

NEIL ABERCROMBIE
GOVERNOR



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STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
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November 12, 2013

COMPTROLLER'S MEMORANDUM NO. 2013-23

TO: Heads of Departments
ATTN: Fiscal Offices
FROM: Dean H. Seki, Comptroller
SUBJECT: Payroll Processing Requirements

On September 26, 2013, payroll training was conducted for all departments and agencies processing payroll through the State's Central Payroll system. The objective was to assist those tasked with preparing payroll input with training and reference materials that they could utilize in their jobs. It was Central Payroll's expectation that the training and reference materials prepared and provided would reduce the number of errors and the number of calls received daily. However, based upon the continuing problems we are encountering on payroll change schedules and related documents, it appears the training and the related materials provided are not being utilized.

While the Central Payroll Section is responsible for pre-audit of the State's payroll, it is the departments' and agencies' responsibility to properly prepare the payroll for their employees. Central Payroll consists of four staff members and one supervisor that review and process anywhere from 60,000 to 80,000 payroll checks for one pay period. With such a small staff processing and reviewing this number of transactions, it is imperative that the staff preparing the payroll input are knowledgeable and that their input is correct. Unfortunately, due to the errors being made and the number of telephone calls that Central Payroll receives on a daily basis, we are forced to institute the changes listed below. Otherwise, the ability for Central Payroll to generate payroll will be seriously compromised.

- All payroll change schedules not properly assembled will be put aside. Departmental staff will be contacted and required to come to Central Payroll Office within an hour to correct the problems. Please be mindful that the payroll training on September 26th included a package showing how to assemble the payroll package. This is simply a matter of stapling the correct paperwork in the correct order.

November 12, 2013

- All SAFORM D-70s that are being submitted incorrectly will be returned with no action taken. It is the responsibility of the fiscal officer to ensure that correction(s) are made prior to resubmittal. For those actions which the fiscal officer cannot resolve, please review Section 767, Volume III of the State Accounting Manual, Notification for Payroll Adjustment, SAFORM D-70. Often a fiscal staff member from a department with similar payroll issues is a good resource. The fiscal officer should call Central Payroll for assistance only after they have checked available references.
- All worker's compensation payments with the salary portion incorrectly computed will result in the deletion of the salary portion. Salary overpayments cannot be allowed to occur.
- All WC-09s changed without proper authorization from the Workers' Compensation Division will be returned to the fiscal officer for resolution.

If you have any questions, please call Sheila Walters, Pre-Audit Branch Supervisor, at 586-0650.