



5.0 Payroll

Introduction

The University System of Georgia payroll operations must conform to state and federal laws, and to policies of the Board of Regents. Topics in this section were developed from all of the sources listed above.

Topics in this section include:

- Benefits
- Taxes
- Employee Pay
- Reporting
- Determination of Status – Employee vs. Independent Contractor



5.1 Benefits

5.1.1 Reports and Reconciliation

Before beginning the process at the end of the month for health care and life insurance reporting and premium remittance, each institution should run the following reports and perform the following reconciliation to facilitate the process.

Comprehensive Benefits Report

Each institution must generate a comprehensive benefits report using the payroll system that is in operation at the institution*. This report must provide:

- Detail by employee and benefit plan
- Total premiums by employee share and employer share for each USG benefit plan
- Appropriate totals

*** Note:** Institutions using the Georgia*FIRST* model of the PeopleSoft HRMS software will generate the BORR025, Comprehensive Benefits Report.

Payroll Deduction Register

Each institution must generate a payroll deduction register using the payroll system that is in operation at the institution*. This report must provide:

- All deductions taken sorted by deduction name, deduction category, or deduction code
- Detail by employee and deduction
- Appropriate totals

*** Note:** Institutions using the Georgia*FIRST* model of the PeopleSoft HRMS software will generate the PAY001, Deduction Register.

Reconciliation

In addition to running these reports, each institution must reconcile the comprehensive benefits report with the payroll deduction register*. This reconciliation must:

- Verify that employees have a deduction on the payroll deduction register for all benefits in which the employee is enrolled per the comprehensive benefits report.
- Verify that the deduction has been calculated correctly.
- Produce reconciling items using any discrepancies between the two reports.

*** Note:** Institutions using the Georgia*FIRST* model of the PeopleSoft HRMS software may use the BORR025A, Benefit Premium Reconciliation Report, to assist in the reconciliation.

Institutions must notify Payroll Operations of any one-time deductions or refunds



discovered during the reconciliation.

Note: These same reconciliations will be used in the next month's reconciliation but with the opposite "sign".

Accelerated Deduction Schedule

A reconciling factor for some deductions will be the accelerated deduction schedule for some employees. As discussed in Section 5.1.4, Withholding Schedules for 10 Month Contract Employees on page 5-6, the January through May deductions for 10 month faculty are increased to include the benefit premiums for June and July.

5.1.2 Health Care Reporting and Premium Remittance

The University System Office (USO) will send each institution a Health Insurance Transmittal spreadsheet, shown on the following page, detailing the various benefit plans and enrollment options. Each institution should verify the entries on the spreadsheet and correct these entries as required, in order to obtain the correct premium billing information. In addition to the entries by benefit plan for employee share and employer share, there is an Adjustment column that provides a method of correcting errors from prior periods. Institutions should return the corrected spreadsheet to the USO via fax or email. Institutions should remit the appropriate premium amount to the USO via ACH wire transfer by the **5th calendar day of the month**.

5.1.3 Life Insurance Reporting and Premium Remittance

The life insurance provider sends invoices to the institutions monthly. This invoice provides a starting point, but does not actually determine the amount owed to the provider. Using the information from the comprehensive benefits report, the payroll deduction register, and the reconciliation discussed in Section 5.1.1 on page 5-2, institutions should:

- Reconcile the invoice from the insurance provider to the amounts produced in the comparison of the comprehensive benefits report to the payroll deduction register.
- Adjust the invoice from the insurance provider as required. If no invoice is received, proceed without the invoice using the adjusted comprehensive benefits report as an invoice.
- Using the adjusted invoice, prepare a payment check to the life insurance provider for the reconciled premium amount.
- Mail the check to the insurance provider, including a copy of the reconciled invoice and the summary pages from the comprehensive benefits report. The summary pages should identify each employee covered and the amount being remitted.
- The life insurance premiums and edited invoice should be submitted by the 15th calendar day following the end of the month.

Note: Payment may also be made by ACH wire transfer, using the Wire Transfer Procedures form shown on the second following page.



Health Insurance Transmittal Spreadsheet

UNIVERSITY SYSTEM OF GEORGIA
BOARD OF REGENTS
BC/BS HEALTH - PPO - DENTAL PREMIUMS

Institution: _____
Month: _____

Prepared By: _____ FAX To: 404-657-5977
Phone: _____ Attention: _____
Email: _____ Phone: 404-656-3372

PROGRAM DISTRIBUTION	Employee Portion	Employer Portion	Adjustments	Total
BC/BS-Indemnity Plan	-	-	-	-
BC/BS-Indemnity Plan Medicare	0.00	0.00	-	-
BC/BS-PPO	0.00	0.00	-	-
BC/BS-PPO Medicare	0.00	0.00	-	-
BC/BS-PPO Consumer Choice	-	-	-	-
BC/BS-PPO Consumer Choice Medicare	-	-	-	-
BC/BS-Dental	-	-	-	-
Totals	-	-	-	-

Adjustments - Explain: _____

ENROLLMENT	Active	Retirees	Retirees w/Medicare	Cobra	Total
Employee Only - Indemnity Plan					0
Employee + Child - Indemnity Plan					0
Employee + Spouse - Indemnity Plan					0
Family - Indemnity Plan					0
Surviving Spouse					0
Surviving Spouse - Medicare					0
Employee Only - PPO Plan					0
Employee + Child - PPO Plan					0
Employee + Spouse - PPO Plan					0
Family - PPO Plan					0
Surviving Spouse					0
Surviving Spouse - Medicare					0
Employee Only - PPO Consumer Choice Plan					0
Employee + Child - PPO Consumer Choice Plan					0
Employee + Spouse - PPO Consumer Choice Plan					0
Family - PPO Consumer Choice Plan					0
Surviving Spouse					0
Surviving Spouse - Medicare					0
Employee Only - Dental Plan					0
Employee + Child - Dental Plan					0
Employee + Spouse - Dental Plan					0
Family - Dental Plan					0
Totals	0	0	0	0	0

WIRING INSTRUCTIONS

Bank	Wachovia Bank
Acct Title	General Operating
ABA Number	061000227
Acct Number	200126745894
Transmittal	0.00

Shaded areas must agree!



Life Insurance Wire Transfer Procedures Form

Subject : Wire Transfer Procedures Revised bank name 8/25/2003

The following are procedures for completing a Wire Transfer.

1. The Transfer should be received by our Bank before 10:00 A.M. on the day of the transfer.

BANK : WACHOVIA
ADDRESS: PHILADELPHIA, PA
NAME OF ACCOUNT: LIFE INSURANCE COMPANY OF NORTH AMERICA.
ACCOUNT NUMBER: 2100014282877

 ABA# 031 201 467

2. The following information should be included on the advice sheet to our Bank:

POLICYHOLDER NAME: _____
POLICY SYMBOL / NUMBER _____
WIRE TRANSFER FOR THE MONTH OF: _____

ATTENTION: CIGNA GROUP INSURANCE
 1455 VALLEY CENTER PARKWAY
 BETHLEHEM, PA 18017

ATTN: STEFANIE LAWLOR
 725
 (610)758.7866

3. On the day of the Transfer , Please Call, Fax, and or e-mail (See Below) to inform me of the transfer , along with the following information.

DATE / DAY/ TRANSFER WAS DONE: _____
AMOUNT OF TRANSFER : _____
PERIOD COVERED BY TRANSFER: _____

These procedures should be followed in detail order for the Wire Transfer can be completed with speed and accuracy, with all parties involved aware of the transfer. All steps are important, none should be forgotten.

