

Payroll Administration Procedures

100.1 OVERVIEW

This policy is designed to state the guidelines and procedures for payroll and payroll related activities. The following guidelines and procedures apply to all employees.

100.2 GUIDELINES

1. Payment of wages in cash monies is prohibited.
2. An employee is defined as any person associated with the District that is compensated by monetary means for time spent serving the District.
 - (a) Full-time employee – any person who works 40 hours per week. Full-time employees can be hourly or salaried employees and are eligible for overtime, vacation pay and health benefits. Wages for full-time employees are to be determined by the Fire Chief per the NTFD Step Plan. Wages for the Fire Chief are to be determined by the NTFD Board.
 - (b) Full-time employees classified as Firefighters will be subject to a work period of ~~28~~ ~~24~~ days for determining work schedules and calculating overtime. Under FLSA Section 207(k), a special exception is given to fire protection agencies which allow the option of calculating overtime pay using a work period of 7-28 consecutive days. The employee is paid overtime when the total hours in the work period exceed the limit found in this regulation. Overtime will be due when employees in this classification work in excess of ~~182~~ ~~212~~ hours for the ~~28~~ ~~24~~ day work period.
 - (c) Casual employee – any Firefighter or other department member who works less than 30 per week. Casual employees are paid on an hourly basis at a predetermined amount based on the job description. Casual employees are not eligible to receive vacation pay or health benefits.
 - (d) Temporary employee - any Firefighter or other member hired for a temporary assignment. Employment will end when the assignment is complete. Temporary employees are eligible for overtime subject to the 40 hour work week. Temporary employees are not eligible to receive vacation pay or health benefits.
 - (e) Board members are paid a predetermined amount that has been approved during the budget process. Board members are elected officials and are not employees. They are paid through the payroll system due to IRS requirements.
3. Pay Periods - The following pay periods are applicable to NTFD:
 - (a) Monthly
 - (a) The monthly pay period begins on the first calendar day of the month and ends on the last calendar day of the month.
 - (b) Biweekly

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- (a) The biweekly pay period takes place at two-week intervals and consists of a standard two-week work period.
 - (b) The two-week period is from 07:00 a.m. Saturday morning to 06:59 a.m. Saturday of the following week.
4. Payment schedules
- (a) Monthly
 - (a) Payment is scheduled with the second biweekly pay date of the month.
 - (b) If this day is a holiday, then the payday is the first working day prior to that holiday, except for the New Year's holiday for which the pay date will be December 31st.
 - (c) Only twelve monthly pay dates may occur within a calendar year.
 - (b) Biweekly
 - (a) Payment is scheduled for the first Friday following the close of the pay period.
 - (b) If the first Friday is a holiday, then the payday is the first working day prior to that holiday, except for the New Year's holiday for which the pay date will be December 31st.
 - (c) A minimum of twenty-six and a maximum of twenty-seven biweekly pay dates may occur within a calendar year.
 - (d) For official pay date purposes, a non-working day is defined as any day that is a holiday, a Saturday, or a Sunday.

100.3 PROCEDURES

1. Approved accounting software must be used to process the payroll accounts, print paychecks, and create reports for required monthly, quarterly, and annual payroll taxes.
2. Hourly employees must record the number of hours worked each day [in the approved records management system](#) ~~on the ERS daily roster~~.
 - (a) Electronic and hard copies of all timecards are to be maintained.
 - (b) Hard copies are reviewed by an appropriate level of management and signatures of the employee and management must be acquired on all timecards.
 - (c) Timecards that include the following information must be maintained:
 - (a) Time worked or absences
 - (b) Vacation credit accrual, utilization, and balance in hours
 - (c) All overtime
3. All full-time, casual and temporary employees with the exception of board members are paid biweekly.

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4. Board members are paid monthly.
5. All employees will receive their pay through direct deposit, when available.
 - (a) Hard copy paychecks will be issued to an employee if the employee does not have a financial institution, elects not to use direct deposit or if there is an unforeseen circumstance which would delay the ACH or payroll process.
 - (b) In the case of ACH or payroll delay the employee will be notified as soon as possible of the hard copy paycheck distribution.
6. **Electronic Sealed** pay advices will be distributed to the employees unless the employee has asked that he/she not receive a paper~~less~~ copy of the pay advice.
7. Payroll distributions :
 - (a) Payroll distributions are dated with the official pay date.
 - (b) Distributions are released and become negotiable as of the date of the distribution.
 - (c) The actual release of the payroll distribution from the payroll office is predicated on the manner of distribution selected by the employee.
 - (d) The District offers several different distribution alternatives to employees.
 - (e) The following distributions are available:
 - (a) Direct deposit via ACH to an employee's bank account
 - (b) Hard copy payroll check mailed via U.S. Postal Service to an address designated by the employee
 - (c) Hard copy payroll check picked up from the office by an individual employee
8. Hard copy checks scheduled for individual pickup should be released the day of the official pay date.
9. Hard copy checks sent via the U.S. Postal Service are to be released to the Post Office so that they may arrive at the destination within 5 days of the official pay date.
10. Mandatory Deductions from Pay
 - (a) An employee is required to pay and the District is obligated to withhold mandatory deductions from an eligible employee's pay, at prescribed rates, premiums and amounts for the following:
 - (a) Federal income tax
 - (b) Social Security
 - (c) Medicare
 - (d) State income tax
 - (e) Court ordered payments or garnishments
11. Optional Deduction from Pay

