FASOM - Section 10: HRIS - Payroll Checks and Earnings Statements

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The content of this policy is current, although it has not yet been transitioned to the new Fiscal Policy format. This will be accomplished as time and resources permit.

Authority: ORS 351.097

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1. **Summary:** This policy establishes standards for HRIS payroll checks and earnings statements.
2. **Scope:** This is a system-wide HRIS policy.
3. **Purpose** To comply with statutory requirements, encourage efficiency and promote good internal control.
4. **Format of Checks and Earnings Statements**
   1. Checks and earnings statements are printed in a standardized format.
   2. Checks meet the specifications established by the State Treasury.
   3. Checks bear the logo and name of the "Oregon University System" as well as the name and address of the institution.
   4. Checks bear the institution's general ledger chart of accounts identifier.
   5. Earnings statements bear the name and address of the institution and the statement: "A member of the Oregon University System."
5. **Printing and Distribution of Checks and Earnings Statements**
   A. Checks and earnings statements are printed at each institution.
6. **Check Numbering**
   - Check numbers are institutionally assigned.
   - Check numbers are limited to a maximum of eight digits.
   - Check numbers are not duplicated. Note: If check stock is ruined prior to entry of the check number(s) in the system (i.e., prior to PHPUPDT), then the check numbers may be re-used and the ruined check stock accounted for as set forth below.

7. **Check Signing**
   - Checks bear the signature of the Controller.
   - The Controller delegates check signing authority to specific institutional personnel.
   - Institutional use of the Controller’s signature is used exclusively for signing payroll checks.
   - Institutions maintain control over the check signing software and equipment.

8. **Check Control**
   - Access to check stock is physically restricted and the stock is kept in a locked storage area or in a locking storage device.
   - All check stock bears a control number.
   - A log is used to account for all check stock control numbers and is retained pursuant to record retention standards.
   - A copy of the check stock control log is retained pursuant to record retention standards.
   - Check stock is physically inventoried and reconciled to the check stock control log on a quarterly basis. This reconciliation is retained pursuant to record retention standards. This function is performed by a staff member who does not have physical access to the check stock or responsibility for check issuance. Each institution shall develop procedures and forms to meet these control objectives. Sample procedures and forms are available:
     - Check Stock Control Procedures Sample (See 10.85.01)
     - Check Stock Control Form (See 10.85.02)
     - Check Stock Control Log
       - Blank Form (See 10.85.03)
       - Sample Entries (See 10.85.04)

9. **Ruined Check Stock and Earnings Statements**
   - If check stock is ruined prior to entry of the check number(s) in the system (prior to PHPUPDT), it is accounted for on the check stock control log. It is defaced and retained until it has been accounted for in an independent physical inventory. A written authorization for its destruction is approved by the institutional Director of Business Affairs and accomplished consistent with archiving guidelines related to confidential records.
   - If earnings statements are ruined, they are disposed of according to archiving guidelines related to confidential records.