

Diocese of Covington

Policies & Procedures Manual

Section: Compliance – Payroll and Personnel

Policy: Payroll – Manual Check Process



NOTE: For purposes of this policy, “**Parish**” means any parish, school or Diocesan institution that uses Centralized Payroll as provided by the Diocesan Payroll Office.

The Payroll Office of the Diocese of Covington operates “Centralized Payroll” for the convenience of the parishes of our Diocese. This operation is described in detail in a separate policy entitled “Payroll Office & Centralized Payroll Operations” located on the Diocesan website.

Regularly scheduled payroll checks are processed by the Payroll Office and paid to the employees via direct deposit. However, occasions can arise that require a non-scheduled payroll check to be paid to an employee. This policy describes the process that Parishes are to use to request that such a check be paid to an employee.

1. **Parish will request a payroll check from the Payroll Office** – Once a parish has determined that a non-scheduled payroll check must be cut, the first step is to request the check from the Payroll Office. The request must be in writing; i.e. email, facsimile, etc. The request must contain at least the following information: Employee name, Employee number, Gross amount of payroll due the employee, the date that the check is to be issued to the employee, and the reason for the manual check. For hourly employees, the number of hours due can be provided in lieu of the gross amount of payroll; in which case the payroll office will use the employee’s normal hourly rate to calculate the gross amount due.
2. **Payroll Office will calculate the net payroll amount due** – Once the payroll office receives the request, the information provided will be used to calculate the net amount due the employee. Additionally, the payroll office will enter the information to the employee’s payroll record for proper tax withholdings and reporting.
3. **Payroll Office will inform the Parish of the net amount due** – The payroll office will print a pay stub for the parish’s and employee’s records. (See Example A below) This will show the gross pay, all tax and other deductions as well as the net amount due the employee.
4. **Parish will write a check to the employee** – Once the parish receives the pay stub information, a parish check will be written to the employee for the net amount due – circled in red in the example below (\$1,019.97). Checks to employees cannot be written until such time as the proper withholding amounts have been calculated by the payroll office.
5. **Payroll entry will be reflected on the next regularly scheduled payroll** – All manually entered payroll transactions will be reflected on the next regularly scheduled payroll for reporting purposes. Parishes will receive a credit on the “Cash Requirements” report of that payroll for all manually written checks. (See blue circled item on Example B below). It will be noted in the first section of the report as “Manuals/Voids” (see red circled item of Example B below). Parishes will, however, be charged for all employer taxes, deductions & fees associated with all manual checks at that time.

NOTE: All compensation paid to employees must go through the Diocesan payroll system to ensure proper tax withholdings and reporting to federal, state and local taxing authorities.



EXAMPLE A:

DIOCESE OF COVINGTON												Payroll Check: 0		Print Date: 01/01/1997	
EE # 999999 John Q. Public			DEPT # 43020			SSN ***-**-9999		KY S 0		FITWH S 0					
EARNING	RATE	HOURLY/UNIT	CURRENT \$	YTD HR/UNIT	YTD \$	DEDUCTION	CURRENT \$	YTD \$	TAX	CURRENT \$		OTHER INFORMATION			
Reg			1,403.17			EE Pension ER Pension	42.10 59.63		FITWH KY KYCAM MED SOC	178.91 68.18 14.73 20.35 58.93					
TOTALS			1,403.17				42.10			341.10		NET	1,019.97		

EXAMPLE B:

CLIENT 1 PAYCOR TRAINING CLIENT - REGULAR PAYROLL		01/16/2003 12:06:38	
CASH REQUIREMENT SUMMARY		CASH REQUIREMENT SUMMARY	
NET CASH		Florida Unemployment	26.81
Checks	15,539.28	Indiana Unemployment	51.19
Partial DD Your Bank ABA# Unknown Acct# Unknown	77.46	Kentucky Unemployment	47.86
Net DD Your Bank ABA# Unknown Acct# Unknown	1,526.51	Michigan Unemployment	28.76
Direct Deposits Subtotal Drafted 01/30/2003	1,603.97	Ohio Unemployment	228.83
TOTAL NET CASH	17,143.25	TOTAL EMPLOYER TAX LIABILITY	2,666.42
Manuals/Voids	1,019.97	Funds Drafted 01/31/2003	
Third Party Sick Payments*	.00	Fifth Third Bank ABA# 042000314 Acct# 3810505	12,135.93
Payables	698.11	TOTAL TAX FUNDS DRAFTED 01/31/2003	12,135.93
TOTAL	18,861.33	TOTAL PAYROLL LIABILITY	30,997.26
		TOTAL CASH REQUIREMENTS LESS MANUAL VOIDS	29,977.29
EMPLOYEE TAX WITHHELD			
Social Security - Employee	1,764.44		
Medicare - Employee	412.67		
Federal Income Tax	5,708.90		
Indiana Dept. Of Revenue	62.62		
Kentucky State Treasurer	381.21		
Michigan Withholding	100.48		
Ohio State Treasurer	674.24		
Marion County In- Resident	12.89		
#7 Boone Cty Ord #430, Ky	3.69		
#1 Boone Cty Ord #430, Ky	19.71		
Covington, Ky Finance Dpt	42.12		
Jefferson County, Ky Res	31.57		
Kenton County Fiscal Crt.	11.96		
Cincinnati Ohio	81.89		
Cleveland Ohio	116.87		
Columbus Ohio	13.14		
Dayton Oh	41.11		
TOTAL EMPLOYEE TAX WITHHELD	9,479.51		
EMPLOYER TAX LIABILITY			
Social Security - Employer	1,764.44		
Medicare - Employer	412.67		
Federal Unemployment	105.86		
		Period Ending:01/31/2003 Pay Date: 01/31/2003	
		CASH REQUIREMENT	
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