# PAYROLL ISSUES

Personnel Administration

- Personnel administration includes interviewing candidates, checking references, and hiring qualified employees. This process then produces personnel records and wage information. One of the most important internal controls in personnel administration involves the authorization of initial and periodic changes in pay rates.
- New or prospective employees must be screened which includes completing all diocesan background checks, checking employee references and checking with former employers.
- Changes in an employee's wages or payroll deductions must be authorized and documented in the employee's personnel file.
- Vacations, sick leave, days off etc. should follow proper policy and procedure.
- Personnel files should include the following: Signed acknowledgment of the employee policy handbook, employee application, W-4, K-4, direct deposit information, current benefit retirement and health forms, job description, time off requests, I-9s, etc., (I-9s should be filed in a separate folder)
- The current health insurance deduction, the federal withholding W-4 form and the state withholding K-4 form must agree to the employee's records in Paycor.
- Employees who work 20 hours or more per week should be enrolled in the diocesan retirement plan and eligible for all employee benefits.
- Individuals that perform services for the parish and related entities are considered to be employees unless in general they perform the same service for other customers. If the individual performs services for other customers then they are independent contractors and are subject to the IRS Form 1099 reporting. A 1099 MISC should be issued to all independent contractors when total payments for the calendar year exceed $600 or more. Independent contractors are required to complete an IRS form W-9 and it should be kept in the parish files. The parish should require that the independent contractor submit an invoice as evidence of work performed or service provided. Refer to Employee versus Non-Employee Policy.

Payroll

- Time and attendance records should be maintained to enable the business manager or bookkeeper to process payroll for all hourly and salaried staff.
- Payroll is to be processed in the Paycor payroll system according to the determined parish pay dates.
- The Paycor payroll journal report and the Paycor cash requirement report should be approved and initialed by the Pastor.

- Payroll processed thru Paycor is to be paid to the employees by direct deposit.
- Any manual payroll checks should be approved by the pastor.
- Payroll journal entries from Paycor should be downloaded and recorded into the accounting system.
- Paycor payroll reports should be downloaded, printed and filed in a secure filing cabinet.