If you should have any questions or need additional information , please feel free to contact me at (610) 758-7866.

Thank You,
Stefanie

Phone : (610) 758.7866
 Fax # (610) 758-7881
 e-mail Address : Stefanie.Lawlor@CIGNA.Com



5.1.4 Withholding Schedule for 10 Month Contract Employees

Ten (10) month contract employees are considered full-time employees, and they receive benefits for twelve (12) months, based upon the assumption that their contract will be renewed for the next academic year. Payroll deductions for fringe benefits must aggregate 12 months of deductions within a 10 month salary delivery period. Normally, a contract begins in August and ends in May, with benefits continuing during June and July if the contract is renewed.

If a 10 month contract employee terminates employment at the end of the academic year (May), benefit deductions for the months of June and July should be refunded to the employee. Health and dental benefits would then be available under COBRA. Only when their contract is scheduled for renewal for the next academic year is the employee allowed to continue benefits during the months of June and July.

A consistent schedule for benefit deductions to be utilized by all institutions is desirable so that all 10 month contract employees are treated equally. This deduction schedule should also allow for ease of calculations in the case of faculty members who teach one semester and do not return for the second semester, and allow for an annual increase in costs that normally occurs at the beginning of the calendar year.

The schedule outlined below has the correct deductions already taken if a faculty member does not return for the second semester, and has a new benefit calculation period beginning January 1st to accommodate rate increases.

Deduction Schedule

For the months of August through December, the deduction amount will be $(1/12)$ multiplied by $(5/5)$ multiplied by the annual deduction amount. For the months of January through May, the deduction amount will be $(1/12)$ multiplied by $(7/5)$ multiplied by the annual deduction amount.

If this schedule is followed, 12 months of benefit deductions will have been taken at the end of the 10 month contract.

5.1.5 COBRA and Retiree Billing

COBRA Billing

Under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), employees or dependents enrolled in a health or dental plan when they experienced a qualifying event, which subsequently results in lost coverage, will become COBRA qualified beneficiaries. The employees or dependents have the option of continuing coverage under the University System of Georgia Board of Regents plan(s). Terms, conditions, and costs for coverage must be communicated to the eligible parties via notification letters.



An election of COBRA must be made within sixty (60) days of the employee's termination, and payment must be made within forty-five (45) days of that election. Once COBRA has been elected, these premiums must be made on a monthly basis.

Institutions should bill the participants **monthly***. If a participant is more than thirty (30) days delinquent, benefits should be terminated and collection procedures initiated to collect any outstanding balance.

*** Note:** Institutions using the Georgia*FIRST* model of the PeopleSoft HRMS and Financials software may generate COBRA Billing Statements using either the HRMS or Financials module. Institutions using the Georgia*BEST* (GaBEST) model of the Banner Student Information System may generate COBRA Billing Statements using the Finance Invoices or Statements Process (TFRBILL).

The option of direct debit shall be offered to all University System of Georgia employees or dependents eligible to become COBRA qualified beneficiaries and who elect continuing coverage under University System of Georgia health and/or dental insurance coverage.

Retiree Billing

When an employee retires from active service with the University System of Georgia, participation in the health, dental, and supplemental life insurance plans may be continued into retirement if the member complies with the requirements as prescribed by the Board of Regents Policy Manual.

Participants should be billed **monthly, quarterly, or some interval consistency with the institution's business calendar***. If a participant is more than sixty (60) days delinquent from the date of the bill, benefits should be terminated and collection procedures initiated to collect any outstanding balance.

*** Note:** Institutions using the Georgia*FIRST* model of the PeopleSoft Financials software may generate Retiree Billing Statements using the Financials module. Institutions using the Georgia*BEST* (GaBEST) model of the Banner Student Information System may generate COBRA Billing Statements using the Finance Invoices or Statements Process (TFRBILL).

The option of direct debit shall be offered to all University System of Georgia retirees who elect, and are eligible, to continue coverage under University System of Georgia health and dental plans and supplemental life insurance coverage.

5.1.6 Retirement System Reporting and Deduction Remittance

It is the policy of the Board of Regents to provide for the retirement of all eligible permanent full-time employees, either through the Teachers Retirement System of Georgia



(TRSGA) or the Regents' Retirement Plan (ORP). Employees eligible for the Regents' Retirement Plan shall be those employees identified in Board of Regents Policy Manual.

All other employees not eligible for either TRSGA or ORP are required to participate in the Georgia Defined Contribution Plan (GDGP) administered by the Employees Retirement System. Employees of state agencies that were participating and vested in the Georgia Employees Retirement System subsequent to being employed by the University System may elect to continue their participation in the Employees Retirement System. This is facilitated by state law and reporting procedures for Employees Retirement System are included in this section also.

Teachers Retirement System Reporting and Deduction Remittance

1. Produce a report (TRS/ORP Participant Report) and a data file to be submitted to the Teachers Retirement System, using the appropriate method from your institution's payroll system. * This report and data file must provide:
 - Retirement Number
 - Name
 - Social Security Number (National ID)
 - Employee ID
 - Contract Months
 - Retirement Gross Salary for the month
 - Retirement Deduction for the month
 - Retirement Plan (TRS or ORP)

*** Note:** Institutions using the Georgia *FIRST* model of the PeopleSoft HRMS software should refer to Business Process RPT 305, TRS/ORP Retirement Reporting.

2. Complete the entries as required, using the online monthly statement/billing form on the Teachers Retirement System web site:
<https://trsga.org/trsgassp/Employer/EmployerLogon.aspx>.
3. Submit the data file produced electronically to the Teachers Retirement System, using the web site's upload feature. This is a secure web site requiring a user ID and password for access.
4. Execute either a wire transfer or an ACH transfer to transfer the payment amount, using the appropriate method for your institution.



Employee's Retirement System Reporting and Deduction Remittance

The Employees Retirement System provides ERS Form 17E, as shown on the following two pages, to be completed monthly.

1. Complete the ERS Form 17E, using the amounts produced in the comparison of the appropriate retirement report to the payroll deduction register and other appropriate payroll reports.

Note: This form provides spaces for completing information on the two different plans that may be in use at an institution.

2. Produce a report and a data file for electronically reporting to the Employee's Retirement System, using the appropriate process in the institution's payroll system. *

*** Note:** Institutions using the Georgia *FIRST* model of the PeopleSoft HRMS software should refer to Business Process RPT 310, ERS/DefCon Retirement Reporting.

