

Policy

PAYROLL AUTHORIZATION/SALARY CHECKS AND DEDUCTIONS

Payroll Authorization

Employment of all district personnel whether by the year, term, month, week, day or hour in contract, temporary, or substitute form must be approved by the board. Authorization to pay follows there from.

Each motion of the board to employ or re-employ on a contractual basis (i.e., for a fixed period of time) shall include the name of the individual, the position title, the salary to be paid over the term of the contract and the period of employment. Each motion of the board to employ on a temporary basis (i.e., by the hour or day) shall include the name of the individual, the position title and the rate of pay. Motions regarding personnel actions noted in the board minutes, to include, but not be limited to, the appointment, promotion, resignation, retirement, death, discharge, compensation, or leave of absence for each employee. The minutes will also include effective dates for personnel action.

Approval for payment in the performance of special activities is required as follows: bedside instructors, as certified by the superintendent; coaches, as certified by the principal and superintendent; extracurricular advisors, as certified by the principal and superintendent.

Authorization is hereby given to withhold salary or wages for unapproved time off by action of the board secretary/business administrator.

The payroll journal shall be certified by the board secretary/business administrator and the president of the board, monthly. One warrant for the net amount of the payroll and a second warrant for all payroll deductions, together with district matching funds and administrative charges, shall be deposited to special accounts for disbursement by the treasurer upon receipt of the certified payroll.

Staff members shall be paid in accordance with the provisions in their collective bargaining agreement and/or in accordance with a schedule provided to all employees prior to the beginning of the contract or school year.

At least once every three years, between the months of September through May, the superintendent shall require each district employee to report to a central location(s) and produce picture identification and sign for release of his or her paycheck or direct deposit voucher (N.J.A.C. 6A:23A-5.7). The accepted picture identification shall be in the form of a district-issued identification card, valid drivers' license, official passport, or other picture identification issued by a State, county, or other local government agency.

The superintendent shall designate an appropriately qualified staff member to match the picture identification to the position control roster maintained by the office of personnel or human resources prior to release of the pay check or direct deposit voucher. If the district elects to conduct this payroll verification prior to the district's required implementation of the position control, the district may use similar and suitable office of personnel or human resources generated listing of employees (N.J.A.C. 6A:23A-6.8). Where no appropriate identification can be produced, the business administrator/board secretary shall withhold paychecks or stop direct deposits until such time the payee/district employee can produce appropriate identification or until an investigation and corrective action is concluded, as appropriate to the circumstances.

Upon completion of the payroll check distribution verification procedures, the superintendent shall submit a certification of compliance, in a form prescribed by the Department of Education, to the Executive County Superintendent. Verification of the district's compliance with the verification procedures will be required as part of the annual audit.

The payroll journal will be certified by the board secretary, the president of the board, and approved by the superintendent.

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CHECKS AND DEDUCTIONS (continued)

Payroll Deductions

The board may in its discretion act on behalf of individual employees to deduct a certain amount from the employees' paycheck and remit an equal amount to an agent designated by the employee. It is the purpose of this policy to designate those purposes not otherwise mandated by law for which the board is willing to act on behalf of an employee.

No deduction may be made from the wages of an employee except for federal income tax, social security, New Jersey Income Tax and New Jersey Unemployment Assistance without proper authorization. Pension deductions are authorized by the New Jersey Division of Pensions; all other deductions are authorized only by the employee.

The board has authorized in accordance with the below cited legislation that deductions may be made from an employee's paycheck upon proper authorization on the appropriate form, as prepared by the district, for the following purposes:

- A. The payment of premiums for group life, accidental death or dismemberment, hospitalization, medical, surgical, major medical, health and accident, and legal insurance plans (N.J.S.A. 18A:16-13).
- B. The purchase of United States Government bonds (N.J.S.A. 18A:16-8);
- C. The employee's participation in a summer payment plan for repayment to the employee in one payment in June or by payment upon the death or termination of the employee, if earlier (N.J.S.A. 18A:29-3);
- D. Tax sheltered annuities or custodial accounts (N.J.S.A. 18A:66-127) The guidelines for tax shelter annuities in the district shall be as follows:
 1. The approved agencies shall be designated by the board;
 2. The board shall direct the business administrator/board secretary to make semi-monthly payroll deductions and transmit such to the agency;
 3. Any questions or clarifications of these programs shall be addressed by employees to the business administrator/board secretary. Any enrollment or information sessions relative to the programs shall be conducted after regular school hours;
 4. The board accepts no liabilities for the performance of either the funds or the agencies;
- E. Payments to a credit union (N.J.S.A. 40A:9-17). The guidelines for credit union payroll deductions in this district shall be as follows:
 1. The approved agency shall be designated by the board of education in accordance with pertinent negotiated contracts;
 2. The board shall direct the business administrator/board secretary to make payroll deductions and transmit such to the designated credit union each payroll period;
 3. All enrollments for the program shall be accomplished in September or February of each school year;
 4. Any questions or clarifications of these programs shall be directed to the credit union by employees; Any enrollment or information sessions relative to the programs shall be conducted after regular school hours;
 5. The board accepts no liabilities or responsibility for the performance of the designated credit union.
- F. An approved charitable fund raising campaign (N.J.S.A. 52:14-15.9c); and
- G. Bona fide organizational dues (N.J.S.A. 52:14-15.9e).

