' accrued paid time off (PTO). PTO includes a variety of paid time off, including but not limited to Sick, Personal, Vacation time, etc.
- The Supervisor shall consider available PTO balance(s) and the needs of the school prior to approving PTO.
- The business office will add or deduct PTO for all employees as authorized by policy or the Supervisor when processing each payroll and will provide balance information to the Supervisor periodically.
- Overtime wages, while not formally against policy, are not authorized under normal circumstances and are only to be used in rare instances of emergency.
- Pay rates or employee benefit package changes may not be authorized exclusively by persons for whom the pay rate or benefits will affect.
- All payroll taxes and benefits are properly calculated and any deposits made in a timely manner.
- All payroll tax reports are prepared in a timely manner and reviewed for accuracy prior to filing.

Timesheets

Hourly employees will complete timesheets to accurately represent the time worked. The director shall cause that employees paid with restricted program funds complete required timesheets compliant with state and federal laws and restricted program rules (Personnel Activity Reports). Supervisors will review timesheets for accuracy prior to approval to be processed for payroll. Falsification of time will not be allowed and shall be reported to the director immediately. Upon termination of employment, an employee must submit their final timesheet and PARs, if required, prior to receiving their final paycheck.

Time and Effort Standards (Personnel Activity Reports)

Lakeview recognizes and follows the Uniform Administrative Requirements pertaining to the Standards for Documentation of Personnel Expenses as contained in the Code of Federal Regulations Title 2 Part 200.430(i). Documentation of personnel expenses will:

1. Be supported by a system of internal controls which provides reasonable assurance that charges are accurate, allowable, and allocable.
2. Be incorporated into the School's official records.
3. Reasonably reflect the total activity for which the employee is compensated.
4. Encompass both federally assisted and all other activities compensated by the School.
5. Comply with the established accounting policies and practices of the School.
6. Support the distribution of the employee's salary or wages among specific activities or cost objectives.

The School's administration will adopt additional administrative procedures to ensure compliance with this policy and applicable law.

Definitions

"Accurate" means that salaries and wages are based on records that provide an actual representation of the work performed.

"Allocable" means a cost is allocable to a Federal award or other cost objective because the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with the relative benefits received.

"Allowable" means that a cost meets the criteria (factors affecting allowability of costs) outlined in Uniform Administrative Requirements 2 CFR 200.403 unless otherwise authorized by statute.

"Internal Controls" mean processes implemented by a non-federal entity designed to provide reasonable assurance regarding the achievement of objectives.

"Cost Objectives" means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. (i.e., Implementation of program accounting).

Time and Effort Documentation Administrative Procedures

1. All employees who are paid in full or in part with federal funds, or as required by state funds, must keep documentation to demonstrate the amount of time they spent on grant activities. In addition, employees who are paid from state and local funds, but whose salaries are used for cost sharing or matching, must also keep time and effort documentation that accurately/reasonably represents the work that has been performed during the period reported on.

Employees may submit their time and effort certification, with Business Administrator approval, in one of the following ways:

a. Semi-Annual Certification – This certification may be submitted by/for employees who spend 100% of their time and effort on a single cost objective during the six-month period being reported on. The certification will

- i. Semi-Annual Certifications will be submitted for the periods July 1 through December 31, and January 1 through June 30.
- ii. Semi-Annual Certifications must be submitted after the last day of the period being reported (after the fact).
- iii. Semi-Annual Certifications must be submitted on a form approved by the Business Administrator.

Forms will include: Employee name; Title; Period being reported on; statement that 100% of time was spent on stated program; whether time, effort and salary are being used for cost sharing or matching purposes and for what programs; signature of employee and supervisor; date signed by employee and supervisor.

b. Personnel Activity Report (PAR) – This report will be submitted by employees that do not submit a semi-annual certification but are paid in full or in part with federal funds or as required by state funds. PARs will be submitted on a monthly basis.

Forms will include: Employee name; Period being reported on; distribution of time spent in each program (must include 100% of time worked in the period); whether time, effort and salary are being used for cost sharing or matching purposes and for what programs; signature of employee and supervisor; date signed by employee and supervisor.

2. Payroll records must reconcile with the time and effort documentation.
3. A reconciliation of payroll records and time and effort documents will be done on a quarterly basis. Adjustments will be made and discussed, as necessary.
4. If an employee's salary is being used for cost sharing/matching purposes, then this needs to be identified on the employee's time and effort certification form. Once a salary has been used for matching purposes or a portion of the salary, then the salary, or portion thereof, that has been used may not be used as matching/cost sharing funds for another program.

5. If assignments change, it is the School's responsibility to inform the School's business administrator so that payroll records, budgets, etc. can be updated.
6. Upon termination of employment, an employee must submit their final time and effort documentation prior to receiving their final payment.
7. Procedures will be periodically reviewed by the administration. Updates due to changes in rules or regulations will be made in a timely manner, as necessary.
8. Employees will receive appropriate training on time and effort documentation.
9. The School will keep a copy of all time and effort documentation (Semi-Annual Certifications, Personnel Activity Reports, payroll reports, etc.) in accordance with the School's record retention practices for 5 years, whichever is greater (See 2 CFR 200.333).

Employee Retirement Plan

The school shall participate in a retirement plan as determined by the Board and administered by the director and the Trustee of the Retirement Plan. All retirement funds shall be deposited into retirement accounts timely and without delay.

Employee Travel

The director shall establish and maintain procedures for all travel and student transportation activities. Employees or volunteers (travelers) must follow the law, school policies and established procedures when operating a motor vehicle on school-related business. Travelers who travel for the school typically travel using their own personal motor vehicle or a school-rented vehicle. Travelers using their own personal vehicle for school-related travel may be reimbursed at the current federal standard mileage rate (per mile, at time of travel). Mileage should be documented via Google map (or other satisfactory route map) and included with request for mileage reimbursement. In addition, parking fees and tolls paid are reimbursable if properly supported. Moving violations or parking violations may not be paid using school funds.

Employee Travel Out of State

Employees and other Travelers who travel out of state (or on overnight travel within the state) will do so with itineraries approved by or booked through school administration, except as otherwise approved. Employees may not use public funds to pay for (or submit for reimbursement) personal expenses while traveling for the school. In addition, parking fees and tolls paid are reimbursable if properly supported.

Meals

Travelers who travel may receive reimbursement for meals they purchase and document during approved travel that is more than 100 miles from the school's primary facility. Travelers will be reimbursed for actual expenses, including tax and gratuity, for the reasonable cost of meals or a per diem as outlined in administrative procedures.

The Board reserves the right at its sole discretion to amend or change these policies at any time.

Signature of Board Officer

Signature of Board Officer

Title

Title

Print Name

Print Name