

Oklahoma State University Policy and Procedures

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INTRODUCTION

1.01 The responsibility for processing Oklahoma State University and the OSU System (“University”) payroll is assigned to Payroll Services which reports to the Associate Vice President for Administration and Finance. The responsibility for setting up new employees and coding employee demographic information is assigned to University Human Resources. The responsibility for collecting new employee sign-up information, initiating pay actions, and collecting/reporting of time worked and leave taken and earned is assigned to the departments/units in which the employees work. The responsibility of reporting the amount of time worked and/or leave taken in a timely and accurate manner is assigned to each individual employee and their supervisor. A partnership therefore exists between Payroll Services, University Human Resources, the individual departments, and every employee to ensure employees are paid what is due them in a timely and accurate manner.

1.02 Each employee of the University agrees to render service at a specified rate of pay, either at a monthly rate, hourly rate, or job rate, and in return expects compensation at a specified time. Therefore, it is the objective of Payroll Services, as a service function of the University, to provide payment for services rendered to each employee when payment is due. For Payroll Services to meet this objective, it is imperative all departments/units of the University involved with the pay process meet the payroll deadlines. Furthermore, every employee must meet the deadlines set by their departments/units for reporting time worked and leave taken.

PURPOSE AND SCOPE

2.01 Salaries, wages, payroll taxes, and employee benefits are a significant part of the University’s expenditures and are subject to various federal and state regulations. The University has established pay structures, systems, and processes which promote compliance with these regulations as well as its own policies and procedures.

2.02 There are two types of payrolls: monthly (salary) and bi-weekly (wage). This policy applies to all types of payroll unless otherwise stated.

UNIVERSITY POLICY

3.01 As required by state law (Section 74-250.6(b)), all state officers and employees shall not be paid any salary, fee, wage, remuneration, expense allowance, or other compensation on warrants issued by the State Treasurer except when claim for payment is made on the prescribed payroll form of the agency for which services are performed.

3.02 As required by various federal and state laws, the University is responsible and held accountable to ensure compliance with the laws relating to withholding tax, employment tax, employment eligibility, unemployment compensation, workers' compensation, and FLSA laws, such as minimum wage and overtime. To fulfill the University's obligation with respect to federal and state law, all payments to employees for services rendered shall be made through the payroll process. A Determination of Independent Contractor Status form (located at <https://adminfinance.okstate.edu/uac/policies-procedures-forms.html>) should be completed by the hiring department to determine whether the individual should be considered an independent contractor or an employee.

3.03 The Board of Regents must approve certain personnel/payroll actions for full-time permanent OSU employees per Section 3.01 of the Policy Manual of the Board of Regents for the Oklahoma Agricultural and Mechanical Colleges. Refer to <https://regents.okstate.edu/policy-manual/section-3/policy-manualboard-review-personnel-actions-osu-constituent-budget-agencies.html> for complete details of the reporting requirements.

3.04 Oklahoma Teachers' Retirement System (OTRS) retirees are not eligible to be re-employed by any public school or to volunteer services in lieu of pay in any capacity for sixty (60) calendar days from the retiree's last day of pre-retirement public-education employment. (Note: The last day of pre-retirement employment means the last day the employee is required to be physically present on the job to complete the terms of the employment contract or agreement.) University employment under any condition during the sixty days will cause the forfeiture of all retirement benefits received during the period (OTR 715:10-17-2). There are also earnings limits per calendar year for retirees who return to work. Refer to the OTRS website at <http://www.ok.gov/TRS/> for more information.

3.05 Any State of Oklahoma agency is prohibited from entering into a sole source contract or a contract for professional services with an employee who has terminated employment with or who has been terminated by said agency for one (1) year after the termination date of the employee from the agency. The provisions of this subsection shall not prohibit an agency from hiring or rehiring such person as a state employee (State Statute 74-85.42). This does not include a sole source contract or a contract for professional services at any time with a person who is a qualified interpreter for the deaf.

3.06 Employees cannot be paid until all employment and pay documents are completed by the employee and routed through the prescribed approvals and administrative offices by the hiring department. All new employees are required to complete all sign-up documents before being placed on payroll. It is the responsibility of the hiring department to ensure all sign up and payroll documents are prepared accurately, timely, and legibly to expedite the process.

3.07 International employees have certain restrictions and guidelines to follow for employment in order to maintain their legal status in the United States. Departments are responsible for verifying the work status and dates the international employee is allowed to work. Departments shall not appoint international employees past their work clearance dates.

