

**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 Alloway Township School District. 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 chief school administrator; coaches, as certified by the principal and chief school administrator; extracurricular advisors, as certified by the principal and chief school administrator.

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

The payroll journal shall be certified by the 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 chief school administrator 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 chief school administrator 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 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 chief school administrator 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.

PAYROLL AUTHORIZATION, CHECKS AND DEDUCTIONS (continued)

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

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);
- E. Payments to a credit union (N.J.S.A. 40A:9-17);
- 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.

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.

PAYROLL AUTHORIZATION, CHECKS AND DEDUCTIONS (continued)

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

The district will require the mandatory direct deposit of net pay for all regular school employees. The board authorizes the following exemptions from the requirement for direct deposit:

- A. Demonstrated hardship for the employee;
- B. Seasonal workers;
- C. Substitute teachers;
- D. Temporary employees;
- E. Coaches;
- F. Before and after care staff.

Employees shall be required to provide the business administrator with the name of the banking institution to receive the deposits.

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.

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

Adopted: October 28, 2003, April 29, 2014  
 Revised: December 2019  
 NJSBA Review/Update: April 2025  
 Readopted:

Key Words

Payroll Authorization, Salary Checks, Deductions, Direct Deposit

<b><u>Legal References:</u></b>	<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 funds
	<u>N.J.S.A.</u> 18A:66-30	Employee's consent to deductions
	<u>N.J.S.A.</u> 18A:66-32	Employer's duties
	<u>N.J.S.A.</u> 18A:66-78	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	

PAYROLL AUTHORIZATION, CHECKS AND DEDUCTIONS (continued)

**Possible**

<b><u>Cross References:</u></b>	*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.