Verify that the totals from the data file match the adjusted invoice. The data file must contain:

- Record Type (CD)
- Transaction Code (Z)
- Department Code (NSW)
- Location Code (NSW0XXX)
- Provider Code (ZZREGN)
- Retirement System (ERS or GDP)
- Social Security Number (National ID)
- Name
- Report Date
- Month Base Compensation
- Month Contribution Earnings
- Monthly Contributions
- Employee Percentage
- File Date
- Employee ID

The report must include:

- Record Type (PD)
- Transaction Code (Z)
- Provider Code (ZZREGN)
- Retirement System (ERS or GDP)



ERS Form 17E (page 1)



**EMPLOYEES'
RETIREMENT SYSTEM
OF GEORGIA**

PO Box 101094 Atlanta, Georgia 30392-1094
(404) 350-6300 1-800-805-4609 FAX (404) 350-6305

Monthly Salary and Contributions Summary Report

Reporting Month: May 2006

Fiscal Year: 2006

Company Name: Regents Central Office

Company #: NSW0598-ZZ0598

Plan: ERS

1) NUMBER OF CONTRIBUTING MEMBERS:

Old Plan: _____
New Plan: _____

2) TOTAL MEMBERSHIP SALARIES:

Old Plan: \$ _____
New Plan: \$ _____

3) EMPLOYER CONTRIBUTIONS:

Old Plan (5.66%) \$ _____
New Plan (10.41%) \$ _____

TOTAL EMPLOYER CONTRIBUTIONS: \$ _____

4) EMPLOYEE CONTRIBUTIONS:

Old Plan (1.50%) \$ _____
ER Pickup (5.00% - \$7.00) \$ _____
New Plan (1.50%) \$ _____

TOTAL EMPLOYEE CONTRIBUTIONS: \$ _____

5) REPORT TOTAL - FROM LINE 3 & 4

\$ _____

6) REPORT ADJUSTMENTS:

Prior Months of Current Fiscal Year- Attach Corrected Monthly Summary Report or 2A Adjustment Form
**Note: Prior fiscal year adjustments must be submitted separately on a 3A form*

\$ _____

Credit/Debit Adjustments - Attach copies of Advice

\$ _____

7) REPORT TOTAL - FROM LINE 5 & 6

\$ _____

Signature: _____ Date: _____
Completed By

Signature: _____ Date: _____
Reporting Official/Fiscal Officer

Phone#: _____

Phone#: _____

FAX# _____

e-mail Address: _____

*****THIS REPORT IS DUE BY THE 10TH OF THE MONTH FOLLOWING THE REPORTING MONTH*****

ERS_Majority - Revised 7-2005



ERS Form 17E (page 2)

EMPLOYER REPORTING
TWO NORTHSIDE 75 SUITE 300
ATLANTA GA 30318-7778

REGENTS CENTRAL OFFICE NSW0598-ZZ0598
C/O ROBERT ELMORE
WASHINGTON
SUITE 6075
ATLANTA GA 30334



- Social Security Number (National ID)
 - Name
 - Address Line 1
 - Address Line 2
 - State
 - Zip Code
 - Hire Date
 - Birth Date
 - Termination Date
 - Department Code (NSW)
 - Location Code (NSW0XXX)
 - Gender
 - File Date
 - Employee ID
3. Submit the data file produced electronically to the Employee's Retirement System, using the File Transfer Utility through www.usg.edu/ftu/. This is a secure web site requiring a user ID and password for access.
 4. Prepare and mail a payment check to Employee's Retirement System, using the completed ERS Form 17E as an invoice. A copy of the ERS Form 17E should be included with the check.

Georgia Defined Contribution Program Reporting and Deduction Remittance

An email notice with an attached ERS Form 17G, as shown on the following two pages, will be sent monthly to the institutions from the Georgia Defined Contribution Program. The ERS Form 17G will be completed and will serve as an invoice.

1. Complete the entries on the invoice, using the amounts from the appropriate retirement report, the payroll deduction register, and the reconciliation, as noted in Section 5.1.1 on page 5-2, and other related reports for wage totals.
2. Reconcile the invoice from the Georgia Defined Contribution Program to the amounts produced in the comparison of the appropriate retirement report to the payroll deduction register.
3. Using the appropriate process from your institution's payroll system*, produce a report and a data file for electronically reporting to the Georgia Defined Contribution Program. Verify that the totals from the data file match the adjusted invoice.



ERS Form 17G (page 1)



EMPLOYEES' RETIREMENT SYSTEM OF GEORGIA

PO Box 101121 Atlanta, Georgia 30392-1121
(404) 350-6300 1-800-805-4609 FAX (404) 350-6305

Georgia Defined Contribution Plan Monthly Salary and Contributions Summary Report

Reporting Month: May 2006

Fiscal Year: 2006

Company Name: Regents Central Office

Company #: NSW0598-ZZ0598

Plan: GDCP

1) NUMBER OF CONTRIBUTING MEMBERS: _____

2) TOTAL MEMBERSHIP SALARIES: _____

3) EMPLOYEE CONTRIBUTIONS:

TOTAL MEMBERSHIP SALARIES X 7.50%: \$ _____

4) REPORT ADJUSTMENTS: \$ _____

Prior Months of Current Fiscal Year- Attach Corrected Monthly Summary Report or 2A Adjustment Form
**Note: Prior fiscal year adjustments must be submitted separately on a 3A form*

Credit/Debit Adjustments - Attach copies of Advice \$ _____

5) REPORT TOTAL - FROM LINE 3 & 4 \$ _____

Signature: _____ Date: _____
Completed By

Signature: _____ Date: _____
Reporting Official/Fiscal Officer

Phone#: _____

Phone#: _____

FAX# _____

e-mail Address: _____

*****THIS REPORT IS DUE BY THE 10TH OF THE MONTH FOLLOWING THE REPORTING MONTH*****

GDCP-Revised 7-2005



ERS Form 17G (page 2)

EMPLOYER REPORTING
TWO NORTHSIDE 75 SUITE 300
ATLANTA GA 30318-7778

REGENTS CENTRAL OFFICE NSW0598-ZZ0598
C/O ROBERT ELMORE
270 WASHINGTON STREET,SW
SUITE 6080
ATLANTA GA 30334



*** Note:** Institutions using the Georgia *FIRST* model of the PeopleSoft HRMS software should refer to Business Process RPT 310, ERS/DefCon Retirement Reporting.

Note: The report and data file requirements are the same as that specified for the Employee's Retirement System above, using the Retirement System entry of "GDP".

4. Submit the data file electronically to the Employee's Retirement System using the File Transfer Utility through www.usg.edu/ftu/. This is a secure web site requiring a user ID and password for access.

Note: Although the report is for the Georgia Defined Contribution Program, it is submitted to the Employee's Retirement System because ERS administers the Georgia Defined Contribution Program.

5. Prepare and mail a payment check to Employees' Retirement System, using the adjusted invoice. A copy of the invoice should be included with the check. The invoice and check are due by the 10th of the month following the reporting month.

Optional Retirement Plan Reporting and Deduction Remittance

The following four companies manage optional Retirement Plans for the University System of Georgia. Reporting to all of these companies is the same.

- American Century
- Fidelity
- TIAA/CREF
- VALIC

1. Produce the appropriate report(s) from the payroll system to obtain detail on monthly employee deductions and matching employer matching amounts*.

*** Note:** Institutions using the Georgia *FIRST* model of the PeopleSoft HRMS software should run the following reports: BORR009 (Optional Retirement Plan Statement), BORR068A (ORP – Employee Contributions), and BORR068B (ORP – Employer Contributions).

2. Reconcile the report(s) to the amounts produced in the comparison of the appropriate retirement report to the payroll deduction register. Adjust the report(s), if required.
3. Using the reconciled report(s), prepare and mail a payment check to the appropriate company.

Note 1: Some companies also require data on a diskette or web access reporting. Contact the company for its specific policy and requirements.



