

Training

There are many aspects to the new payroll system for bookkeepers, pastoral assistants and employees. We are putting our training plan together and expect it will include a series of webinars and conference calls to help all the groups understand their roles and the new systems. We'll publish a training schedule in August.

Who To Contact

As we announced in the last Leadership Bulletin, Nicole Wright is the new Payroll Services Office Director. If you have any questions or concerns about the transition to the payroll and time/attendance systems, please contact her at:

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To Inform and Educate Archdiocesan Leadership



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As you know, this year we've been working on an integrated payroll and benefits system project and we're making great progress. The new benefits system enrollment went very well in the Spring and 100% of the employees enrolled online, which was a major accomplishment. Before I talk about what's ahead, I want to stop and acknowledge leadership, PAAs, employees and the Benefits Services Office for their excellent effort to make the first online enrollment work for the Archdiocese. Thank you.

Up next is an equally challenging task for us – the completion of the integrated payroll and time/attendance systems. We've made excellent progress on these new systems for the Archdiocese and we are set to go live with both on January 1, 2014. There is considerable work ahead of us and before we get into the details, I'd like to remind you of the reasons for these new systems:

- **Support Catholic values** – To offer benefits in accord with Catholic teaching, we need the increased flexibility for vendor contracting and program design that we can only get with an integrated pay and benefits system.
- **Provide long-term cost control** – To curb medical cost increases we need an integrated system to offer benefits that control long term costs (e.g., health FSA, HSA, wellness program).
- **To continue to provide benefits to our employees** – Given the healthcare reform environment and our organizational complexity, we need an integrated system to be able to keep up with ever-changing regulatory requirements.

- **Enhance risk control** – To avoid fines, legal liability and costly mistakes, we need an integrated system with system rules that prevent most entry errors; the Benefits Services Office will also monitor entry for quality assurance.
- **Improve ease of use** – The new system will provide a pay and benefits system that is simpler, consistent (e.g., easy to track vacation, no more estimating hours worked), easier to use and more efficient for pastoral assistants, bookkeepers and employees.
- **Be greener** – By eliminating paper enrollment forms, Enrollment Guides, booklets, paychecks and pay stubs we'll use fewer resources and save on postage costs.

Please keep these important goals in mind as we move to the new payroll and time/attendance system. I know the upcoming changes will not be easy; yet the only way to accomplish the above goals is to work our way through them following our detailed project plan. We have a very good plan that we're executing and we have excellent internal and external help. With their help and your support, I know we will complete these changes and attain the project goals. William Bridges, a noted change management expert, wrote, "It's not the change that is hard; it's the transitions." Thank you for your support and assistance during the transition.

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The Go Live! Date
January 1, 2014

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Outline of the New Payroll System

We are implementing both a new payroll system and time and attendance system on January 1, 2014. However, the focus of this Leadership Bulletin will be on the payroll system changes. We'll send you an update on the time and attendance system next month.

The company we are partnering with is Ultimate Software. Their product, UltiPro, is the software that will be used to process payroll. They are a solution provider, not a processing company. The Payroll Services Office (PSO), under the guidance of the Benefits Services Office, will be completing the actual processing. The PSO will transmit the payroll ACH files to the banks, process all direct deposits, and ultimately be responsible for the end result.

Ultimate Software has a Payment Services Group, which will be handling the tax return function for all locations. Once the PSO posts and closes payroll, the files are automatically transmitted to Ultimate and they process and withdraw the taxes from each bank account. UltiPro has an extensive report library, as well as the ability to write custom reports.

Basic facts on payroll and pay frequency:

- All employees will be paid bi-weekly.
- The new system applies to all employees and priests receiving a paycheck.
- Everyone will be paid under the current ADP system through December 31, 2013.
- Paydays will be every other Tuesday; approximately half of the employees will be paid on the first and third Tuesday of the month and the other half will be paid on the second and fourth Tuesday of the month.
- To reduce costs and administrative burden, our goal is for all employees to receive their pay via direct deposit. As we cannot force an employee to accept direct deposit, any employee who does not choose direct deposit will receive their pay via a pay card (similar to a reloadable ATM/debit card). Approximately 80% of our employees already choose direct deposit.
- To help employees make the transition to bi-weekly paychecks, we are evaluating ways to make the transition easier for employees (for example, perhaps allowing a vacation balance payout). We will let you know what assistance is available later this year.

- The increased frequency of payroll runs will not add cost for locations that are currently paying employees monthly. Unlike ADP, there is not a per-payroll run charge. Instead, there will be a monthly fee based on the number of employees paid in that month. The actual fee is still under discussion, but the Benefits Services Office is trying to keep it as close as possible to what each location has been paying ADP.
- Everything will be processed at the Payroll Services Office (PSO). The only time locations will need to issue a check would be in the case of a manual check.

