



304 POLICY - Payroll and Payroll Deductions

304.1 Statement of Policy

Payrolls are prepared and issued in accordance with the rules and regulations of the Office of Management and Enterprise Services (OMES), the policies of the Board of Regents, and procedures of the College. Claims for payment of any salary, wage, remuneration, expense allowance, or other compensation to an employee will be made on the prescribed payroll form. Withholdings which are required by law will be deducted. Additional withholdings, deductions, or contributions will be made only upon submission of the required forms according to the guidelines published in the Procedures section of the Policies and Procedures Manual.

304.2 Federal Grant Compensation

The purpose of this policy is to ensure equity across employee classifications regardless of funding source with respect to routine or supplemental compensation. This policy also establishes the procedures for time and effort reporting for employees compensated through federal grants, in compliance with federal regulations.

This policy and related procedure aligns with:

- 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. - is the federal government's cost principles for colleges and universities. It defines what costs are allowable and allocable to Federal grants and other assistance programs. Salary, wage, and benefit charges to grant awards are allowable only if they are supported and documented by an acceptable time and effort report.
- 2 CFR 200.430–431 – Compensation for personnel services - sets the criteria for acceptable methods of charging salary, wages, and benefits to federal grants. It requires a payroll distribution system that allocates salary, wages, and benefits to the appropriate project accounts based upon reliable personnel activity reports. It also requires the institution to develop procedures to confirm how an individual's time should be charged to each grant award.
- 45 CFR 75.430 – Documentation of personnel services - requires the documentation of personnel services charged to sponsored grants and contracts. Under OMB Uniform Guidance, time and effort reporting provides the required after-the-fact documentation to certify and substantiate direct labor charges to all sponsored grants and contracts.



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304 PROCEDURE - Payroll and Payroll Deductions

304.1:1 Payment Dates

Payroll checks for full-time employees and adjunct faculty are electronically deposited into each employee's bank account on the last business day of each month. Payroll checks for hourly employees are electronically deposited into each employee's bank account on the 27th day of each month. All full-time employees (including those on 9-, 10-, 11- and 12- month contracts) are paid in twelve (12) payments per fiscal year.

Individual check stub information will be emailed to each employee to the email address of his or her choice. The employee must notify the Office of Human Resources in writing if the employee wishes the information to be sent to an email address other than the employee's Redlands email account.

304.1:2 Mandatory Withholdings

Mandatory withholdings include federal and state income tax, FICA (Social Security) and MQFE (FICA medical) contributions.

304.1:3 Optional Withholdings, Deductions and Contributions

In addition to the withholdings required by law, full-time employees may request additional deductions, including amounts for dependent insurance coverage and/or contributions to retirement plans or tax-sheltered annuities. Deductions for contributions to tax-sheltered annuities must conform to IRS guidelines on Section 403(b) annuities. Information on optional withholdings, deductions, and contributions may be obtained from the College Office of Human Resources.

Additional withholdings, deductions, or contributions will be made only upon submission of the required forms to the Office of Human Resources.

304.2:1 Definitions Relating to Grants

The following definitions are applicable to this policy and related procedure.

Sponsored Agreement: any grant, subcontract, contract or cooperative agreement whose original source of funds is a federal or state entity.



Project Director: the principal investigator or director of the agreement.

Certification: the signature of the employee, direct supervisor (person having firsthand knowledge of the employee's activities), and the Project Director (if not the direct supervisor). This certification does not require notary verification.

Cost Share/In-Kind Match: time and effort not directly charged to the agreement, but used to fulfill the cost sharing contribution as stated in the award documentation.

Time and Effort Reports: also referred to as Personnel Activity Reports (PAR), document work-related activity allocation of each employee funded by a sponsored agreement.

304.2:2 External Grant Funding Compensation

Compensation must be reasonable for services rendered and consistent with that paid for similar work at Redlands Community College. Cost of living raises approved by the Redlands Community College Board of Regents may be applied to federal grant employees if:

- Funds are available in the grant budget, and
- The raise is approved by the respective program or incorporated into the approved budget.

A one-time stipend approved for all employees by the Board of Regents may be applied to employees paid through external grant funds if:

- Total compensation is reasonable,
- Funds are available in the grant budget, and
- Prior approval is obtained from the designated program officer overseeing the grant.

304.2:3 Time and Effort Reporting for Grant Employees

Time and effort reports, which are also known as Personnel Activity Reports (PARs), are required for all employees whose compensation is charged to federal grants or used as cost share/in-kind match. These time and effort reports must reflect 100% of the employee's time for the reporting period. The Time and Effort reports must reflect the following:



- Be a single, certified document.
- Reflect the percentage distribution of effort across all activities by personnel involved in sponsored agreements,
- Be signed by the employee, direct supervisor, Project Director (if different), and the Administrator over the Grant within the College.

Employees that happen to be employed in 2 or more sponsored agreements, they must indicate all funding sources and effort percentages on one Time and Effort report, then obtain signatures same as above to include all supervisors of each sponsored agreement.

Time and Effort reports are due within 30 days of the end of the reporting month.

304.2:4 Responsibilities of Project Directors

The Project Directors are responsible for financial management of the sponsored agreement, overseeing collection and certification of the Time and Effort reports, submitting all Time and Effort reports, including their own, to the Administrator over the grant within the College within 30 days after the end of each month. The Project Directors must certify the Time and Effort reports are correct based on first-hand knowledge of the work performed, and they must monitor and adjust work plans based on reported time.

The completed Time and Effort reports are to be stored in a locked file cabinet in the Project Directors office and electronically on the shared Grants drive.

304.2:5 Compliance and Adjustments

Salary and benefit charges must be adjusted to reflect actual effort if a variance greater than 5% is identified. Adjustments must be made no later than the end of the grant period or fiscal year. Non-compliance with this policy and related procedure may result in disallowed costs and corrective action.



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