

Minutes on Central Payroll User's Forum
May 11, 2005 at 1:00 pm
DOC – Enterprise Conference Room, Yonkers Rd. Raleigh

Welcome and General comments:

Roger Farmer (Payroll Administrator) opened the Forum by welcoming and thanking everyone for coming. Roger introduced Gwen Canady (Deputy State Controller), John Morgan (OSC – Chief Fiscal Officer), Terry Senter (Business Support Services Manager), Mark Newsom (OSC – Internal Control Compliance Analyst), Edith Cannady (OSC – Business System Analyst), Carol Stephenson (OSC – Business and Technology Application Technician), Dorie Kehoe (Deloitte Consulting) and the technical support staff – Mary Overcash, and Graham Smith. The agency members and Central Payroll Staff were asked to introduce themselves. There were 54 persons representing 55 agencies and 6 Central Payroll staff attending the forum.

John Morgan introduced himself and addressed his role in the payroll group. What is his role? “The state controller has given me the task of looking into the business process in payroll, we need to do a better job in OSC for giving you the tools to do payroll”. John emphasize that we are a service agency and he wants the units to call him if they have any questions, requests or issues.

Roger thanked DOC for letting us use the facilities and setting it up.

Statewide Business Infrastructure Program (SBIP)

Gwen Canady addressed the state infrastructure program.

- A program that will gradually replace the whole business infrastructure in State government over an 8 plus year period which includes a HR/Payroll system, Finance system, Budget system, and Tax & Revenue system. Ultimately, we will have one business infrastructure for the one business in State government. This will improve efficiencies in state government operations.
- Past Project – Financial & HR Business Infrastructure study Phase 1 and 2.
- Current project – HR/Payroll Planning and SBIP Data Warehousing Planning.
- Funding – The Governor has \$15 million in his budget and the Senate has \$15.2 million for year 1 and \$2.5 million recurring. This would have to go through the budget process.
- Upcoming projects:
 - HR/Payroll bid preparation and implementation.
 - Begin design of system in the fall of 2005.
 - SBIP Data Warehousing implementation.
- All information of the SBIP project is on OSC web site.

Payroll JAD Sessions Overview

Dorie Kehoe reviewed the highlights of the JAD sessions.

A. Collect Time and Attendance

- Process Overview –
Collecting leave time, capturing exception time, approving the leave data and monitoring time and leave balances.

- Improvement Opportunities –
 - Apply leave policies consistently across agencies.
 - Transfer leave balances seamlessly across agencies.
 - Allow electronic signatures approval for routing.
- Potential Barriers –
 - Complexity and magnitude of business rules and laws for timekeeping.
 - Dispersed workforce will make training and support difficult.
 - Disparate business rules need to be standardized.
 - Perception of ownership.
- Benefits –
 - Ability to accurately report use of leave across the state.
 - Trust the accuracy of time reporting when input personally.
 - Increased processing window for time collection and approval.
 - Time and effort saved.
 - Increase availability of staff due to electronic delivery of timesheets.

B. HR/Payroll

- Process Overview –

This process includes the collection of time and attendance and accounting data; collection and calculation of gross pay, deductions and net pay; leave balance and account maintenance; links to account payable, general ledger, budget, funds management; and required payroll audit reports for 941's and W-2 documents.
- Improvement Opportunities –
 - Utilize employee self service for data inquiries/changes.
 - Eliminate multiple agency employee payroll records.
 - Develop strong payroll processing policies and procedure with electronic access.
 - Automate and monitor approval for dual employment.
- Potential Barriers –
 - HR and payroll need education regarding responsibilities and deadline to work together more effectively.
 - Sheer magnitude of the project is daunting.
 - Too many exceptions and modifications requested will have a negative impact on implementation.
- Benefits –
 - Elimination of separate/duplicate HR and Payroll systems.
 - Elimination of duplicate data entry.
 - Provides a seamless transition for employees transferring between agencies.
 - Automated calculations will decrease errors and increase consistency.
 - Standardized and streamlined processes allow for policies to be applied consistently across all agencies.
 - An automated system provides for an easier payroll audit.