3.08 Departments are responsible for completing the Electronic Personnel Action Form (EPAF)

located in Banner Employee Self Service. The departments will also establish the department/college routing prior to routing through administrative channels. Payroll Services will review all EPAFs, except Labor Distribution Change EPAFs, to ensure the EPAF will result in the proper pay, assignments, and earnings as indicated by the department.

3.09 The payroll process can be accomplished timely and accurately through the combined efforts of employees, departments, and Payroll Services.

- A. Payroll Services provides biweekly and monthly payroll schedules and deadlines at <https://adminfinance.okstate.edu/payroll/schedules-deadlines.html>. Departments must set internal deadlines for employees to turn in timesheets, report leave taken, and obtain necessary authorizations so they can meet these established deadlines.
- B. Each employee is responsible for reporting their time worked and/or leave taken each pay period on a timely basis.
- C. Departments are responsible for approving this information by the deadline.
- D. After the payroll is finalized, departments shall review their employees' pay for the current pay period using reports made available by Payroll Services. Any discrepancies discovered through this review should be reported immediately to Payroll Services for correction on the following payroll (regular or supplemental). More information on making corrections for underpaid or overpaid wages can be found at <https://adminfinance.okstate.edu/payroll/files/guides-forms/20-1001.0-psp-underpayments-and-overpayments.pdf>.
- E. Prior to payday, an electronic payroll advice will be provided to each employee scheduled to receive pay. It is the employee's responsibility to review his/her payroll advice and report any discrepancies or irregularities to his/her department immediately.

3.10 There are times when departments will need to pay employees additional pay beyond their regular pay assignment. This is facilitated using the Exception to Normal Pay (ENP).

- A. The schedules and deadlines for ENP submissions are included in the biweekly and monthly schedules and must be adhered to for employees to receive their pay in a timely manner.

3.11 To ensure proper pay, all earnings, taxes, reductions, and deductions must be entered into the payroll system.

- A. The earnings are set up on an EPAF after approval from the departments and/or colleges, as well as a review by Payroll Services.
- B. Noncash earnings for the taxable amount related to employer provided group term life insurance is calculated by the Banner system. Other noncash earnings for taxable benefits are added by Payroll Services from documents provided by departments.
- C. Employment taxes include all applicable taxes required by federal and state regulations. Refer to <https://adminfinance.okstate.edu/payroll/files/guides-forms/current-payroll->

[tax-deductions-updated-12.14.21.pdf](#) for applicable employment taxes.

- D. Employees may have certain items deducted or reduced from their pay. Deductions may have no effect on an employee's taxable income and can include both voluntary and involuntary items. Reductions decrease the taxable income for the employee. For a list of the most common deductions and reductions, refer to <https://adminfinance.okstate.edu/payroll/files/payroll-tools/common-payroll-deductions-and-reductions.pdf>. Voluntary deductions and reductions are established when employees complete the appropriate form. Involuntary deductions are established from court-ordered documents.

3.12 Payroll expenses are one of the University's largest expenses. It is imperative all salaries, wages, and benefit charges are expensed to the appropriate accounts.

- A. When a department requests a new employee position, it must also provide the labor distribution for said position. The labor distribution will be established when the new position number is assigned to the department.
- B. The department is then responsible for maintaining the correct labor distribution on all its positions.
- C. Changes to current and future labor distribution can be made through a labor distribution EPAF.
- D. Changes to a labor distribution on payrolls already processed require the submission of a paper redistribution form. See <https://adminfinance.okstate.edu/payroll/guides-forms.html> and click on the Redistribution form to initiate a correction to the labor distribution after it has processed. The instructions for these forms are also located at this site.

3.13 The University offers a salary deferral plan for employees who do not have 12- month assignments but wish to be paid over more months than their assignment length. The salary deferral plan is predominantly used by faculty. There are certain federal rules and regulations which must be followed to defer income into the following tax year. Information for the salary deferral program can be found on the Payroll Services website at <https://adminfinance.okstate.edu/payroll/files/guides-forms/15-6001-salary-deferral.pdf>. Employee forms can be found at <https://adminfinance.okstate.edu/payroll/employee-documents.html>.

3.14 Departments are responsible for keeping track of their employee's leave balances and for reconciling the balances in Banner and requesting adjustments using the forms on the Payroll Services site at <https://adminfinance.okstate.edu/payroll/guides-forms.html>.

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