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SPHM  
HOSPITALITY

PAYROLL S.O.P



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Series 2000

# Payroll

Subject: Timekeeping

A-2001

- A. Policy. It is the policy of the club that employee work time be documented using timekeeping procedures.
- B. Discussion
  1. All employees are required to maintain a record of their work time.
  2. Timekeeping is accomplished in one of two ways:
    - a. For non-exempt employees – an electronic timekeeping system with swipe terminals or an electro-mechanical punch time clock.
    - b. For exempt employees - a Bi-Weekly Time Sheet, [SPHM Form 112] or by either method in paragraph B.2.a. above.
  3. Timekeeping terminals or punch clocks are usually located in the following areas:
    - a. Main Clubhouse.
    - b. Sports or Activity Center.
    - c. Golf shop or cart barn.
    - d. Golf Course Maintenance shop.
  4. Employees working in or near these areas will use the terminal or punch clock closest to their work area to record their time.
  5. Department Heads are required to verify all hours worked in their departments as described in [Verification of Hours].

Subject: Verification of Hours

A-2002

- A. Policy. It is the policy of the club that Department Heads are required to verify the hours of all employees who report to them.
- B. Discussion
  1. Timekeeping terminals read each employee's swipes and compute work time. Punch clocks record employee punches, but may not compute work time.
  2. Failing to punch in or out and other factors will cause the system to incorrectly compute employee hours.
  3. It is the Department Head's responsibility to verify each of their employee's hours.
  4. Department Heads should monitor their employees' swipes/punches on a daily basis to better understand and control their payroll cost.
    - a. Department Heads will make the necessary corrections, deletions, and additions pertaining to each employee's hours throughout the pay period. Changes to employees' punches must be signed by both the employee and Department Head indicating no work was done.
    - b. Sick days, vacation days, or other absences for employees eligible for these benefits must be documented on an Absentee Record, [SPHM Form 121].
  7. It is particularly important that Department Heads check the final timecard report at the end of the pay period to verify all employee hours.
    - a. Department Heads should check the following:
      - (1) That individual swipes/punches agree with work schedules,
      - (2) That all overtime is approved,
      - (3) That any absences are supported by Absentee Records,
      - (4) That all employees punched in and out for each shift and meal break.
    - b. This must be done and the verified report turned in to the Accounting Office by a time designated by the Controller or General Manager, but not later than 8 a.m. on Mondays so that the payroll may be processed in a timely manner.
  8. If for any reason, the Department Head will be unavailable to review the final timecard report of the pay period, he or she must designate another person to do the job and inform the Controller who will be responsible for doing so.

Subject: Payroll Reports

A-2003

- A. Policy. It is the policy of the club that certain payroll reports be prepared and distributed to Department Heads.
- B. Discussion
  - 1. Controlling payroll cost is a major responsibility for each Department Head.
  - 2. Timely payroll reports provide Department Heads with the information they need to monitor and control payroll costs.
  - 3. The Controller is responsible for preparing the following two payroll reports:
    - a. Pay Period Summary Report, [SGCC Form 229], prepared each pay period and distributed to the General Manager and all Department Heads.
    - b. Master Payroll Summary Analysis, [SGCC Form 231], prepared each pay period and provided to the General Manager.
  - 4. Department Heads are responsible for taking their departmental information from the Pay Period Summary Report, [SGCC Form 229] furnished by the Controller and completing their Departmental Payroll Summary Analysis, [SGCC Form 230].

Subject: Payroll Records

A-2004

A. Policy. It is the policy of the club that those payroll records required by the Fair Labor Standards Act (FLSA) be properly prepared and maintained.

B. Discussion

1. The FLSA requires that a payroll register be prepared and maintained for each employee and that each employee be provided with a pay stub each pay period that shows the rate of pay, hours worked, and all deductions.
2. The club uses an automated payroll service to process its payroll. This service provides the club with all required payroll records each time they process a payroll run.
3. The Controller is responsible for maintaining payroll registers for a period of 7 years.