Note 2: Submission of data via web access has been developed and is in use by some institutions for all ORP companies, along with some 403b and 457 plan companies. *

* **Note 1:** Institutions using the Georgia*FIRST* model of the PeopleSoft HRMS software will use SQRs to extract the necessary data, log onto the provider's secured web site, upload the data file, print an acceptance page for backup documentation purposes, and log out of the web site. Instructions were provided at Georgia Summit in 2003 for accomplishing the submission via web access. Refer to "Online Remittance of ORP's, TSA's & 457's" at the Georgia Summit on-line archives: <http://www.ciclt.com/borr/admin/Reports/Agenda.asp>.

* **Note 2:** Institutions using the Georgia*FIRST* model of the PeopleSoft HRMS software should refer to Business Process RPT 350 for the electronic submission of TIAA-CREF contributions.

5.1.7 Discontinuing Benefits for Retired Employees

A University System of Georgia retiree or career employee who, upon his/her separation of employment from the University System of Georgia, meets the criteria for retirement as set forth in BOR policy shall remain eligible to continue as a member of the basic and dependent group life insurance and health and dental benefits plans. The University System shall continue to pay the employer's portion of the cost for such benefits.

Coverage under the plans can be discontinued under one of three scenarios: at the request of the retiree, due to nonpayment of premiums, or at the death of the retiree.

1. If a retiree requests to discontinue his/her coverage, the institution should ensure premiums have been paid through the agreed-upon date. Otherwise, the account should be paid in full prior to ending the relationship with the retiree. In some instances, dependents of the retiree who were also covered may be eligible to continue coverage under COBRA. In those situations, COBRA paperwork will be generated and forwarded to the dependents.
2. A retiree whose coverage is discontinued due to nonpayment of premiums should be notified at least twice of the impending cancellation. The first notification may be either oral or written. The second notification must be in writing via certified letter. If the retiree is not responsive, the coverage should be canceled and the account referred to collections.
3. Upon the death of a retiree, health and dental benefits should be discontinued. Additionally, life insurance benefits must be paid out. The dependents of a retiree who dies and who had retired under TRS eligibility rules may remain in the group for life and health insurance purposes with University System participation in the cost.



Upon the death of a retiree (Section 802.0902 of the Regents Policy Manual), his/her dependents shall remain eligible to continue participating in the group health insurance program. The University System shall continue to pay the employer portion of the cost of the group health insurance for the surviving dependents. If the deceased retiree had elected to participate in the dependent life insurance program while in active service, his/her dependents shall remain eligible to continue participating in this program. The surviving dependents will be responsible for the entire cost of the dependent life insurance.

In no event shall the spouse of the deceased continue in the group after remarriage. Dependent children may remain in the group until they reach the legal age of majority, or until they become eligible for another group benefits plan, whichever comes first.

5.1.8 Leave Accrual for Summer Faculty

The Board of Regents Policy Manual states:

A faculty member employed on an academic year (9- to 10-month) basis does not earn vacation/annual leave. An academic year contracted faculty member who teaches during Maymester and/or summer semester will not be eligible to accrue vacation/annual leave for such service.

Although not specifically addressed in the Policy Manual, administrative policy allows academic year (9 to 10 month basis) faculty members to accrue sick leave during the period of their contract. Sick leave is accrued at the rate of 8 hours per month worked. If an academic year-contracted faculty member teaches during the summer months, then the sick leave accruals during the summer are based on the percentage of time worked by the faculty member. This amount is calculated by dividing the total credit hours the faculty member is teaching by the number of credit hours considered to be “full-time” for summer employment, which has been previously determined to be 9 credit hours.

Based upon this, a faculty member teaching 3 hours would earn 5 hours for the two month period. Faculty members teaching 6 hours would earn 11 hours and anyone teaching 9 hours would earn the full 16 hours.



5.2 Taxes

Institutions of the University System of Georgia must conform to applicable state and federal regulations concerning timely remission of various employee deductions and employer matching funds. This section provides a brief overview of these requirements.

Note: If the applicable agency changes the requirements before this manual can be amended, the institutions are expected to comply with the new requirements.

5.2.1 Submission of Georgia Withholding Amounts

To determine the schedule for withholding tax deposits, the Georgia Department of Revenue (DOR) requires an analysis of the previous amounts withheld in a lookback period of July 1st through June 30th.

1. If the taxes withheld during the lookback period are greater than \$50,000, then the employer is defined as a “Semi-Weekly Payer” and the taxes must be remitted via electronic funds transfer (EFT) on the next following Wednesday or Friday. Refer to the DOR website for exact details/schedule.

Form G-7 is a quarterly return that provides a recap of monthly amounts remitted along with a method adjusting monthly totals if required. Form G-7/ Schedule B must be filed on or before the last day of the month following the end of the quarter. A copy of this form is shown on the following page.

2. If the taxes withheld during the lookback period are less than \$50,000 in total but greater than \$200 per month, then the employer is defined as a “Monthly Payer” and the taxes must be remitted on or before the 15th day of the following month with Form GA-V. Form G-7 must be filed on or before the last day of the month following the end of the quarter.

Form GA-V is a payment coupon used for remitting the taxes. It is used when taxes are not submitted via EFT. A copy of this form is shown on the second following page.

Note 1: A registration process must be completed with the DOR before beginning electronic funds transfers. Contact the Georgia Department of Revenue, Income Tax Division, for further information and the Registration Authorization Form.


Note 2: Additional schedules are provided for smaller payroll totals, but are not likely to apply to any USG institutions. Therefore, they are not provided here.

Note 3: One additional rule requires the taxes be deposited the next banking day after payday if the amount withheld equals or exceeds \$100,000.



Georgia Form G-7 Quarterly Return

G-7 QUARTERLY RETURN
FOR **QUARTERLY FILER** (rev. 7/02)
Georgia Department of Revenue
2003


0300704012

MAIL TO:
Georgia Department of Revenue
P.O. Box 740387
Atlanta, GA 30374-0387
Telephone No. (404) 417-3210

GA Withholding ID	FEI Number	Period Ending	Due Date	Vendor Code
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NAME AND ADDRESS

	Tax withheld this period
	Adjustment to tax
	Tax Due (Line 1 + or - Line 2)
	Total Paid

Date Received

DO NOT STAPLE, PAPER CLIP OR ATTACH CHECK STUB

	Amount Paid
--	-------------

G-7 QUARTERLY RETURN
FOR **QUARTERLY FILER** (rev. 7/02)
Georgia Department of Revenue
2003

Explanation of adjustment
If this is final return, give business close date ▶
I declare under the penalty of perjury that this return has been examined by me and to the best of my knowledge is a true and complete return.
Signature Title
Telephone Date

Mail entire sheet

INSTRUCTIONS FOR PREPARING QUARTERLY WITHHOLDING FORM G-7

1. Enter Tax Withheld in the Tax withheld this period box.
2. Enter adjustment amount in the Adjustment to Tax box, if applicable. Explain the adjustment where indicated.
3. Enter Tax Due and Tax Paid in the appropriate boxes.
4. If a payment is enclosed, indicate the amount in the Amount Paid box.

Quarterly filers should remit payment with the G-7 Quarterly Return on or before the last day of the month following the end of the quarter. Form G-7 must be filed even if no tax was withheld for the quarter. Be sure to sign and date your return.

Contact the Withholding Tax Unit at (404) 417-3210 if you have questions about filing withholding tax or need instructions on preparing withholding tax forms.

