

CITY OF WESTMORLAND

Report to the City Council

MEETING DATE: January 22, 2025

FROM: Laura Fischer, Manager
Tami Castro, Office Supervisor & City Treasurer

SUBJECT: Guidelines for Approving Electronic Payroll and Related Expenses.

ISSUE:

Shall the City of Westmorland approve guidelines for electronic payroll and related expenses.

GENERAL MANAGER RECOMMENDATION:

Approve the Guidelines for Approving Electronic Payroll and Related Expenses as Attached.

FISCAL IMPACT: NONE

DISCUSSION:

As you know, payroll processing is now a function of City Administration at City Hall. The Office Supervisor processes the payroll.

CURRENT GUIDELINES:

- Employees submit timecards to their supervisor for signature approval. Employee and Supervisor must sign timecard.
- Supervisor submits the approved timecards to Office Supervisor. Must be submitted on Payroll deadline day (Monday) prior to 12:00 pm.
- Office Supervisor enters payroll records into the CHIPS (Frey payroll module) payroll software and prints the payroll to electronic file that is emailed to the Mayor for approval. The electronic file is also sent to the Part-Time Manager for review.
- Once approved by the Mayor, the Office Supervisor enters the payroll data on the bank's website and saves the electronic payroll on CHIPS.
- Once the Office Supervisor enters the payroll on the bank website, the Mayor (or authorized bank signer) uses their personal login to approve. **This action is the only Bank approval by Council for ALL payroll related expenses.**
- The Office Supervisor then logs into the bank website and submits payroll for direct deposit.
- The bank processes the payroll and funds are direct deposited to employees' bank account.
- The Office Supervisor then processes the related payroll expenses as required,

which may be by-weekly, monthly, quarterly or annually.

- CHIPS calculates the withholding and payment amounts and prepares invoices for payment. Staff has entered into CHIPS any withholding allowances, taxes, fees, insurance (all types), court orders, and elective payments to ensure accurate amounts.
- The Office Supervisor submits the CHIPS prepared electronic files to the bank for payment of Federal and State taxes, fees and other withholdings that must be paid electronically.
- The Office Supervisor process checks for other withholdings such as insurance, child support and other various withholdings from employee payroll.
- The Office Supervisor stores all records (electronically and hard copies) for bi-weekly payroll.

CONCLUSION:

Having the Mayor approve the payroll files and electronically and approve them on the bank's website is the only Council action that authorizes the Office Supervisor to process bi-weekly payroll. As time allows, staff may be cross trained to perform the Office Supervisor's duties with additional review by management staff.

These guidelines help the City meet audit requirements that requires procedures and guidelines for payroll processing. It allows for the separation of duties as indicated in our audits.

Staff recommends Council approve the current process as the Electronic Payroll and Related Expenses Processing Guidelines that should be followed to approve electronic payroll and related expenses.

ALTERNATIVES:

1. Modify the guidelines as directed by Council prior to approval
2. Direct staff to take alternative action.

Respectfully Submitted,

Laura Fischer