

PAYROLL PREDICAMENT

GREG WENHOLZ FINANCE DIRECTOR



• 115 Full Time Employees

- Seasonal
 - o Summer 160 Part-Time
 - Non-Summer 60 Part-Time

- 3 Unions
 - Public Safety
 - Public Works
 - Clerical



- Payroll Processing "The Old Way"
 - Over 10 Different Paper Timecards
 - 4 Computer Programs for Entering Time and Tracking Accruals
 - Paper Time-Off Request Forms
 - o.5 FTE Payroll Processing Employee
 - ➤ Over 1.0 FTE total for all time-card reviewing, entering and processing (not actual employee time card completion).
 - Payroll Ownership on Finance Department



Payroll Processing Objectives

- Place Payroll Ownership on Employees
- Increase Process Efficiencies
- Reduce Overall Administrative Costs
- Ensure Greater Accuracy & Strengthen Controls



Why ADP?

- Took active interest in our needs
- Evaluated our existing operations and provided a workable solution...Did not oversell!
- Followed up with a thorough action plan
- Displayed professional confidence to ease our payroll dilemma
- Price was right



ADP Solution

- Workforce Now
 - Expanded Payroll
 - × Essential HR
 - ▼ Essential Time Time & Attendance

o ezLaborManager

- × Phone Module T&A
- ▼ Numeric Bar Code Ethernet



ADP Design and Implementation

- Led by a project manager, assigned a dedicated team of professionals to assist with set-up and implementation.
- Led through each product and phase
- Aided through test environment; including mock payroll processing
- Assisted through first two live payroll runs



Goals Achieved

- Supervisor / Employee buy-in
- Employees own their timecards
- Reduced overall payroll processing 70%
- Overall cost savings to Village of \$30k / year
- Payroll processing employee 30% reduction
- Tighter controls in employee set-up and functionality.



Other ADP Successes

- ADP Support
- Reporting
- Flexibility
- Activities
- HR Functions



QUESTIONS?

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PAYROLL CROSSROADS

JOHN JACOBS FINANCE DIRECTOR



- 3 Organizations beginning in 2014
 - Village of Weston
 - Everest Metro Police Department (joint with 3 communities)
 - o South Area Fire & Response District "SAFER" (new in 2014)
 - ▼ In 2014 2 member communities
 - ➤ By 2017 could be 5-7 communities
- 3 Unions Village/Metro/SAFER
 - o Public Works/Parks/Utilities Village
 - o Clerical Village
 - Police Officers Everest Metro
 - o Fire Dept. none in 2014



- 42 Full Time Employees 2013
- 31 Full Time Employees 2014 (without Fire)
- 164 Seasonal Employees 2013
- 134 Seasonal Employees 2014 (without Fire)
- 206 Total Employees 2013
- 165 Total Employees 2014

Everest Metro & SAFER District



- 28 Full Time Employees Everest Metro
- 8 Full Time Employees SAFER (2014)
- <u>62 Fire Volunteer Employees SAFER (2014)</u>
- 70 Total Employees for SAFER in 2014
- Potential for up to 120 SAFER Employees by 2017
- Union vs. Non-Union:
 - o Police Officers Union
 - Fire Employees NO UNION



All Combined Entities:

02013 - 234 Total Employees

02014 - 263 Total Employees

o2017 - 313 Total Employees (projected)



- 2012 1 Full-Time Employee retires
 - o (0.50 FT payroll duties)
- 2013 1 Additional Full-Time Employee retires
 - o (0.50 FT payroll duties)
- 2014 Adding New SAFER District Employees to Village staff's responsibility (3rd government entity)



QUESTIONS from Village Administrator:

- 1) Do we need to replace ONE of the full-time positions?

 OR
 - Do we **outsource** the payroll / human resources function in 2013-2014?
- 2) Where do we find the time to administer a third government agency's personnel needs?
- 3) Could we <u>SAVE money</u> by outsourcing?
- 4) Can we <u>free up staff time</u> by outsourcing?