C. Payroll Business Process Improvement

- Objectives –
 - Develop standardized policies for use by all agencies.
 - Review current system procedures to create standards for all agencies.
 - Develop Central Payroll Manual.
 - Create OSC as the focal point for payroll policies and procedures.
 - Implement quick hits to accelerate benefits to agencies.
 - Prepare for future implementation of HR/Payroll system.
 - Maintain enhanced web site capabilities.
 - Support Payroll compliance.
- What is a policy? Format statement of a principle to rule that members of an organization must follow.
- What is a procedure? Tells members of an organization how to carry out or implement a policy.
- Sample list of standardized policies
 - Retroactive adjustment
 - Calculation of Time
 - Payroll Tax withholding
 - Determination of employee vs contractors
 - Garnishments, levies, child support
 - Stop payments and reissue of payroll checks
 - Payroll schedule
 - Release of payroll information
 - Terminated employees
 - New Hire
 - Foreign Nationals
 - Temporary Employees
 - Other pay
 - Deceased employee final payment
 - Out of State employees
 - Direct deposits
- Sample of Quick Hits –
 - Enhance check printing.
 - Provide net pay calculation tool.
 - Publish standardized payroll calculations.
 - Create Central Payroll Manual.
 - Improve web site.
 - Streamline transfer of leave balance across agencies.
 - Improve dual employment processing.
 - Develop OSC as a central focal point for payroll processing.
- Next Direction –
 - Gather data for policies/procedures.
 - Create draft policies/procedures.
 - Review policies/procedures with selected representatives.
 - Identify quick hits opportunities.

- Prioritize high impact quick hit opportunities.
- Validate quick hit opportunities with representatives.
- Implement quick hits and prepare for HR/Payroll implementation.
- John Morgan reinforced the need of standardization e.g. processing of payroll; payroll policies; identification of quick hits e.g. remote check printing, net pay calculation; payroll manual; improve the OSC web site; streamline transfers and leave balance across agencies; improve dual employment processing.

Foreign Nationals

Terry Senter addressed the Foreign National initiative

- Foreign Nationals information on web site.
- Implementation of initiative agency by agency, which will consist of an initial meeting with both HR and Payroll personnel, followed by training sessions.
- OSC is responsible for managing the program for all NCAS agencies.
- More conversation with Universities in this program – set up of software and payroll interface.
- Published immigration codes.
- To begin tracking foreign national through payroll system.
- Carol informed the units of the foreign national report (OSCPX FOREIGN NATIONAL DETAIL) in X/PTR and the interface file that is FTP to the Universities.
- Progress of the conversion program to convert the interface file to the Windstar format.

Roger Farmer addressed the following:

- Reviewed new deductions implemented in January – Term Life, Cancer Care Insurance, Tricare Supplement, Prudential Long Term Care.
- Prudential Long Term Care at the present time is not payroll deductible. Prudential will bill the employees. A formal letter will be forthcoming from OSC on this issue.

Carol Stephenson addressed the following:

- Recent changes and corrections:
 - Imputed income reports in X/PTR.
OSCPX IMPUTED INCOME DED-DETAIL
OSCPX IMPUTED INCOKE DED-SUMM
 - Delimiters changed in the CE file.
 - Changes on the on-line Employee Master screen for ALIEN CODE and the YTD page 1 screen.
 - Corrected prepaid deduction report for prepaid health benefit code.
 - Not allowing agencies to add “A” cycle employee to system before “A” cycle transmittals are created.
 - Corrected Pay Types to be printed on registers and stubs for one-time splits.

- The retirement contribution and matching codes should not be changed on the employee's Master record until the split payment has been made in the event the employee's check or deposit has to be cancelled or stopped.
 - New Retirement reports on X/PTR.
 OSCPX RET-COMB JUDICIAL RET RPT
 OSCPX RET-POA EMPLOYER MATCH-5%
 OSCPX RET-POA RETIREMENT RPT
 OSCPX RET-T&SE RETIREMENT RECAP
 OSCPX RET-T&SE RETIREMENT RPT
 - We will be evaluating removal of imputed income amount from Total Cost.
- **John Morgan addressed the following:**
- Record retention -
 - Retention to meet IRS requirements, which is 5 years.
 - The retention document to be reviewed by archives and history.
 - The retention period is changeable on request.
 - Deduction codes on web site for each unit.

Roger Farmer concluded the meeting with the following comments:

- Announced that the next forum will be in the fall of 2005.
- We may have an additional forum late summer depending on progress of SBIP.
- Thanked everyone for participating in the Forum.