Time and attendance need-to-know facts:

- Time will be tracked and approved by location supervisors in UltiPro Time Management (UTM), Ultimate's time and attendance module that complements the UltiPro payroll solution. The PSO will import those files every payroll for processing.
- Because the system is web based, employees will be able to log in and record their own hours, update their personal information and withholding, view their check stubs, W-2's etc.

What's Next?

Here's a list of the items we're working on next:

- Gathering information from the locations to resolve problems that may occur during the transition to the new payroll system
- Banking set up
- Revising job codes. A list of revised job codes and current employee list was emailed to all locations June 11. New job codes need to be assigned to each employee and returned to Payroll Services no later than July 15
- Hiring of the remaining PSO staff and drafting internal procedures
- Working with the locations to determine vacation and sick leave balances
- Finalizing the training and education sessions for the fall. A schedule will be available in August.

The next Leadership Bulletin will address the time/attendance module in more detail.

Payroll Questions & Answers

We created an advisory group of PAAs and bookkeepers to help us anticipate questions and concerns. They have been briefed on the new payroll system. Here are some of their questions and our answers.

Why was the decision made to go with a bi-weekly payroll?

We gathered payroll frequency information from the various locations and knew that part of our project would require more standardization of procedures, including payroll frequencies. Once we conducted an analysis of work flows and processes, it became evident that a bi-weekly payroll was the only viable solution in light of the complexity of our structure with approximately 186 locations.

Won't doing bi-weekly payrolls double our work?

The new systems should **reduce** your payroll processing work. Keep in mind, there will be a time and attendance system in place and you will be responsible only for entering new hires/changes and approving hours submitted to the PSO. Then we will do all the processing and all you will have to do is access your reports for GL entry. There will be more information forthcoming about the processes, but it really should be less burdensome for you.

When will the first bi-weekly period begin?

All locations will be divided into 2 groups (yet to be determined). For Group 1, the first bi-weekly payroll period will be January 1 – January 4 with a pay date of the January 14. For Group 2, the first payroll period will be January 1 – January 11th with a pay date of January 21.

We are asking all locations to pay their employees for all hours worked through December 31, 2013. Because we have so many locations with different frequencies/lags etc., this is the only way we can be sure we are capturing everyone's hours in the new system. Hourly employees will need to estimate their hours through December 31 and then we can make adjustments with their first bi-weekly payroll in January.

Group 1							Group 2						
January 2014							January & February 2014						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4				1	2	3	4
5	6	7	8	9	10	11	5	6	7	8	9	10	11
12	13	14	15	16	17	18	12	13	14	15	16	17	18
19	20	21	22	23	24	25	19	20	21	22	23	24	25
26	27	28	29	30	31		26	27	28	29	30	31	1
							2	3	4	5	6	7	8

What happens if a supervisor is absent when hours need to be approved?

Pay periods will end on Saturday and supervisors will need to approve the hours by the payroll submission date. Each location can designate as many supervisors as needed. You'll need more than one supervisor so that, in case one supervisor is absent, another supervisor can approve the time. The PSO will also have the ability to approve the time in case of emergency. By the way, supervisors will have the ability to enter time if an employee is absent or unable to enter his or her time.

What is a pay card?

Employees will elect to be paid by direct deposit or pay card. A pay card is like an ATM or debit card. Amounts are loaded onto a re-loadable card and the employee uses the card like she or he would use an ATM or debit card. Paper paychecks will not be available because of the cost and tight processing time frame. Pay cards will save money by eliminating the need to process paper checks.

When will funds be available if an employee elects direct deposits versus a pay card?

At 12:01 am on Tuesdays, whether paid by direct deposit or pay card.

The new workflow calls for timesheet cutoff on Saturday, approval of timesheets and transmittals on Tuesday. Seems very tight. Is it possible to build a cushion into the schedule, something like a two-week lag?

Washington state law mandates that employees are paid within 10 days of the cutoff date, so we can't implement a two-week lag. Our standard workweek is Sunday through Saturday. The PSO also needs a two-day window for direct deposits to transmit. Consequently, the PSO has to have payroll processed and ACH files submitted by Wednesday for employees to be paid on Tuesday. Keep in mind that with the new time and attendance system, locations will be spending less time dealing with timesheets since employees will be able to enter their time from anywhere. Even if they are at home, they can use their computer or laptop to enter their time.

2014 Pay Cycle #1	Location ACH files due	Pay day
2014 Pay Cycle #2	Location ACH files due	Pay day