Overview of Payroll Process

LEAs can participate in five payroll runs each month. They are the A, B, C, D and M Payrolls. The A, B, C, D and M payroll deadlines are outlined on the DFS Payroll Processing Calendar. To accommodate charters to comply with Labor Code, we added semi-monthly C&D payrolls. The new pay types for C&D payrolls were added on the Add/Modify Employee Information screen and Add/Modify Position Information Screen. "Y" for semi-monthly C&D and "C" for monthly C (should not be used by K12 and CCs). Please select the pay type carefully to make sure that the right pay type for your LEA is selected. Contact DFS to discuss your LEA's needs. Details about the mechanics of running a payroll can be found in the Galaxy Payroll Manual on the RCOE Extranet. Contact the Service Desk to get access to the Galaxy Extranet.

PODs (Payroll on Demand) are processed every Tuesday and paid every Thursday, except for holidays and Galaxy downtimes. All PODs are paid via direct deposit. Please e-mail DFSPayroll@rcoe.us the morning a POD is scheduled, to be included on a POD run. See Section 425-1 POD Processing Timeline for more information.

Multiday PODs run during the month of July to allow the LEA time to enter summer school employees within the time allowed by Ed. Code 45048 (Ed. Code 85260 for community colleges).

Payroll Types

- "A" Payroll: Semi-monthly payroll that starts on the 26th of the previous month and runs through the 10th. Pay date is the 10th calendar day after the pay period ends, or the 20th of the month. If the 20th falls on a weekend or an RCOE declared holiday, pay date is moved to the working day prior.
- "B" Payroll: Semi-monthly payroll that starts on the 11th of the month and runs through the 25th. Pay date is the 10th calendar day after the pay period ends. If the pay date falls on a weekend or an RCOE declared holiday, pay date is moved to the working day prior.
- "C" Payroll: Semi-monthly payroll that starts on the 1st and runs through the 15th. Pay date is the 25th calendar day of the month. If the 25th falls on a weekend or an RCOE declared holiday, pay date is moved to the working day prior.
- "D" Payroll: Semi-monthly payroll that starts on the 15th and runs through the end of the month. The pay date is the 10th of the month if the pay date falls on a weekend or a RCOE declared holiday, pay date is moved to the working day prior.
- "M" Payroll: Monthly payroll that starts on the 1st of the month, ends on the last day of the month and pays employees on the last day of the month or the working day prior, if the last day of the month falls on a weekend or on a RCOE holiday.
- POD: Payroll on Demand or POD payrolls run every Tuesday with a Thursday payday, except holidays and Galaxy downtimes. POD payrolls are used by the LEA's payroll unit to pay employees due to late time sheets, etc. POD payrolls will not run on RCOE declared holidays or the last two weeks of December (see *Section 1000* for instructions on paying an employee during the last two weeks of December). POD payday will not be moved up due to RCOE declared holiday. Instead, the payday will be moved to the working day after any RCOE declared holiday.

The Payroll and Retirement Unit in District Fiscal Services will be restructuring the Extra Pay and the Payroll Adjustment Codes in Galaxy to better fit CalPERS and CalSTRS reporting. A district committee will be formed to assist with this process.

A list of the current Extra Pay Codes may be found in Galaxy's Personnel Module,Personnel/Position Control System/View Personnel/View Extra Pay Codes.

View Extra Pay Codes

Search	Extra Pay Code Information						

County: 33 - RIVERSIDE COUNTY

Total Rows: 125							
Extra Pay Code	Extra Pay Code Description	Employee Position	Affects Actual Pay Rate	Cash Option Flag	Uniform Allowance Flag	Adjustment Code (STRS)	Adjustment Code (PERS)

Extra Pay Codes

Extra Pay Codes are set up in the personnel module to process earnings in addition to salary schedule wages. Extra Pay Codes can be attached to an employee or to a position. The Extra Pay Codes are used for wages that are scheduled to be recurring on an employee's check and are set up on the Employee Information screen under tab "5. Extra Pay/Leave Info." This tab has two tabs within it, "Employee Extra Pay" and "Position/Employee Extra Pay".

Each Extra Pay Code is associated with a Payroll Adjustment Code. The Payroll Adjustment Codes control how the earnings are paid and reported to retirement. For example, if a STRS employee were to be eligible to receive a BILINGUAL STIPEND/ORAL, Extra Pay Code 70, the payment of that stipend would follow the business rules under Payroll Adjustment Code 620.