DO NOT STAPLE, PAPER CLIP OR ATTCH CHECK STUB WHEN MAILING IN PAYMENT



Georgia Form GA-V

Requirements for Using Form GA-V Payment Voucher

- **Who Must Use:** All employers who withhold more than \$200 per month must use Form GA-V to submit payment on or before the 15th of the following month.
- Form GA-V is not required if no tax is withheld for a particular month. Form GA-V is not required for taxpayers who submit monthly payments by Electronic Funds Transfer (EFT).
- Late returns and/or payments will be assessed a \$25 penalty in addition to other applicable penalty and interest. Do not send penalty or interest with payment.
- Make all changes to preprinted information on Form G-5(B).
- Complete the appropriate payment voucher and mail it on or before the payment due date.
- Taxes are withheld when wages are paid, not when the payroll period ends.


INSTRUCTIONS FOR COMPLETING FORM GA-V

1. Write the withholding number, tax period and due date in the appropriate fields. (If using a preprinted form, verify that this information is correct.)
2. Enter the amount paid with this form.
3. Sign and date the form. Mail form and payment to the indicated address.

Contact the Withholding Tax Unit at 404-417-3210 if you need additional information or assistance.

DO NOT STAPLE, PAPER CLIP OR ATTACH CHECK STUB

----- Cut on dotted line -----

<p>GA-V (rev. 7/02) Withholding Payment Voucher Georgia Department of Revenue 2003</p> <p>USE ONLY FOR TAX YEAR INDICATED</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">GA Withholding ID</td> <td style="width: 25%;">FEI Number</td> <td style="width: 25%;">Tax Period</td> <td style="width: 25%;">Due Date</td> </tr> </table> <p>NAME AND ADDRESS</p>	GA Withholding ID	FEI Number	Tax Period	Due Date	 0300104012	<p>MAIL TO: Georgia Department of Revenue P.O. Box 740387 Atlanta, GA 30374-0387 Telephone No. (404) 417-3210</p> <p>I declare under the penalty of perjury that this return has been examined by me and to the best of my knowledge is a true and complete return.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Signature</td> <td style="width: 30%;">Title</td> </tr> <tr> <td>Telephone</td> <td>Date</td> </tr> </table>	Signature	Title	Telephone	Date
GA Withholding ID	FEI Number	Tax Period	Due Date							
Signature	Title									
Telephone	Date									

Date Received	DO NOT STAPLE, PAPER CLIP OR ATTACH CHECK STUB	Amount Paid
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Note 4: It is mandatory for institutions that are currently required to submit tax payments via electronic funds transfer to file their returns electronically. The Department of Revenue has instituted its new e-File and e-Pay systems to facilitate this.

Additional information may be obtained at: <https://gaefile.dor.ga.gov/AUT/welcome.aspx>.

5.2.2 Submission of Federal Withholding Taxes and OASDI and FICA/Medicare Taxes

The federal government requires submission of taxes withheld along with employer matching amounts either monthly or within three (3) banking days, depending upon the amount of taxes deposited during a 12-month “lookback” period.

Generally, if you reported more than \$50,000.00 in taxes in the previous period of July 1st through June 30th, then you are required to deposit the taxes within 3 banking days of the payroll. There is also a “\$100,000.00 next-day deposit rule” that requires a next day deposit when a tax liability of \$100,000.00 or more is accumulated during a deposit period.

Consult “Circular E, Employer’s Tax Guide” published by the Department of the Treasury, Internal Revenue Service, for additional information.

Deposits Using Electronic Deposits

Institutions must make electronic deposits of all depository taxes using the Electronic Federal Tax Payment System (EFTPS) if:

1. The total deposits of such taxes in the calendar year two years previous were more than \$200,000; or,
2. The institution was required to use EFTPS last calendar year.

For further information or to enroll in EFTPS, visit the EFTPS Web Site at www.eftps.gov.

Deposits Using Federal Tax Deposit Coupons

Those institutions not required to deposit via electronic deposits should utilize Form 8109, Federal Tax Deposit Coupon, to make the deposits at an authorized financial institution. The IRS will supply preprinted 8109 forms containing the institutions’ name, address, and Employer Identification Number. Entry boxes are provided for indicating the type of tax and the tax period for which the deposit is made. Follow the instructions in the Federal Tax Deposit Coupon book, make the check payable to the financial institution taking the tax deposit, and deliver the coupon with payment check to the financial institution on or before the deposit due date **and** before the financial institution’s daily cutoff deadline.

Note: Form 8109 can be found at: <http://www.irs.gov/pub/irs-pdf/f8109b.pdf>. A copy of the form is shown on the following page.



5.3 Employee Pay

5.3.1 Method of Payment for Compensation and Expense Reimbursement

The option of direct deposit shall be offered to all employees, including students, within the University System of Georgia. Payments for compensation (salaries, wages, and fringe benefits) and expense reimbursements shall be deposited directly to bank accounts as designated by the employee.

5.3.2 Extra Compensation

Extra compensation may be paid to employees for tasks performed after normal business hours for duties not included in the employee's normal job responsibilities, provided the following three criteria are met:

1. The tasks must be outside of the employee's regular department.
2. The Departmental Agreement Form, shown on the following page, must be completed and signed by the appropriate department heads.
3. The employee must meet at least one of the criteria listed below (Criteria from the Official Code of Georgia Annotated Section 45-10-25):
 - Chaplain
 - Fireman
 - Dentist
 - Certified Oral or Manual Interpreter for Deaf Persons
 - Registered Nurse
 - Licensed Practical Nurse
 - Psychologist
 - Teacher or Instructor of an evening or night course or program
 - Professional holding a doctoral or masters degree from an accredited college or university
 - Part-time employee

Also, an employee meeting all three criteria listed above may be paid extra compensation for a task for another department during normal job hours if the task is not part of the employee's normal job responsibilities, and the employee takes annual leave for the portion of time that is being used for the task receiving extra compensation.

Employees that have been determined by the institution to be non-exempt, as defined by the Fair Labor Standards Act (FLSA), and are performing extra duties could qualify for overtime pay. Non-exempt employees should be paid at least the overtime rate or more.



Departmental Agreement Form

UNIVERSITY SYSTEM EMPLOYEES DEPARTMENTAL AGREEMENT FORM

1. REQUESTING DEPARTMENT _____ PROVIDING DEPARTMENT _____

2. REQUESTING DEPARTMENT'S NEED for and description of services to be performed (attach additional sheets if necessary).

3. REQUESTING DEPARTMENT'S JUSTIFICATION for obtaining part-time services from another University System employee in lieu of obtaining such services from a person not presently employed by the University System (attach additional sheets if necessary).

<p>4. EMPLOYEE'S INFORMATION:</p> <p>NAME _____</p> <p>_____</p> <p>SOCIAL SECURITY # _____</p> <p>EMPLOYED BY _____</p> <p>EMPLOYEE'S SIGNATURE _____</p> <p>DATE _____</p>	<p>Employee to perform services as (mark one):</p> <p>_____ Chaplain _____ Fireman _____ Dentist</p> <p>_____ Registered Nurse _____ Licensed Practical Nurse</p> <p>_____ Licensed Physician _____ Psychologist</p> <p>_____ Certified Oral or Manual Interpreter for Deaf Persons</p> <p>_____ Teacher or Instructor of an evening or night course or program</p> <p>_____ Professional holding a doctoral or masters degree from a accredited college or university</p> <p>_____ Other</p>
--	---

5. SOURCE OF PAYMENT: _____ Requesting department
_____ Providing department

6. NUMBER OF COURSES scheduled to teach at home institution _____ (Optional)

7. METHOD OF PAYMENT: Subject to performance of services .

Account Number	_____
Estimated Reimbursable Expense	_____
Total Estimated Cost	_____
Projected Dates of Service	_____

<p>8. CONTACT INFORMATION:</p> <p><u>REQUESTING DEPARTMENT</u></p> <p>Name: _____</p> <p>Phone: _____</p> <p>E-mail: _____</p>	<p><u>PROVIDING DEPARTMENT</u></p> <p>Name: _____</p> <p>Phone: _____</p> <p>E-mail: _____</p>
--	--

9. PROVIDING DEPARTMENT'S CERTIFICATION OF AVAILABILITY OF EMPLOYEE:
I certify that the above person is available to perform the described services and that the performance of these services will not detract from nor have a detrimental effect on the performance of the person's employment at our institution.