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- (a) The District may make optional deductions from the employee's pay for the following:
 - (a) Employee expenditures
 - (b) Health benefits
 - (c) Elective employee retirement contributions (401K, 457, IRA)
- 12. The District Administrator will review the pay and benefits information with each new employee. Mandatory and optional deductions at prescribed rates, premiums and amounts are processed to initiate enrollment and to begin payroll deductions.
- 13. For employees who are eligible to accrue vacation credit, records identifying vacation accruals, utilization, and balances must be maintained.
 - (a) Vacation accrual rates are to be set and approved by the Board of Trustees.
- 14. The Administrative Assistant will be responsible for entering the employee timecard information into the accounting program and ensuring that the appropriate levels of review/approvals have been obtained prior to processing the payroll disbursements. Once approved, the employee payroll disbursements and payroll tax transmittals (as outlined below) will be initiated by the Administrative Assistant. For specific step-by-step payroll processing procedures, refer to the Payroll Handbook. In the event that either the District Administrator or the Administrative Assistant is unavailable, either position will act as a back-up and complete the necessary procedures.

100.4 PAY FOR PERFORMANCE

- 1. Full and part-time employees are eligible for compensation increases based on their matching Pay Step per the NTFD Step Plan and a level of Meets Expectation or higher on their annual evaluation.

100.5 DEPLOYMENT/HAZARDOUS DUTY PAY

- 1. When responding to a reimbursable event such as a Federal Emergency Management Agency (FEMA), Utah Search and Rescue (USAR) deployment, a US Forest Service, BLM or US Fish and Game requested Wildland Response, Emergency Management Assistance Compact (EMAC), Statewide Mutual Aid Act (SMAA) resource deployment, State-mandated or Federally mandated Emergency Operations Center (EOC) activation, or other similar activities, NTFD will adhere to the following, as it relates to overtime pay for deployed.
 - (a) While on deployment assignments, employees are to follow all EMAC guidelines included in the Utah Service EMAC Mobilization Guide.
 - (b) If the District ordinarily backfills a position in situations where a regular employee is unavailable for a period of time (e.g. sick leave, vacation, participation in an extended mutual aid assignment, injury or disability, etc.) the the District may
- 2. The District does not intend to penalize firefighters for accepting a voluntary deployment assignment. Neither does the District intend to over-compensate firefighters. While on assignment, employee pay and benefits are not to be affected.
 - (a) While on deployment assignments, employees are to follow all EMAC guidelines included in the Utah Service EMAC Mobilization Guide.
 - (b) If the District ordinarily backfills a position in situations where a regular employee is unavailable for a period of time (e.g. sick leave, vacation, participation in an extended mutual aid assignment, injury or disability, etc.) the the District may

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include the cost of backfilling the position for the period that the regular employee is part of an assignment as described in paragraph 1. However, the District will only bill for the incremental overtime salary and benefit expenses associated with the replacement employee.

- (c) It is the practice of the District to establish a uniform 24-hour tour of duty during a deployment. The District will seek reimbursement for 24 hours of pay for each day that an employee is deployed, from their arrival at the assigned home unit or point of assembly, until their release from duty and subsequent return to the home unit. This reimbursement procedure is known as "portal to portal" pay.
 - (d) When calculating its reimbursement for personnel costs, and reimbursement for regular wages and overtime wages, the District will convert the employee's base hourly rate to its equivalent for a 40-hour work week ("40-hour conversion").
 - (e) Salaried employees will have their salaried wages converted to an equivalent hourly rate and subject to overtime after 40 hours.
 - (f) Firefighters on a 48/96 shift (56 hours/week) will have their hourly wages temporarily increased to accommodate a 40-hour work week. As an example, employees who are making \$15.00/hour will need their hourly wage increased to \$21.00/hour to compensate for working only 40 hours per week. The accommodation factor is 1.4 times their normal hourly base rate. Overtime will accrue after 40 hours worked per week.
 - (g) Full time employees will continue to receive the same vacation pay and health benefits as normal.
3. Volunteer Firefighters will be hired as temporary employees during term of the deployment or hazardous duty assignment and subject to hourly wages and overtime after 40 hours.
 4. Backfill personnel will receive applicable overtime per FLSA guidelines.
 5. Hourly rates may be set by the State of Utah Division of FFSL/FEMA annually and are subject to change.