Subject: Check Preparation and Distribution

A-2005

- A. Policy. It is the policy of the club that payroll checks be prepared and distributed according to established policy and on an established schedule.
- B. Discussion
  - 1. Payroll checks are prepared by a third party payroll service based upon information sent by the club.
  - 2. The club must transmit payroll data to the payroll service no later than Tuesday at 2 p.m. of payday weeks.
  - 3. Checks are delivered to the club by courier on Wednesdays (one day after transmitted) of payday weeks.
  - 4. Checks should be distributed by designated person(s) from a specified location(s). Designated persons will have each employee sign a Paycheck Receipt Log, SPHM Form 232, to indicate that the check has been picked up.
  - 5. Direct deposited funds are available to employees after 2 p.m. on payday Fridays.
  - 6. Paychecks may be distributed any time after 2 p.m. on payday Fridays.

Subject: Payroll Corrections and Adjustments

A-2006

A. Policy. It is the policy of the club that corrections and adjustments be made to payroll checks during the next pay cycle.

B. Discussion

1. Employees with questions or problems regarding their paychecks must see their Department Head. All Department Heads are responsible for ensuring that their employees understand that they are the first point of contact for payroll questions or problems.
2. Department Heads will answer questions or verify if a correction is needed.
3. Unless there is pressing need or obvious error on the part of the club, corrections and adjustments to paychecks will be made during the next pay cycle.
4. Exceptions may be made on a case by case basis as decided by the Controller in consultation with the Department Head.

Subject: Temporary or Casual Labor

A-2007

A. Policy. It is the policy of the club that temporary or casual labor only be used when unusual or emergency circumstances dictate.

B. Discussion

1. Temporary or casual labor should not be used except when unusual or emergency circumstances dictate.
  - a. Unusual circumstances would include special one-time situations or events where a long-term employee would not be needed or special skills are only needed on a one-time basis and hiring a contractor does not make sense.
  - b. Emergency situations might include a significant staff shortage for a limited time, such as waiting for prospective employees to work out their notice at their previous employer.
2. Proper planning by Department Heads should keep the need for temporary or casual labor to a minimum.
3. Often temporary needs can be met by using a temporary agency. In this case, the employee is not an employee of the club; rather he or she is an employee of the temp agency.

C. Procedures

1. Before a temporary or casual laborer may be used, the Department Head must have the permission of the General Manager.
2. The Department Head must ensure that the casual laborer fills out a W-9 form. The completed W-9 must be attached to a Bi-Weekly Time Sheet, [SPHM Form 112], indicating all hours worked. The time sheet must be verified and signed by the Department Head.
3. Temporary or casual laborer may only work a total of 40 hours under this policy. If a Department Head needs the employee beyond 40 hours, the employee must be processed as a full time, part time, or seasonal employee.

Subject: Departmental Labor Codes

A-2008

- A. Policy. It is the policy of the club to track labor costs by Department and sub-categories within Departments.
- B. Discussion
  - 1. Electronic timekeeping systems have the capability of tracking labor hours by coded Departments. Further, it is possible to establish codes for sub-categories within Departments. This permits the comparison of payroll hours to various profit and cost centers within departments, allowing for direct comparisons of labor costs to revenues.
  - 2. Department Heads will familiarize their employees with their Departmental codes and train them to punch in and out using different codes to identify their labor hours worked in various departmental areas.
  - 3. The following list is a suggested outline of coded areas. The club may determine which areas it needs for its operation. Once determined, the Controller will establish codes for the determined areas and post a list of codes next to each timekeeping terminal:
    - a. Golf Operations:
      - (1) Assistant Professionals/Merchandiser
      - (2) Outside staff
      - (3) Training
    - b. Food Operations:
      - (1) Casual Servers/Buspersons
      - (2) Fine Dining Servers/Buspersons
      - (3) Catering Servers
      - (4) Host/Hostesses
      - (5) Snack Bar Attendants (Turn, Pool Snack Bar, Beverage Cart)
      - (6) Cooks/Food Prep
      - (7) Utility/Receiving
      - (8) Training
    - c. Beverage Operations:
      - (1) Bartenders
      - (2) Cocktail Servers

- (3) Catering Bartenders
- (4) Training
- d. Membership.
- e. General and Administration.
- f. Clubhouse Operations:
  - (1) Housekeeping/Laundry/Utility Porter
  - (2) Maintenance
  - (3) Locker Room Attendants
  - (4) Catering Set-up
  - (5) Training
- g. Golf Course Maintenance.
- h. Activities:
  - (1) Activity Leaders
  - (2) Lifeguards
  - (3) Swim Coach/Instructors
  - (4) Pool Manager
  - (5) Children's Coordinator
  - (6) Training
- i. Tennis Operations.