Employee's Supervisor Date

10. APPROVED BY: _____
Department Head Date

Department Head Date



Examples of situations justifying the payment of extra compensation are:

- An employee teaching a continuing education course after hours or while taking annual leave, when teaching the course is not part of the employee's normal job responsibilities.

Note: This is allowable under the Official Code of Georgia Annotated Section 45-10-25, No. 15.

- A part-time public safety officer working extra hours to referee a ball game.

Note: Georgia Code 45-10-25 does not apply to part time employees.

- A staff member with a masters degree doing web design for another department.

Note: This is allowable if the required Departmental Agreement Form is completed and signed by the appropriate department heads.

In addition, the Official Code of Georgia Annotated Section 45-10-25, No. 10, allows for an exemption for an emergency situation that must be made to protect the health, safety, or welfare of any citizens or property of Georgia.

Under no circumstances should an employee receive extra compensation for a task while receiving normal compensation for the same time period. Extra compensation does not add to earnings used for retirement calculations, and no retirement deductions are taken from extra compensation pay.

Employees receiving extra compensation shall be paid said extra compensation through the institutional payroll. Such compensation shall be subject to existing Internal Revenue Service regulations as to taxability and/or withholding taxes. No compensation, as defined above and paid to employees who are on the institutional payroll, shall be paid as per diem and fees or as stipends.

5.3.3 Joint Staffing

The practice of employing faculty and other personnel by two or more institutions within the system during the same period of time is a recognized method of keeping costs to a minimum.

The Employment Compensation Agreement form, shown on the following page, has been developed to comply with the requirements of the Official Code of Georgia Annotated Section 45-10-25, No. 8. If the president of an institution wishes to delegate signature authority to department heads, etc. for this process, this must be done in writing with specific reference to the Official Code of Georgia Annotated Section 45-10-25, No. 8.



Employee Compensation Agreement Form

UNIVERSITY SYSTEM EMPLOYEES
EMPLOYMENT COMPENSATION AGREEMENT
BETWEEN INSTITUTIONS

1. REQUESTING INSTITUTION _____ PROVIDING INSTITUTION _____
2. REQUESTING INSTITUTION'S NEED for and description of services to be performed (attach additional sheets if necessary).

3. REQUESTING INSTITUTION'S JUSTIFICATION for obtaining part-time services from another University System employee in lieu of obtaining such services from a person not presently employed by the University System (attach additional sheets if necessary).

4. EMPLOYEE'S CERTIFICATION:

NAME _____ _____ SOCIAL SECURITY # _____ EMPLOYED BY _____ EMPLOYEE'S SIGNATURE _____ DATE _____	Employee to perform services as (mark one): _____ Chaplain _____ Fireman _____ Dentist _____ Registered Nurse _____ Licensed Practical Nurse _____ Licensed Physician _____ Psychologist _____ Certified Oral or Manual Interpreter for Deaf Persons _____ Teacher or Instructor of an evening or night course or program _____ Professional holding a doctoral or masters degree from a accredited college or university
---	--
5. MEANS OF PAYMENT : _____ Requesting institution pays Providing Institution
 _____ Requesting institution pays Individual
6. NUMBER OF COURSES scheduled to teach at home institution _____ (Optional)
7. METHOD OF PAYMENT: Subject to performance of services and approval of an invoice, payment will be made via the institution's normal processing channels. Payment for employees will be made to the providing institution, which will pay excess compensation to the employee. Payment for consultants will be made to consultant directly, unless other arrangements are made.

Account Number	_____
Fee for Service	_____
Estimated Reimbursable Expense	_____
Total Estimated Cost	_____
Projected Dates of Service	_____
Payee (Institution or Individual)	_____
8. CONTACT INFORMATION:

<u>REQUESTING INSTITUTION</u>	<u>PROVIDING INSTITUTION</u>
Name: _____	Name: _____
Phone: _____	Phone: _____
E-mail: _____	E-mail: _____
9. PROVIDING INSTITUTIONS CERTIFICATION OF AVAILABILITY OF EMPLOYEE:
 I certify that the above person is available to perform the described services and that the performance of these services will not detract from nor have a detrimental effect on the performance of the person's employment at our institution.

_____	_____
Employee's Dean/Department Head	Date
10. APPROVED BY:

_____	_____
President, Providing Institution	Date
_____	_____
President, Requesting Institution	Date



Due to the complexities of payroll-related reporting, only **one** institution may record and report the complete payroll activity for the shared employee, using the Employee Compensation Agreement form shown on the preceding page, with these guidelines:

1. The employee will be considered as a full-time employee at the home institution, and will receive full contract pay from the home institution.
2. Each institution sharing the time of the employee will budget its share of the employee's time (EFT) and dollars.

Note: For contract employees, close coordination between institutions is necessary to ensure that the EFT and dollars do not exceed those noted in the employee's contract.

3. After the employee is paid by the home institution using the normal payroll methods, the home institution will enter the personal service expenditures into its accounting records as noted in the example starting on the second following page:

Example

Institution A employs Mr. Smith at a salary of \$60,000 per annum. An agreement is reached between institution A and institution B to have Mr. Smith teach one course for a semester at institution B, with the remaining course load being taught at institution A.

- Record the monthly personal services expenses at institution A as normal.

Dr. Salaries-Regular Faculty \$6,000.00	Account 511100
Dr. FICA-Employer \$372.00	Account 551100
Dr. FICA-Employer Medicare \$87.00	Account 551100
Dr. Teachers Retirement \$540.00	Account 552100
Dr. Group Insurance-Health \$150.00	Account 553100
Dr. Group Insurance-Life \$25.00	Account 553200



6. In instances where sponsored operations are involved, the overhead allowance in any given contract shall remain at the institution where the sponsored project is located.

Note: Exceptions to this rule may be made if the amount is material. An amount shall be considered material if it exceeds fifty percent (50%) of the total overhead allowance for the sponsored project.

5.3.4 Limitation of Summer Faculty Pay

A faculty member teaching on a 10 month contract may receive payment for teaching summer session courses in addition to the payment received for the 10 month contract. Such payment for teaching summer session courses may not exceed 33 1/3 % of the 10 month contract amount for the previous academic year.

5.3.5 Salary Expense Charges for Summer Session Payroll Expenses

To provide management information about the cost of operations of summer sessions, pay for teaching summer session courses will be charged to Account Code 513000 titled "Salaries-Summer Faculty". The cost of fringe benefits will be charged to the normal account codes for fringe benefits, same as normal salary fringe benefits.

5.3.6 Overtime and Compensatory Time

The standard workweek in the University System is forty (40) hours. Institutions are expected to abide by the provisions of the Fair Labor Standards Act. The distribution of hours throughout the week is a scheduling decision left to the individual institutions.