Contributions shall be made as soon as is reasonably possible after the funds have been deducted from an employee's salary. No contribution shall be made on behalf of an employee until the amount contributed has been deducted from the employee's salary.

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The board will permit the remittance of funds for annuities and mutual funds only to those insurers and custodial accounts authorized by law and expressly approved by this board. The board will consider the approval of only those insurers and custodial accounts to which 25 or more employees of this district subscribe.

If the number of subscribers falls below that number, no new subscribers will be allowed and the account will be terminated when all remaining subscribers have closed their accounts.

No more than 3 accounts will be approved for remittance at any one time.

An employee who wishes to pay into a tax sheltered annuity or mutual fund offered by a firm not approved by this board for payroll deductions must make his or her payment individually.

The board wishes to provide members of the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System the opportunity to make tax deferred contributions under the United States Internal Revenue Code. On the written approval of an employee, contributions deducted from the employee's wages and remitted directly to TPAF or PERS, as appropriate, will be designated as employer contributions, paid by the board on behalf of the employee. No employee may receive the contributed amount directly.

No board employee shall withhold or pay to another or purchase or have assigned, other than by court order, any compensation for services of any district employee.

Direct Deposit

In accordance with the provisions of law (P.L. 2013, C. 38), each employee of the district shall have his/her net pay direct deposited in a banking institution in a checking account, savings account or share savings account specified by the employee.

The board of education may, at its sole discretion grant an exemption from the requirements adopted in accordance with such terms and conditions as the board of education may deem necessary.

Each employee shall notify the business administrator/ board secretary in writing, the name of the employee's specified banking institution, account number and routing number for direct deposit of the employee's net pay funds.

Each employee shall receive any information concerning net pay, any accompanying information approved for distribution with net pay, and W-2 forms in accordance with applicable federal law, only on the Internet with restricted access and policies and procedures to protect the integrity and confidentiality of the information.

The business administrator/ board secretary shall develop and initiate necessary procedures to protect the integrity and confidentiality of employee information relative to the provisions of this policy.

All exemptions authorized by the business administrator or superintendent shall be approved by the board.

Adopted: October 28, 2003, April 29, 2014
NJSBA Review/Update: December 2019
Readopted:

Key Words

Payroll Authorization, Salary Checks, Deductions, Direct Deposit

<u>Legal References:</u>	<u>N.J.S.A.</u> 18A:16-8	Salary deduction for government bonds
	<u>N.J.S.A.</u> 18A:16-9	Responsibility of board
	<u>N.J.S.A.</u> 18A:16-13	Entering into group life, hospitalization, health and accident insurance contracts
	<u>N.J.S.A.</u> 18A:29-3	Summer payment plans; continuance of plan to raise

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<u>N.J.S.A.</u> 18A:66-30	funds
<u>N.J.S.A.</u> 18A:66-32	Employee's consent to deductions
<u>N.J.S.A.</u> 18A:66-78	Employer's duties
	Teacher's pension and annuity fund: additional death benefits; contributions; adjustment
<u>N.J.S.A.</u> 18A:66-127	Tax sheltered annuities
<u>N.J.S.A.</u> 40A:9-17	Payment to credit unions
<u>N.J.S.A.</u> 52:14-15.9 et seq.	Public Employee Charitable Fund-raising Ac
<u>N.J.A.C.</u> 6A:23A-1 et seq.	Accountability regulations
<u>See Particularly:</u>	
<u>N.J.A.C.</u> 6A:23A-5.7	
<u>N.J.A.C.</u> 6A:23A-6.8	

PL 2013, c, 28, Direct Deposit

Possible

Cross References:

*3100	Budget planning, preparation and adoption
*3326	Payment for goods and services
*3570	District records and reports
3571	Financial reports
*3571.4	Audit

*Indicates policy is included in the Critical Policy Reference Manual.