

TO: Personnel Board

FROM: Michael Lipski, Human Resources

DATE: August 26, 2010

SUBJECT: Payroll Technician 2-Comptroller's Office

The Comptroller's Office has requested the creation of a new professional Accountant position within the Payroll Unit. The Payroll Unit is currently staffed with an Accountant 4 (CG18, range 12) who has supervisory responsibility for the unit, and 2 Payroll Technicians (CG20, range 15A). However, as of September 7, 2010, one of the Payroll Technicians is retiring. Because of this retirement, the Accountant 4, Pat Skaleski, has reviewed the work of the Payroll Unit and has determined that the Unit would function more efficiently with one professional accountant position and one para-professional payroll technician position. Ms. Skaleski has prepared position descriptions for the 2 positions (attached). Based on a review of the duties and responsibilities associated with the proposed accountant position, as well as conversations with Ms. Skaleski and Patti McDermott, the Accounting Services Manager (CG18, Range 17), I make the following recommendations:

1. A new professional position of Accountant 2 be created in CG18, Range 8 in the Payroll Unit and one existing position of Payroll Technician (#794) be deleted to fund the new position.
2. The newly-created position will be underfilled as an Accountant 1 (CG18, Range 06) and then progress as outlined in the Accountant class specification (see attached).
3. The new Accountant position should be filled through competition as a new position is being created, in accordance with City of Madison Personnel Rules.
4. The Payroll Technician position would not be deleted until the Accountant 1 position is filled.

The Payroll Unit, a unit within the City's Comptroller's Office, is responsible for overseeing the entire City of Madison payroll. This includes bi-weekly payments to over 2700 permanent City employees as well as up to 800 seasonal/hourly employees, depending on the time of year. These payments include varied deductions for health insurance, life insurance, wage insurance, Federal and State withholdings, social security deductions, wage garnishments, deferred compensation, and other deductions as required or requested by the employee. Each City department/division has at least one payroll clerk responsible for keying time for employees in that department/division. However, the Payroll Unit consolidates all those time entries to create the bi-weekly payroll. The Payroll Unit reconciles the entries, runs an error report to identify any apparent inconsistencies, reconciles the error report, develops payments to the various vendors/government entities, and effects journal entries for the payroll. The Unit is currently staffed with one professional Accountant 4, who, in addition to overseeing the payroll and resolving unusual payroll-related situations, has overall accounting responsibility for special revenue funds, such as the Library, Police and Fire Special Duty funds, impact fees, etc. The Accountant 4, Ms. Skaleski, supervises 2 para-professional Payroll Technicians, who currently oversee the technical aspects of the payroll process. This includes the error report, setting up employee deductions in the payroll system, processing payments to vendors, handling issues related to worker's compensation, special disbursements for things like travel, and basic reconciliation of accounts.

Ms. Skaleski has analyzed the staffing in the Payroll Unit and recommends deleting one of the Payroll Technician positions and replacing it with a professional Accountant in the City's Accountant series. Ms. Skaleski needs assistance with higher-level professional accountant duties that are beyond the

range of a Payroll Technician. Specifically, each year the payroll records are audited. As part of the audit, financial statements and supporting documents are prepared. These statements require estimates of future liabilities relative to payroll-related accounts and these estimates must be made according to generally accepted accounting principles. Furthermore, on a regular basis, the Payroll Unit must perform reconciliations of payroll accounts, such as the IRS quarterly filing. Then the Payroll Unit must report to the IRS what has been paid and ensure that the report is reconciled with the accounts. Finally, Ms. Skaleski needs the new position to provide professional assistance in the special revenue accounting. The position would be responsible for preparing materials for the audit, including financial statements and supporting documents, again making estimates and assumptions according to generally accepted accounting principles.

The class specification for Payroll Technician 2 (attached) currently describes

...journey-level paraprofessional accounting work in the administration of the City's centralized payroll process(es). Work involves varied judgmental responsibilities associated with auditing payroll records for conformance with prescribed standards and their intent (e.g., labor agreements, City ordinances, and related policies and procedures); providing related support and consultation to City agencies and employees; and in providing support and liaison on various employee benefits in conjunction with payroll processes.

The Payroll Technician is not required to perform professional analysis of payroll-related issues. While the Payroll Technician may be expected to research information useful in financial audits, the Payroll Technician is not required to extrapolate costs or make estimates according to generally accepted accounting principles relative to future liabilities of payroll-related expenses. Furthermore, while the Payroll Technician is expected to perform reconciliation of payroll-related accounts, the Payroll Technician only effects routine journal entries of payroll-related matters. Anything which requires a higher degree of analysis and application of generally accepted accounting principles are referred to the professional Accountant 4.

The professional Accountant series (attached), on the other hand, describes

...responsible professional accounting work preparing financial statements, conducting audits, analyzing expenditures, processing payroll, and/or performing other related professional accounting activities and functions. Work requires broad-based accounting knowledge and is characterized by the exercise of judgment and discretion.

Examples of duties include

Examine routine financial statements and records for completeness and accuracy. Reconcile reports and records. Prepare working papers, schedules, exhibits, and summaries. Examine accounting documents to verify accuracy. Determine if transactions are in accord with established policies and regulations, and acceptable accounting standards.

Apply accounting principles and theory to the functions of recording, classifying, examining, and analyzing the data and records of financial transactions.

Assist in performing routine general accounting functions such as end of month statement preparation, and analysis of operating expenditures with payroll projections.

The proposed position in the payroll unit would have responsibility in all these areas. This position would be responsible for reviewing all billings from different carriers, including the Internal Revenue Service, Employee Trust Funds, the Hartford Insurance Company, and the various health insurance carriers. In addition to ensuring the billings are accurate, the position would have independent

responsibility to track down and resolve any inconsistencies. This will involve analyzing financial records to determine if errors exist, and then if that is the case, knowing where to look to resolve the errors. Also, as described above, the position would have responsibility in preparing schedules and summaries for the audits. The position would be required to apply professional accounting principles in analyzing the materials when reconciling payroll accounts and when preparing materials for the audit. Finally, this position would take the lead on reconciling payroll liabilities each pay period and analyzing related transactions.

Based on the above, I recommend creation of the new Accountant 1 position as described at the beginning of this memo. We have prepared the necessary Resolution to implement this recommendation.

Attachments

Compensation Group/Range	2009 Annual Minimum (Step 1)*	2009 Annual Maximum (Step 5)	2009 Annual Maximum +12% longevity
20/15A	44,888	50,550	56,628
18/06	48,225	56,781	63,596

*The 2009 salaries are listed. The salary schedule for 2010 is not approved but salaries will be adjusted to reflect any change at that time.

cc: Dean Brassler-City Comptroller
Patti McDermott-Accounting Services Manager
Pat Skaleski-Accountant 4
Cindi Ofstun-Payroll Technician 2
Mike Deiters