4. Hours worked by employees who record their time on Bi-Weekly Time Sheets will be coded by Department Heads using the codes found in paragraph 3. above.

Subject: Direct Deposit of Paychecks

A-2009

- A. Policy. It is the policy of the club that all employees have the option to direct deposit their paycheck.
- B. Purpose. The purpose of the (optional) direct deposit is to allow employees the opportunity to have their bi-weekly payroll automatically deposited into their checking/saving account(s).
- C. Discussion
  - 1. Direct Deposit will be offered during the hiring process. An Authorization for Direct Deposit, [SPHM Form 131], will be given to the employee to fill out.
    - a. The employee must return a voided check or deposit slip with the account information, along with the completed Direct Deposit Form, to the Personnel Administrator in order to have the information processed and the deposit(s) set up.
    - b. If Direct Deposit is not elected during the hiring process, the employee may sign up at any time during his/her employment.
  - 2. Three (3) direct deposit accounts can be set up at one time. Each deposit requires a separate completed form along with a voided check or deposit slip. These can be either checking or savings accounts.
  - 3. After the Accounting Office has received the Direct Deposit information from the Personnel Administrator, the information will be set up with the employee's choice of account(s). The employee's first pay period after providing the Direct Deposit information will be a regular paycheck. The first paycheck is a test to make sure the information is accurate and there are no problems in transferring the monies into the appropriate account(s). The employee will receive a pay stub on the second pay period after submitting the Direct Deposit information. This stub is provided as proof of the Direct Deposit.

Subject: Incentives and Commissions

A-2010

- A. Policy. It is the policy of the club that certain employees may be provided incentives and/or commissions as part of their compensation package.
- B. Discussion
  - 1. Certain key individuals have the ability and opportunity to help the club meet significant financial objectives.
  - 2. As a result the club may establish incentives or commissions for these and other employees to focus their efforts on goals and objectives.
  - 3. All incentives and commissions offered as part of any employees compensation must be approved in advance by the Board of Directors. No discussion of possible incentives should take place with any employee or prospective employee until such approval has been obtained.
  - 4. Specific instructions regarding the designated employees, amounts or percentages payable, and the time periods involved will be provided to the individual employee and the Controller by the General Manager.

Subject: Employee Tips

A-2011

A. Policy. It is the policy of the club that, if tipping of employees is permitted, all Internal Revenue Service reporting requirements be followed.

B. Discussion

1. Large food or beverage establishments where tipping is customary, are required to keep records of gross sales, charge sales, the tips shown on the charge sales, and tips reported by employees.
2. Additionally, employers must file tip-reporting forms listing this information with the IRS.
3. The tip-reporting rules do not change the employer's responsibilities with regard to income tax, social-security tax, or federal unemployment tax, but failure to comply with the tip-reporting rules can result in substantial penalties.
4. Large food or beverage operation is defined as any business activity that provides food or beverages and:
  - a. normally employees ten employees on a typical business day, and
  - b. where tipping of the operation's employees is customary.
5. If the club meets these criteria and desires to permit tipping, it must comply will all provisions of the federal tip-reporting law.

Subject: Training Hours

A-2012

- A. Policy. It is the policy of the club that employee time spent in formal training be charged to a special “training hours” account as opposed to departmental “salaries and wages” accounts.
- B. Discussion
  - 1. Formal training is absolutely necessary to establish high levels of quality and service in the club.
  - 2. Department Heads have strict budgets for their departments’ payroll costs.
  - 3. Since training is always “on the clock,” high levels of training may adversely impact departmental payroll costs, unless such training has been included in the budget.
  - 4. When training hours are charged to normal departmental “salaries and wages” accounts, there is a disincentive for Department Heads to conduct formal training and the size and scope of the training effort is invisible to senior management.
  - 5. By establishing a “training” swipe/punch code on timekeeping equipment, training hours for all departments may be summarized and charged to a “training hours” expense account on the General and Administrative schedule. This allows the General Manager to monitor the training effort department by department.
  - 6. By charging training hours to an expense account other than their departmental payroll expense account, Department Heads have more of an incentive (or at least not a disincentive) to formally train.