PHILOSOPHY

- Government needs to focus <u>FIRST</u> on only those tasks that only <u>government</u> can do.
- How best to service the local taxpayers in the 21st Century? What are the <u>CORE</u> services?
- All other services could be <u>outsourced</u> in the Marketplace.



WHICH SERVICES TO OUTSOURCE?

- Garbage Collection
- Village Attorney
- Village Assessor
- Building Janitorial Services
- Financial Audit
- Ambulance Billing
- Tax Collection (20% done by local banks for "Free")
- Pet Licensing (new for 2013)
- Payroll / Human Resources (2014 new)
- Lawn/Parks Mowing (2014 new proposed)

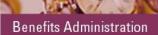


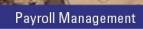


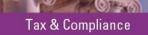
FACTS ABOUT OUTSOURCING

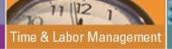
- **Cost Savings** At least 50% for outsourcing payroll.
- **Convenience** Allows government to focus on CORE services to the public.
- **Time Savings** Frees up staff time to do other tasks......those CORE services again.











Expense Management

Payroll Processing Tasks

In house Staff Responsibilities

- Input/maintain employee data
- Input/balance employee pay data
- Verify accuracy of payroll results
- Process payroll
- Print checks and reports
- Stuff, sort and distribute checks
- Create and send banking files
- Create G/L interface file
- Calculate garnishments
- Process garnishment payments
- Research garnishment inquiries
- Prepare/send tax deposits
- Prepare/file quarterly tax reports
- Respond to agency tracers

- Quarter-end processing
- Year-end processing
- Production of W-2's
- Prepare/file year end tax reports
- Quarter and year-end close
- Prepare new year calendars
- Update tax tables
- Maintain check print s/w
- Maintain tax forms, W-2's
- Maintain PR reports
- Apply PR system updates
- Test and troubleshoot updates
- Order check forms, W-2 forms
- Disaster recovery plans/tests

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ADP Responsibilities:

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Typical In-House Payroll Tasks

Payroll Preparation and Calculations

Payroll Production and Distribution

Banking and Tax Filing

Direct Deposit

ACH file sent to Bank

Positive Pay

Check Reconciliation

Payroll Tax Filing

And Deposits

Respond to Tax

Agency Tracers

Setup and Maintain tax

filing jurisdiction

information

3rd Party Reporting & General Ledger

Quarterly and Year-end Services

Payroll **Account Management**

Payroll Time Entry

New Hires, Terms and Changes

Adjustments & Voids

Setup and Maintain Payroll Calculations

Benefit Accruals

Deductions in Arrears

Group Term Life Calculations

401k Calculations Match, Loans, and Limits

Flexible Benefits Plans

Garnishment Calculations

Issue Pay Statement Reprint Requests

Gross to Net

Check Production

Check Signing

Check Stuffing

Check Sorting

Check and Report Delivery

Production of Payroll Reports: Payroll Register, Earning Records, Check Reconciliation Report, etc.

On-line Pay Statements

Payroll Deduction and Changes

Amendment Processing

Escheatment

New Hire Reporting

Garnishment Disbursements

Maintain and Run 401k Interface

Maintain and Run Benefits Interface

Maintain and Run General Ledger Interface

Maintain and Run Other payroll Interfaces

Sarbanes Oxley Reporting SAS70 Type II Reports

Create Quarterly Earnings Records

Wage and Tax Registers

Year - end Reporting

Print W2's

Distribute W2's And 1099's

Create and Issue W2 adjustments

Adjustment Processing

Issue W2 Reprint Requests

Define Quarterly and Year-End Procedures Day to Day Payroll Support

Handle Schedule Changes

Answers to employee questions

Payroll maintenance For Interfaces

Manage mergers and Spin-offs

Coordinate Test payrolls

Application Support and Maintenance

Payroll maintenance such as accumulators, Calculations, earnings, etc..