The example below is an Extra Pay Code that was set up as an Employee Extra Pay:

If a stipend is only payable over a certain period of time or has a maximum lifetime cap, it will be indicated on this screen.

The second tab on this screen, Position/Employee Extra Pay is view only and shows all the Extra Pay Codes an employee has for both Position and Employee.

Moving over to the tab labeled "6. Positions, Extra Pay" codes can be added for a position in tab "4. Position Extra Pay". The specific start and end dates as well as a lifetime maximum or maximum per fiscal year can be added to this screen. See the example on the following page:

Payroll Adjustment Codes

Payroll adjustment codes can be used for the payment of overtime, one-time stipends, as well as retroactive payments. To comply with CalPERS and CalSTRS retirement requirements, notify DFS Retirement Unit before making any retroactive payments.

Some payroll adjustment codes can have customized descriptions assigned by LEAs to appear on an employee's paycheck. If your LEA has any questions concerning how the use of payroll adjustment codes affects an employee's compensation, please contact DFS.

The Adjustment Code table can be accessed in the View Payroll Information module, Payroll System/View Payroll Information/View Adjustment Codes. Contact the Service Desk or DFS for more information on how to utilize the codes.

Payroll Calendar

Each Fiscal Year, DFS publishes and distributes to the LEAs via DFS-NOTIFY and the RCOE website, the Payroll Calendar that includes the deadlines related to payroll processing for the A,B,C,D and M payrolls.

The current and previous fiscal year calendars are published on the RCOE Website.

Payroll Calendar Entries

The processes below run overnight the evening of the process entry on the Payroll Calendar.

GROSS PAY – Preliminary Payroll Calculation: This process runs at 7:00 p.m. on the date indicated on the Payroll Calendar. This process accumulates all preliminary wages including salary, overtime, stipends, differentials, etc.

PRELIMINARY REPORT: This report is available to LEAs and DFS the morning after the GROSS PAY. The PRELIMINARY REPORT includes all gross wages for each employee including all payroll adjustments done with payroll adjustment codes. LEAs can use this report to make adjustments to gross pay.

Additional employees should not be added after the PRELIMINARY REPORT. The PRELIMINARY REPORT is used for credential checks and garnishment processing. Contact DFS if you make changes to an employee's gross in case adjustments are needed for garnishment processing.

NET PAY: NET PAY is the amount an employee directly receives from a given payroll, via warrant or direct deposit. Net pay is the amount of compensation due an employee after all deductions are taken. The gross to net pay process is the automated task in the Payroll Processing Cycle that performs complete calculations for an employee. The Final Payroll Calculation includes Gross Earnings, Gross-to-Net, and all associated LEA payroll costs. LEAs are to approve payrolls prior to the 7:00 p.m. cutoff. However, if an approval is not done by the LEAs, Galaxy will automatically approve the payroll. For good internal controls, it is recommended that LEAs approve payrolls before the deadline so no other adjustments can be made. Please contact the Service Desk or DFS if you have any questions about the approval process.

FIN UPDATE: The Galaxy Payroll system calculates the financial update amounts that are forwarded to the Galaxy Financial system. The Galaxy Financial module maintains all of the payroll encumbering and expenditure information. After this process is complete, LEAs can see the payroll charges on any given payroll in the Galaxy Financial system.

SIGNED PRELIM: LEAs must email the signed Approve Final Payroll Form to DFS prior to finalizing any payroll. The signer on the report must be on the authorized Certification of Signatures list for the LEA. The signatory is certifying that the dollars being paid on any particular payroll are accurate. The Approve Final Payroll Form must be in our office prior to releasing a payroll.

PAY DATE: The PAY DATE is the liability date of any given payroll and the date the net pay is available for employees either via direct deposit or paper warrant. The Payroll Calendar shows this date with bold numbers at the bottom of the pay date.

12P PODs: During the month of July, special multiday PODs are pre-scheduled for LEAs that need to make payments for June summer sessions. The 12P PODs will mean financial transactions related to these payrolls will fall into the "previous fiscal year". Do not update salary schedules prior to running a 12P POD. Updating the salary schedules prior to running a 12P POD will produce incorrect retirement reporting and attach a higher pay rate to earnings for the previous fiscal year. Use caution when updating salary schedules during the month of July.