100.6 MINIMUM PAY FOR CALLBACKS

Personnel that respond to a request for callback including Group 2 assignments, backfill or other similar type of response, shall be compensated a minimum of 2 hours at their current hourly rate.

If personnel are called back multiple times in the same two-hour period, only one two-hour block of compensation shall apply.

Personnel that respond for callbacks shall be ready to respond from the appropriate station, in approved NTFD uniform and complete duties as assigned.

100.7 FEDERAL, STATE, AND LOCAL PAYROLL TAX DEDUCTIONS

This section provides accounting and payroll procedures for administering payroll tax withholding from employees.

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1. Resident Status
 - (a) Wages paid to Utah state residents for services performed both within and outside the State are subject to federal and state income tax withholding.
 - (b) Wages paid to nonresidents of Utah for services performed inside the State are subject to withholding for federal and state income tax; only wages paid to nonresidents of Utah for services performed outside the State are exempt from state tax withholding.
 - (c) Utah does not distinguish between U.S. citizens, U.S. residents, and nonresident aliens with respect to State income tax withholding.
2. Wages paid are subject to Social Security tax and Medicare tax as provided in IRS Publication 15.
3. IRS Form W-4
 - (a) This form provides information for determining an employee's federal and state tax filing status and the number of allowances to claim for income tax withholding and must be completed by all new employees.
 - (b) This form also is used to request that additional tax be withheld each pay period or to request additional allowances for estimated deductions.
 - (c) Employees may modify their withholding status at any time during the year by filing a new Form W-4.
4. Exempt employees
 - (a) Follow current IRS guidelines.
5. The Utah Withholding Schedules are used to calculate state income tax withholding.
 - (a) See Utah State Tax Commission Publication 14 for the applicable withholding schedules used in the accounting software.
6. The Percentage Method is used to calculate federal income tax withholding.
 - (a) See IRS Publication 15 for the applicable percentage method tables used in the accounting software.

100.8 REMITTANCE AND REPORTING OF TAX WITHHELD

1. Semi-Weekly Remittance to the IRS
 - (a) As of 1/1/2013, the fire district is considered a semi-weekly depositor with the IRS.
 - (b) The employer's portion of the Social Security and Medicare tax is to be calculated on the date of the pay date and submitted to the Internal Revenue Service, along with the employee Social Security, Medicare and federal income tax withholding, according to the semi-weekly depositor schedule.
 - (c) See the Payroll Handbook for remittance instructions.
2. Monthly Remittance to the Utah State Tax Commission

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- (a) As of 1/1/2015, the fire district is considered a monthly depositor with the Utah State Tax Commission.
 - (b) The employee's state income tax withholding is submitted to the Utah State Tax Commission on a monthly basis.
 - (c) See the Payroll Handbook for remittance instructions.
3. Quarterly Returns
- (a) Wage and withholding information is reportable on the appropriate Federal Form 941, Utah state Form TC-941E, and state unemployment Quarterly Wage Report.
 - (b) These reports contain information on employment insurance, covered wages and personal income tax withheld.
 - (c) Remittance for the state unemployment insurance is made quarterly with the Quarterly Wage Report.
 - (d) See the Payroll Handbook for remittance instructions.
4. Annual Reconciliation Returns
- (a) All wages and applicable tax withholdings are to be reconciled annually.
 - (b) The quarterly IRS 941 reports must match the totals on the IRS W-2 and W-3 forms.
 - (c) The 4th quarter Utah State TC-941E form is considered the annual return.
 - (d) The totals on the 4th Quarter State TC-941E must match the totals on the IRS form W-3.
 - (e) See the Payroll Handbook for remittance instructions.
5. Members of the Fire District that are deemed "employees" by the Board of Trustees, shall have a W-2 form submitted showing wages earned, tax withholdings and appropriate reportable benefits.
- (a) NOTE - Board of Trustees members will also receive a W-2 form for IRS reporting purposes only but are not considered employees per Utah State law.

100.9 RECORDS RETENTION

- 1. Financial records for the current and previous year will be stored in the District Administrator's office and filed by month.
- 2. All other financial records will be retained according to the State of Utah Records Retention Schedule <http://www.archives.state.ut.us>.

100.10 REFERENCES

The Little Manual for Local and Special Service Districts, prepared by the Utah State Auditor's Office.

Internal Revenue Service

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