Indiana State University

2005 - 2006 Administrative Annual Report

Payroll

Year in Review

<u>Achievements</u>

As you have heard, increasing public awareness of Indiana State University's accomplishments is crucial to building student enrollment, influencing policy makers, and developing a place of pre-eminence in the Midwest. What do you consider to be your department's accomplishments for the 2006-07 year that will contribute to this effort? (Please list in priority order and limit to no more than 8.)

1. As a result of the recent reorganization that sent Student Employment Programs to the Career Center, we worked with Career Center staff and modified the student employment process to ensure the high level of customer service to students continues. Part of the student employment process involves the intake and detailed review of essential forms required for employment by both Student Employment Programs and the Payroll Office. The physical relocation of Student Employment Programs to a location across campus from the Payroll Office presented a challenge to maintain the high level of customer service students currently receive by working with both offices in essentially one location. This past year, both areas worked together to develop new procedures that provides students with a "one-stop" process for competing all essential forms in one location. This joint venture resulted in improved customer service to student employees. 2. Worked with the Office of Student Financial Aid to determine the feasibility and implementation steps involved in restructuring the federal work study allocation process for 2006-07. The primary goals of restructuring the work study allocation were to provide more students with work study awards and thus increase the employment pool of eligible work study students, and to ensure that all federal work study dollars were spent. The Payroll Office is extensively involved in the expensing of work study dollars through the student payroll process. As part of this project we worked with the Office of Student Financial Aid to review procedures, analyze data and participate in a training session to inform the campus of the new procedures. 3. Purchased a new time and attendance system to replace the current unsupported system being used to collect time for nearly half of the employees on the support staff payroll. The new time and attendance system will have improved features, additional functionality, and the capability to allow for expansion to additional campus departments who currently use manual time clocks for time collection. The purchase involved considerable time as we reviewed product specifications, interface requirements, contractual language and hardware requirements. The Office of Information Technology and the Purchasing Department also played active roles in completing work necessary to complete the purchase. The new system is planned to be implemented in 2006-07 fiscal year. 4. Continued to test the Banner Web Time Entry feature within Banner Self Service which allows us the ability to offer a paperless time collection and approval process for both employees and supervisors who currently sign printed timesheets. This year testing involved the addition of audit reports to ensure that the information being pulled into the payroll system is in compliance with regulations and University policy. We also tested the proxy functionality to ensure supervisors will be able to designate a back up to approve timesheets in their absence. We have completed training documents and will pilot this product in selected campus departments in the upcoming year and seek State Board of Accounts approval to utilize this system. 5. Received another successful review during the annual State Board of Accounts audit. The State Board of Accounts audits a sample of pay transactions each year on the monthly, support staff and student payrolls. During 2005, the auditors also reviewed IRS Form 941 for all four quarters of the 2005

fiscal year. Form 941 reports federal tax liabilities on a quarterly basis to the Internal Revenue Service. Again this year we received positive reviews on the accuracy and controls we have established as part of the payroll process. 6. Assisted 111 international students with federal and state tax returns as part of six workshops offered on campus in conjunction with the Office of the Controller. In order to provide this service, we participated in the Internal Revenue Service Volunteer Income Tax Assistance Program for Foreign Students and Scholars and received certification for the 2005 tax year as volunteers to assist international students in the preparation of their federal income tax returns. 7. Completed the Payroll Office Fiscal Year Annual Report which is designed to capture the volume of transactions completed within our office on an annual basis. The data from this report demonstrates an accomplishment that reflects the hard work from each of our staff members. During the 2005 fiscal year, we processed 82,661 payroll transactions totaling $87.2 million in gross payroll. As part of these pay transactions we processed $29.3 million in benefits expenses and another $27.7 million in taxes and other deductions. In addition, we successfully issued 5,413 W-2s to employees accurately reporting all taxable earnings and withholding for the 2005 calendar year.

Enrollment

What steps did you take this year to aid ISU in overcoming enrollment challenges?

1. Worked with the Office of Student Financial Aid to restructure the federal work study allocation for 2006-07 which will allow more students to be eligible for work study and should better assist students in finding on-campus employment opportunities (see accomplishment #2 above). This initiative should have a positive impact on retention as more eligible students find on-campus employment and some are able to utilize positions for experiential learning opportunities. 2. Worked with a committee comprised of Staff Benefits, Office of the Controller, and Financial Aid representatives to determine the feasibility and implementation steps of a new dependent child fee waiver. The new dependent child fee waiver was approved by the ISU Board of Trustees and will be effective in the fall of 2006. This program will be more attractive to dependent children of employees considering attending Indiana State University and should have a positive impact on enrollment.