Overtime work shall be authorized for employees who are not exempt from the provisions of the Fair Labor Standards Act **only** when the work is deemed necessary by the president or a designated representative. Payment for overtime work will be made in accordance with the Fair Labor Standards Act.

Compensatory time may be granted in lieu of payment for approved overtime work at the rate of one and one-half hours of compensatory time for each hour of overtime work. Approved compensatory time is subject to a maximum accumulation of sixty (60) hours and must be expended by the end of the succeeding calendar quarter.

5.3.7 Relocation Expenses

An institution is permitted to pay relocation expenses of a specific amount that is set out in **the original written offer** of employment. "Original written offer" is emphasized because any post-offer negotiated amounts will be considered a violation of the Gratuities clause of the Constitution of the State of Georgia.



Each institution that intends to pay relocation expenses should adopt written procedures, approved by the institution President, governing the practice. These procedures should reflect at a minimum:

- Budget constraints at the institution, with the maximum amount of relocation expenses that can be offered to a prospective employee;
- Specific positions or levels of positions that are eligible for payment of relocation expenses;
- Tax implications under IRS regulations;
 - **Note:** See IRS Publication 521 for moving/relocation taxation rules.
- Permitted expenses;
- Prohibited expenses;
 - For example, institutions should not end up owning someone's home in another location.
- Method of payment; and,
- Recordkeeping.

If the method of payment in the written policy is directly to vendors on behalf of the employee, all State of Georgia purchasing regulations apply. For example, moving company expenses exceeding \$5,000 must be competitively bid.

Using the same example of moving company expenses exceeding \$5,000 related to employee reimbursement as the method of payment, employees are required to obtain three (3) quotes and to submit the quotes to the institution as evidence that the company providing the lowest quote was selected.

Relocation expenses, if part of an institution's approved procedures, that are generally not subject to tax withholding are:

- Moving household goods and personal effects, and
- Traveling, including lodging but not meals, from the employee's former home to the new home by the shortest and most direct route.

These reimbursements are fringe benefits excludable from the employee's income as qualified moving expense reimbursements. The institution should report these reimbursements in box 12 on the employee's Form W-2.

In general, all other relocation expenses reimbursed to an employee or paid on behalf of an employee are subject to tax withholding and reported as taxable wages in box 1 of Form W-2. For complete rules regarding Relocation expense tax implications, see IRS Publication 521.

Relocation expenses are not subject to Continuous Audit reporting and should be reported in account 565xxx, Relocation Expense, for GAAP reporting.



5.4 Reporting

5.4.1 Georgia State Department of Labor

Reporting to the Georgia State Department of Labor consists of a quarterly listing of employees with salary for the quarter. The listing is produced by the institution's payroll system. This listing includes all employees except for student employees, excluding student assistants and College Work Study Program employees.

Although the quarterly listings are recapped on Department of Labor forms that were intended for collecting unemployment taxes, the University System of Georgia does not pay state unemployment tax. Instead of being taxed on payroll totals, the University System of Georgia is on a "reimbursable basis". This means that we pay for claims incurred.

On the Department of Labor "Employer's Quarterly Tax and Wage Report", simply report **0.00** for the tax due*. The Department of Administrative Services (DOAS) bills each institution annually, usually in August or September. The institutions remit payments directly to the Department of Labor when paying the invoices. This report is due on the last working day of the month following the end of the calendar quarter.

*** Note:** Institutions using the Georgia *FIRST* model of the PeopleSoft HRMS software should refer to Business Process RPT 320, Employer's Quarterly Tax and Wage Report.

5.4.2 IRS 941

The federal Employer's Quarterly Federal Tax Return (IRS941) is submitted quarterly. The reporting form captures the number of employees in a certain pay period, total wages/tips/compensation, total income tax withheld, and calculates the amount of Social Security tax and Medicare tax. It also provides a reconciliation between total taxes due and the tax deposits made for each of the three months being reported. The reporting form is due on the last working day of the month following the end of the calendar quarter.

5.4.3 IRS W-2 & W-3

Federal Form W-2 must be completed and furnished to employees by the last working day of January. The W-2 information for employees must be submitted electronically to the Social Security Administration. This electronic submission also includes the summary data previously included on paper form W-3 (Transmittal of Wage and Tax Statements). The deadline for electronic submission is the last working day of March.

Note: A PIN and password are required before the data can be submitted electronically. The PIN and password may be obtained from www.ssa.gov/employer by selecting **Business Services Online** and then selecting **Register**. The PIN remains active for the



following year, but the password must be updated before the next year to keep the PIN active. After submission of data, this same web site provides the ability to check the processing and acceptance of the data submitted.

5.4.4 Georgia Department of Revenue Annual Reporting

Instructions for annual reporting will be provided to each institution by the Georgia Department of Revenue. Annual reporting is accomplished on magnetic media, currently using a diskette. The institution's payroll system is used to format the file before it is copied to diskette. The data file includes all of the data previously contained on transmittal form G-1003, such as total wages, tax withheld total, and reporting form type (W-2). The diskette is mailed to the Georgia Department of Revenue.

Note: No paper reporting is required in addition to the diskette.

5.4.5 Teachers Retirement System (TRS)

See Section 5.1.6, Teachers Retirement System Reporting and Deduction Remittance on page 5-8, for reporting requirements for the Teachers Retirement System.

5.4.6 Employee Retirement System (ERS) and Georgia Defined Contributions (GA DefCon)

See Section 5.1.6, Employees Retirement Reporting and Deduction Remittance on page 5-9 and Georgia Defined Contributions Reporting and Deduction Remittance on page 5-12, for reporting requirements for the Employees Retirement System and the Georgia Defined Contributions.

5.4.7 Department of Audits and Accounts – Continuous Audit/Payroll

The Department of Audits and Accounts is charged by state law to compile annual listings of:

