1. Purpose
To ensure that salaries and wages expense recorded in the financial management system of the College is properly supported and documented by timely and accurate time and effort reporting, and that related systems and procedures impacting salaries and wages accounting and internal control meet federal award standards.

2. Related Policy/Authority
Policy B3040 Financial Management System
Policy B3050 Federal Grants Compliance
Policy B3011 Fiscal Management
2 CFR §200.430-431

3. Faculty/Staff Responsibilities
AVP of Human Resources, Controller, Associate Controller, Assistant Controller

4. Definitions/Abbreviations
GP = Microsoft Dynamics GP, the current financial accounting system
Greenshades = The current payroll time and leave reporting system

Non-exempt and exempt employees follow the Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) definitions of such classifications

5. Procedural Steps
GP serves as the financial management system; Greenshades is the subsystem through which employees report time worked and leave taken and is a supporting system to GP. The financial management system will be used to meet the accounting and financial reporting requirements of all federal awards accepted by the College. The following internal control procedures are in place to ensure the timely and accurate recording and reporting of compensation expense and associated liabilities:

1. The AVP of Human Resources is responsible for the establishment and maintenance of compensation policies and procedures which comply with all federal, state and local regulations and requirements. A part of this system of controls addresses the reporting of time worked by non-exempt employees, and approved categories of leave both requested and taken by both non-exempt and exempt employees. The system ensures that all salaries and wages costs are processed through these systems as a part of the official accounting records of the College, and comply with all established applicable accounting procedures and practices.
a. Employees enter this information directly into Greenshades, where it is approved by the employee’s supervisor.

b. This information is uploaded into GP, and from there is used in the calculation of a biweekly payroll and in the recording of this payroll and adjustments to accrued annual leave for the same time period within the accounting records maintained on GP. This process is the responsibility of the Associate Controller as supported by the Accounting Technician.

c. The AVP of Human Resources and the Controller separately review and approve the payroll and leave entries and the payroll disbursement to ensure that charges are accurate. The Vice President of Administration serves as the final approver of the payroll disbursement.

2. The Assistant Controller separately maintains an effort reporting system by which employees whose time is being charged to one or more sponsored projects are presented a Time and Effort Worksheet for the most recent month and are required to certify by signature their level of effort on all sponsored projects and all other cost objects during that time period. The Worksheet reflects 100% of the cost allocation of the employee’s time for that period, regardless of funding source. This certification is approved by the Principal Investigator(s) and the Assistant Dean of Research. The Assistant Controller uses the Worksheet as support for a journal entry to record the appropriate salary and wage charge for each employee to the sponsored project account(s) for the period.

3. The above systems include 100% of compensated activities for each employee, and not more or less than 100% of compensated activities, regardless of source of funding.

6. Reports/Charts/Forms/Attachments/Cross References

7. Maintenance

8. Signature

Approved by: VP of Administration/CFO
7/1/2023
Date

9. Distribution List
Internal/External

10. Revision History
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<tr>
<th>Revision Date</th>
<th>Subsection #</th>
<th>Summary of Changes</th>
<th>New/Cancellation/Replacement Procedure? (if applicable)</th>
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