Application Support and Maintenance

Full System Backups

Disaster Recovery and Contingency Planning

Payroll Tasks when partnering with ADP

Payroll

Account Management

Day to Day Payroll

Support

Handle Schedule

Changes

Answers to employee

questions

Payroll maintenance

For Interfaces

Manage mergers

and Spin-offs

Coordinate Test payrolls

Application Support

and Maintenance

Payroll maintenance

such as accumulators,

Calculations, earnings, etc..

Application Support and Maintenance

Full System Backups

Disaster Recovery and

Contingency Planning

Payroll Preparation Banking and 3rd Party Reporting Quarterly and **Payroll Production** Year-end Services and Calculations Tax Filing & General Ledger and Distribution Payroll Time Entry Gross to Net New Hire Reporting Create Quarterly **Direct Deposit** Earnings Records **Check Production** ACH file sent to Bank New Hires, Terms Garnishment and Changes Disbursements Wage and Tax **Check Signing** Registers Positive Pay Maintain and Run Adjustments & Voids 401k Interface Check Stuffing Year - end Reporting Maintain and Run Check Reconciliation Setup and Maintain Check Sorting Benefits Interface **Payroll Calculations** Print W2's Check and Report Payroll Tax Filing Maintain and Run Delivery And Deposits General Ledger Interface **Benefit Accruals** Distribute W2's And 1099's Production of Payroll Respond to Tax Maintain and Run Reports: Payroll Register, Create and Issue Earning Records, Check **Agency Tracers** Other payroll Interfaces **Deductions in Arrears** W2 adjustments Reconciliation Report, etc. Adjustment Processing SOX Reporting Setup and Maintain tax Group Term Life SAS70 Type II Reports filing jurisdiction On-line Pay Statements Calculations Issue W2 Reprint information Requests 401k Calculations Amendment Processing Define Quarterly and Match, Loans, Year-End Procedures and Limits Escheatment Flexible Benefits Plans Garnishment Calculations Issue Pay Statement Reprint Requests



Payroll Processing - "The Old Way"

- Paper Timecards
- Lost Timesheets from SEASONAL employees
- Spreadsheet Tracking for any Tasks performed for any neighboring community
- Paper Time-Off Request Forms
- Manual Black Book for Tracking Future Time-Off Requests by Employees
- Over 40 total combined hours spent by 3 employees to process bi-weekly payrolls for 2 Entities (tabulating hours, data entry, proofing, & HR) = Annual Cost to Village = \$55,000 \$60,000 (including old payroll software)



- Payroll Processing "The ADP Way"
 - o 100% Electronic Timesheets
 - Employees enter Timesheets, at office or from remote access
 - Code System for tracking Billable Hours to any Neighboring Municipality.....Labor, Materials, & Equipment
 - Electronic Time-Off Requests sent from Employee to Supervisor; once Supervisor approves, Time-Off is recorded already in <u>Future</u> Timesheet Slots (ex. Deer hunting)
 - o 24/7 Online Inquiry for all Employees to Payroll Records
 - No more than 3 estimated hours spent by 1 employee to process bi-weekly payrolls for 3 Entities (HR Admin. & Payroll Submission to ADP) = Annual Cost to Village = \$22,000 \$25,000 (including ADP costs)



MOST ATTRACTIVE REASON TO OUTSOURCE PAYROLL ---Per Weston Staff

- Eliminate Quarterly & Year-End Reporting !!!!!
 - ➤ W-2's, Form 941's, Wisconsin Retirement, Unemployment, W-7 State, etc.
- o Goal is to be "LIVE" in January 2014



"You'll receive your paychecks as soon as I remember where we outsourced the Payroll Department."



"Working here is a lot more fun since we started outsourcing our stress!"



QUESTIONS?

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