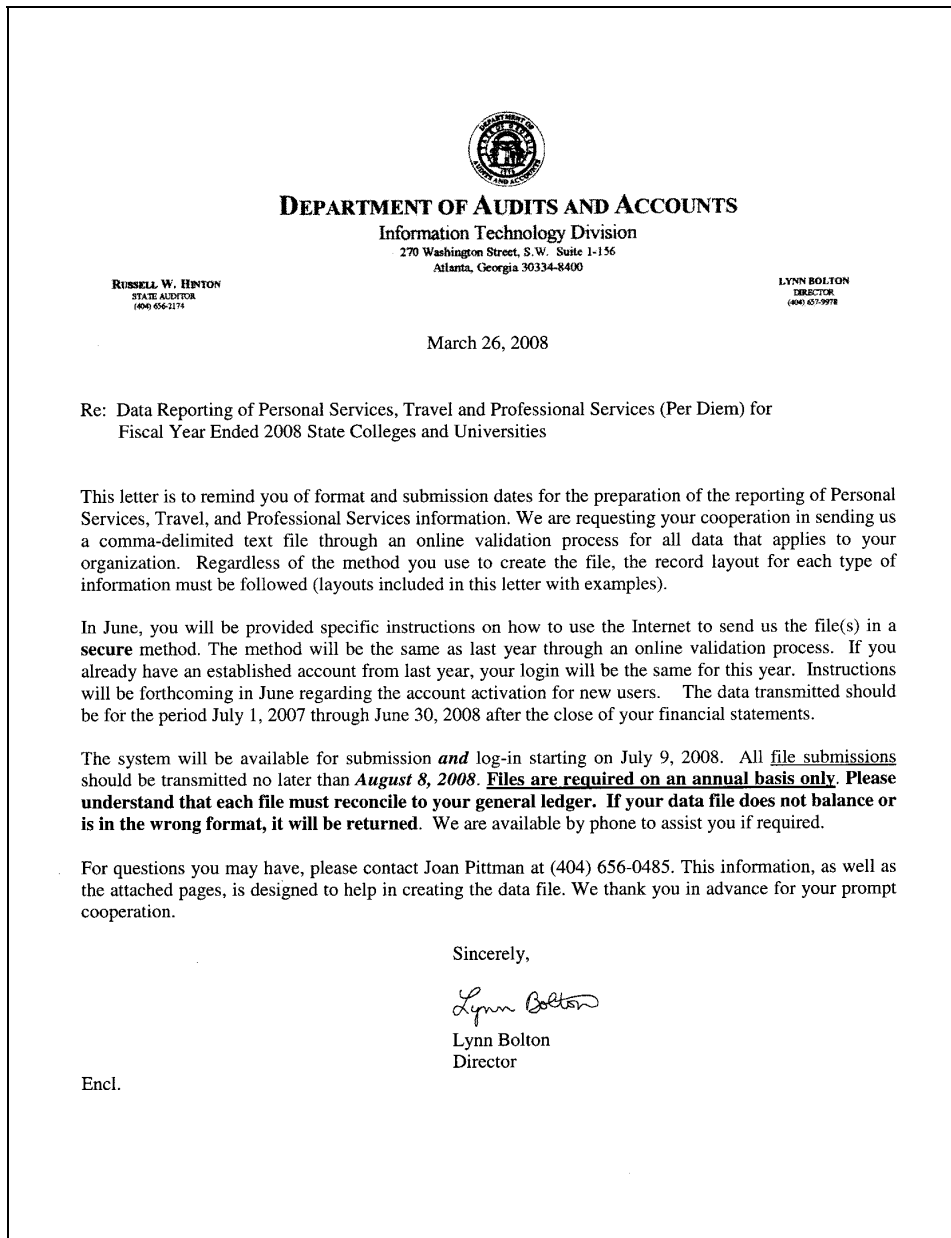
1. Salary Amounts and Travel Amounts for State Employees; and
2. Amounts paid for "Per Diem and Fees" to corporations or to individuals that are not State Employees.

These reports are submitted on an annual basis after the close of the fiscal year. Although the reports are submitted annually, the University System of Georgia requires each of its units to produce printed reports quarterly, and to reconcile each of these reports to the cumulative balances maintained for the respective account codes in the General Ledger of the financial system. For the quarterly reconciliations and for the annual report, the printed reports should be retained at the institution along with supporting documentation detailing the reconciliation to the balances contained in the General Ledger*.



*** Note:** Institutions using the GeorgiaFIRST model of the PeopleSoft HRMS software should refer to Business Processes RPT 315, Continuous Audit.

The actual annual reports to the Department of Audits and Accounts are submitted as data files transmitted electronically. The due date for these reports and the file requirements are contained in the instructions provided by the Department of Audits and Accounts each year. An example of the letter containing this information is shown below:





The file requirements for these reports are contained in the Enclosure that accompanies this letter*.

*** Note:** Institutions using the Georgia *FIRST* model of the PeopleSoft Financials software should refer to Business Processes GL42, Continuous Audit. This Business Process contains the DOAA letter and the detailed file requirements along with the steps to run the Continuous Audit process.

During the Audit or Review conducted by the Department of Audits and Accounts at each institution, these reports will be verified back to totals from the General Ledger.



5.5 Determination of Status – Employee vs. Independent Contractor

IRS regulations make it imperative that the University System of Georgia provides guidelines for determining whether certain personal service arrangements create an employer/employee or an independent contractor relationship. This has significance in that the institution is responsible for the payment and/or withholding of federal and state unemployment taxes, FICA, and income taxes for those individuals where an employee/employer relationship exists. Independent contractors are responsible for their own liabilities.

5.5.1 Factors in Determining Whether a Person is considered an Employee or Independent Contractor under Common Law

FACTOR	EMPLOYEE	INDEPENDENT CONTRACTOR
Instructions	Compliance with time, place, and manner	Controls the time, place, and manner
Training	Employer provides	Contractor provides
Integration	Service as a part of Business	Not a part of Business
Service Rendered Personally	Service rendered personally	May be delegated or contracted
Hiring, Supervising, and Paying Assistants	Employer provides	Contractor provides
Continuing Relationship	Ongoing, repetitive	Sporadic, uncertain of future benefit
Hours of Work	Employer sets	Contractor sets
Full-Time Required	Restricted to primary employer	Services offered to others
Premises	Employer provides	Contractor provides
Order of Sequence	Employer sets sequence of work	Contractor controls when work is performed
Oral/Written Reports	Employer requires on a periodic basis	Not required to submit oral or written reports except as part of contract
Payment by the Hour, Week, Month, or Completion	Periodic payments	Payment upon commission basis
Business/Travel Expense	Employer provides	Payment on job basis – included as part of contract
Furnishing Tools/Materials	Employer provides	Contractor provides
Significant Investment	Very little of own capital	Provides own capital
Profit/<Loss>	Not realized	Realizes own profit/loss



FACTOR	EMPLOYEE	INDEPENDENT CONTRACTOR
Working for More than One Firm at a Time	Limited primarily to employer	Offers services to others
Offering Services to General Public	Limited primarily to employer	Offers services to general public
Right to Discharge	May be terminated	Remedies under contract law
Right to Terminate	Employer has very limited liability in termination	Remedies under contract law

5.5.2 Continuing Education

The majority of cases where this "determination of status" is involved would be in those situations involving continuing education classes. In general, the following table will dictate whether or not a person is to be classified as an employee or an independent contractor.

DURATION OF COURSE	STATUS
Short Course (less than two weeks, i.e., conference/workshop)	Independent contractor unless otherwise dictated by the twenty factors listed in Section 5.5.1
Non-Credit Course (two weeks or more, but less than a semester)	USG Employee
Credit Course (semester)	USG Employee

5.5.3 Additional Compensation for University System of Georgia Employees

The Policy Manual #803.1404 "Research, Saturday Classes and Off-Campus Continuing Education" covers the conditions that must be met before additional compensation can be paid a University System employee. Institution employees who are paid for continuing education services must be paid via normal institutional payroll processes.

GA Law (Code Section 45-10-25) "Exceptions to prohibitions on transactions with State agencies" is specific as to the types of services that can be utilized between University System units and in each instance an agreement between the presidents of the institutions must be consummated.

Note: Please review Section 5.3, Employee Pay, starting on page 5-23, for additional information.



5.5.4 Independent Contractors

Independent contractors are all other individuals who are not University System employees. A contract must be in force that covers substantially the following:

1. Statement that individual is responsible for all federal and state unemployment taxes, FICA, and income taxes.
2. Responsible for their liability insurance.
3. Statement that they do not consider themselves to be an employee of the institution, the University System, or State of Georgia.
4. Starting and completion dates of the program.
5. Responsible for their own professional development.
6. Will not require that office space be provided.
7. Will not be performing "extra work" for the institution.
8. Generally, compensation based upon completion of contract and not on an hourly basis.
9. Subject to contract remedies under contract law.