Payroll Reports

Payroll reports may be viewed in the View Report Archive screen in the Systems Utilities module. Please contact the Service Desk for access to this screen if needed.

POD (Payroll-On-Demand) Processing

PODs are processed every Tuesday and paid every Thursday, except holidays and Galaxy downtimes. It is critical that the LEA adhere to the processing timelines so that all downstream activities can be completed in a timely manner.

Prior to the LEA participating in a POD, be sure that authorized personnel are available to approve the POD.

Additionally, all PODs are paid via direct deposit. It is critical that LEAs have a review/validation process in place to avoid erroneous payments to employees. In instances where a paper warrant is needed, the LEA can suspend the direct deposit payment in the Add/Modify Employee Information screen in Galaxy by checking the "Suspend Deposit" checkbox. The box will need to be unchecked before the employee's next payroll payment.

Notify DFS Before Entering a POD

If you wish to participate in a POD, please notify us at DFSPayroll@rcoe.us. If you need to contact us by phone, you may reach us at (951) 826-6538.

POD deadlines are in place to ensure direct deposit payments are made to employee accounts in a timely manner and to adhere to IRS and EDD tax deposit requirements. ***PODs are only processed on Tuesday mornings***.

POD Processing Timeline

- **9:00 a.m.** –LEAs must notify District Fiscal Services (DFS) Payroll via **email** by 9:00 a.m. before they enter a POD. Direct the message to DFSPayroll@rcoe.us. Please only phone if the LEA's e-mail servers are down.

   * Please note, LEAs may begin entering payroll adjustments at any time the morning of the POD.

- **10:00 a.m. –** Payroll adjustments stop. DFS will initiate a preliminary payroll calculation *for all* LEAs participating in that morning's POD at 10:00 a.m. LEAs do not need to email DFS Payroll to request their prelim be initiated.
   Email DFS when an employee's gross is over $20,000, providing an explanation.
   The Preliminary Payroll Report will be available in Galaxy under **View Report Archive**. LEAs are to review the POD error report and coordinate with RCOE Credentials to clear credential errors prior to 11:00 a.m.

- **11:00 a.m. –**LEA's authorized personnel are to approve final payroll in Galaxy. LEA must email a copy of the signed Approved Final Payroll Form to DFS Payroll. Additional time cannot be given beyond 11:00 a.m.

- **11:01 a.m. –** RCOE Credentials and Garnishment Review begins.

- **Noon –** RCOE Credential check is complete, and DFS will begin the County POD approval process.

This process will generate the Net Pay and the Fin Update for the POD.

- **12:45 p.m. –** POD approval is completed by the DFS Payroll Unit.

- **1:00 p.m. –** DFS Payroll will coordinate with the Service Desk to process the direct deposit file. The direct deposit file is due to US Bank two business days prior to payday. (POD paydays are on Thursdays, unless Thursday is a holiday.)

- DFS Payroll continues reconciliation of wages and the tax deposit for the day. The payroll tax payment is due to the IRS and EDD one business day after the liability date (i.e., the payroll payday). The payment must be processed by DFS Payroll by **2:00 p.m.** the day before payday to reach the IRS and EDD in a timely manner.

Replacement Warrants

- Replacement warrants are processed on Tuesdays and Thursdays.

- LEA must submit a request to DFS Payroll no later than 9:30 a.m. on these days

- Replacement warrants are printed and mailed to employees the same day.

NOTES:

- Retroactive salary increases are strongly discouraged from being processed on a POD. Processing retroactive payments on a POD may require LEA's help to assist with retirement corrections.

Classified Employees

By statute, a legal holiday for a classified employee is a paid day of service (Education Code section 45203).

Certificated Employees

Certificated employees are not paid for holidays (Education Code Section 37220 and 27ops.Cal.Atty. Gen 281 and 27ops.Cal.Atty.Gen 36). Holidays are days on which schools must be closed. There is no requirement for compensation. Therefore, holidays are non-work days for certificated employees.

Classified-Certificated Employees

Due to the different holiday handling for certificated and classified employees, two full-time 12 month employees with the same annual salary, one classified and one certificated will have a different legal daily rate of pay.