Action Steps

Do you have any further progress you would like to report?

1. Since the last year's report, we have successfully upgraded to Banner 7. Banner 7 has allowed us the option of creating adjustments for either ACH direct deposit or a check, whereas previous versions permitted adjustments only by check. We also have the new capability of creating or updating deferred pay adjustments, such as those resulting from a mid-year pay increase, rather than accepting a system-generated adjustment. By utilizing these new enhancements in Banner 7, we are able to become more efficient in processing pays. 2. The paperless direct deposit notifications have been a huge success. We are more efficient and have received positive feedback from both students and their employing departments. The student direct deposit percentage is at an all time high of 97%. 3. As reported in our accomplishments above, the progress this past year involved the addition of audit reports to ensure that the information being pulled into the payroll system is in compliance with regulations and University policy. We also tested the proxy functionality to ensure supervisors will be able to designate a back up to approve timesheets in their absence. We have completed training documents and will pilot this product in selected campus departments in the upcoming year and seek State Board of Accounts approval to utilize this system.

Assessment

What are two ways in which you evaluated the quality or effectiveness in your area last year?

What changes did you make based on those assessments?

1. In May of 2006 we again surveyed our peer institutions and collected comparative benchmarking data designed to evaluate the quality and effectiveness of our office. In addition to the data we have collected from our peer institutions, the American Payroll Association released its 2005 "Payroll Best Practices Benchmarking Study" in April of 2006. By using benchmarking data from both our national organization and from our peer institutions we are able to continually evaluate the efficiency and effectiveness of our office. This data will also serve as a guide to assist us in our short and long term planning as we set goals and objectives for future initiatives to ensure we are continuing our move toward excellence among our peers and within our profession. 2. We continued to evaluate quality and effectiveness of the services we provide to employees and students. This past year we continued to collect evaluation sheets as part of our training sessions to assess the quality of the material covered and to gather comments on how we could more effectively provide supervisors and timekeepers with relevant information relating to their departmental payroll duties. Based on the feedback we receive from training sessions and employee orientations, we are able to evaluate the quality and effectiveness of the services we provide and make the necessary improvements to ensure we are providing quality customer service at the highest possible level.

Budget

As you know, ISU is facing significant budget challenges. Finding ways to overcome these while increasing efficiency requires innovation. How are you overcoming your budget challenges this year?

During 2005-06 we had one position frozen since February as part of the University hiring freeze. Then during the 2006-07 budget reallocations, we permanently lost that position. Although the loss of this position will not be easy, we are working diligently to gain greater efficiencies through the use of technology that will help us both now and in the future. Paperless direct deposit notifications, implementation of a time attendance system with new electronic approval features, and implementation of the web time entry feature within Banner Self Service all will be major steps forward to improve efficiencies in the upcoming year. In addition, we are reviewing job functions and restructuring position duties to absorb the loss of the position and become more efficient in performing our mission.

Future Goals

Future Goals

Have you considered any action steps your department could make to enhance Indiana State University's reputation as a University of choice? If so, please indicate what you are planning to do and tell us which area of planning your steps fall under.

Indiana State University is known as a leader in administrative computing technology with its use of Banner and other supplemental software systems that work in conjunction with Banner. The actions steps listed below for the Payroll Office demonstrate our desire to further utilize technology to enhance Indiana State University's reputation as a leader in providing services and support to students and employees through advanced technological methods. TCH – Implement a new time and attendance system to replace the current unsupported system being used to collect time for nearly half of the employees on the support staff payroll. The new time and attendance system will have improved features, additional functionality, and the capability to allow for expansion to additional campus departments who currently use manual time clocks for time collection. This system will be used by departments wanting to "time stamp" in and out times via telephone or time clock as opposed to the web time entry product which will allow employees to enter payable hours through the web. TCH – Provide faculty and staff with a paperless direct deposit notification. By utilizing

technology available to us through Intellecheck check processing software, we will work to set up a process to email faculty and staff when their pay has been deposited. The email will provide a secure PDF deposit notification and also direct faculty and staff to the ISU Portal to view additional information regarding their pay stub that is currently available through Banner Employee Self-Service. Just as we did with student payroll, this initiative will eliminate the need for faculty and staff to receive paper direct deposit notifications. TCH – Implement the web time entry product within Banner Employee Self Service. As listed above, we have been in the testing phase and are ready to use pilot departments and seek approval from the State Board of Accounts. This will allow us a cost effective option to electronically approve timesheets through Banner Employee Self Service. The development of this web time entry product will allow us to offer a paperless process to employees and students who currently manually approve and submit timesheets.