



Quality Assurance Work Instruction

CP-00-3000-04

Approved:

A handwritten signature in black ink, appearing to read "John J. Hart", is written over a horizontal line.

Date: 25 May 2004

Title: Payroll

REV
NC

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1.0 POLICY/PURPOSE

Santa Barbara Applied Research, Inc. (SBAR) prepares, evaluates, and maintains complete financial records of the company's business activities. The purpose of this work instruction (WI) is to document how SBAR conducts the payroll function.

2.0 SCOPE

This WI applies to all Santa Barbara Applied Research, Inc. business units.

3.0 REFERENCES AND DEFINITIONS

3.1 References

- CP-00-2000-01 - Personnel Requisitions, Changes, and Terminations
- CP-00-3000-04-02 – Labor Distribution
- CP-00-3000-01 – Timesheet Preparation

3.2 Definitions

Deltek GCS Premier Accounting System (GCS). GCS is a computer-based accounting system used by SBAR.

Labor Distribution Journal by Account Report. The report is a System Report that allocates and summarizes employee labor hours and employee gross salary.



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4.0 RESPONSIBILITIES

4.1 Accounting Associate

The Accounting Associate is responsible for:

- Maintaining Payroll and associated records in accordance with work instruction, CP-00-2000-01 - Personnel Requisitions, Changes, and Terminations.
- Establishes the effective date of personnel changes to coincide with the start of the next pay period.
- Preparing retroactive adjustments in pay that may be required from time to time as the result of mandated changes such as wage determination adjustments.
- Preparing the payroll in accordance with the steps indicated in Section 5.0.

4.2 Accounting Manager

The Accounting Manager is responsible for reviewing and approving the work of the Accounting Associate in accordance with the steps listed in Section 5.0.

4.3 Human Resources Manager

The Human Resources Manager is responsible for reviewing and approving Personnel Change Actions in accordance with WI CP-00-2000-01 and for coordination of the PA with the Accounting Office.

4.4 Managers and Supervisors

Managers and Supervisors will prepare CP-00-2000-01 (Personnel Requisition, Changes, and Terminations) to document in accordance with payroll, classification changes and personnel status that affects payroll in accordance with CP-00-2000-01.

4.5 Employees

Employees are responsible for reporting changes of status that affect payroll as soon as possible via CP-00-2000-01 (Personnel Requisition, Changes, and Terminations).

The employee is responsible for the activities reported on the Labor Distribution (CP-3000-04-02).

4.6 Timekeeper

The assigned Timekeeper of each SBAR business unit is responsible for checking the timecard (paper) data, and distributing the signed timecards (paper) for appropriate management review within each business unit.



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5.0 REQUIREMENTS/PROCEDURES

5.1 General

The payroll function is conducted on a biweekly basis. SBAR reports the appropriate data to ADP, a subcontractor. At the direction of SBAR, ADP issues the employee paychecks, bank vouchers, and tax/payroll reports and pays payroll taxes and garnishments. The payroll function includes the following steps.

5.2 File Maintenance

The Accounting Associate conducts file maintenance on an as-needed basis. Changes in employee status that affect payroll are entered into the ADP and/or Accounting System, as appropriate, as they are received from the employee or Human Resources Manager. Such changes in status include, but are not limited to, pay rate changes (which are reported to both ADP and the Accounting System), changes to the employee 401(k), changes in withholding status, wage garnishment, new hire, termination, etc.

5.3 Export ADP File

After completion of the Labor Distribution Report (see CP-00-3000-04-02), the Accounting Associate logs into the Time Collection System and exports a file that reports total hours by employee into an ADP-compatible file which is then imported into the ADP System.

5.4 Review Hours and Earnings

The Accounting Associate reviews the Hours and Earnings of the ADP file. Adjustments are made as necessary.

5.5 Send File to ADP

Upon completing review of the ADP file, the Accounting Associate obtains approval from the Accounting Manager and forwards the file to ADP. This function occurs on the Wednesday of the week in which paycheck and bank vouchers are issued.

5.6 Complete Payroll Journal

Upon receipt of the Payroll Report from ADP, the Accounting Associate reviews and reconciles to the Labor Distribution report. The Payroll Journal (PR) is then written and presented to the Accounting Manager for approval. Upon approval, the journal is entered and posted to the General Ledger.



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PREPARATION, REVIEW, AND APPROVAL OFFICIALS

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