

**Payroll Funding Expenditure Authorization
PCG-PRAUTH**

The Division of Accounting (DOA) is responsible for working with all State of Delaware (State) Organizations to ensure effective controls are in place governing all financial activities, including the expenditure of funds associated with the State's Payroll process.

1 Policy

1.1 Pursuant to Delaware Code, Title 29, Chapter 65, §6506 and §6519,

.....§6506 No money shall be drawn by any agency from any fund in the State Treasury in excess of the amount appropriated by the General Assembly to the agency.

.....§ 6519. Expenditures not to exceed appropriations.

.....(a) No order or requisition shall be made, nor any engagement entered into, nor shall any expense be incurred by any agency which will result in an expenditure of money in excess of the appropriation made to such agency. No obligation incurred by any officer or employee in violation of this section shall impose any liability upon the State.

1.2 Any State of Delaware Organization employing personnel who are paid from local funds, federal funds or from capital improvement debt appropriations are required by Delaware Code to monitor expenditures against these funding sources to ensure balances do not go into a negative condition.

1.3 Pursuant to Delaware Code, Title 29, Chapter 65, §6515 (a),

.....§ 6515. Approval of bills or statements of account; voucher or warrant for payment.

.....(a) No money shall be drawn from the Treasury of this State to pay the salaries and expenses of employees of this State, or to defray the expenses of any agency, or for or on account of any contract for building or repairs, or for property purchased, or for work and labor performed or for materials or supplies furnished to any agency, except upon legitimate itemized bills, invoices or statements presented to, reviewed and approved by an approving official of the agency being charged.

and Delaware Code, Title 29, Chapter 64, §6404 (b)(1),

.....(b)(1) The provisions for salaries in the Budget Appropriation Bill are projected to cover the salaries and wages which shall become due and payable during the fiscal year. All agencies shall stay within their appropriations for salaries as well as positions authorized.

- 1.4 Organizations have recurring biweekly funding expenditures related to the payment of salaries and premium pays (Shift, Hazard, Board Certified, etc.) owed to State officers and employees in authorized Positions for time worked in the current pay period. These salary expenditures are approved in the annual Budget Appropriation Bill and by local School District authorities. Therefore, biweekly funding expenditures supporting these recurring payments are considered preapproved through those processes.
- 1.5 Organizations are required to have in place and enforce effective internal controls to monitor Payroll-related transactions. These internal controls must be documented in an **Internal Controls Plan** on file with the Division of Accounting, Payroll Compliance Group. These controls must include, but are not limited to
 - 1.5.1 the review and approval (by an approving authority for the Organization) of all regular and exception payments to employees such as
 - 1.5.1.1 reported hours for hourly employees,
 - 1.5.1.2 leave usage for all employees, docking, and preapproval of overtime hours.
- 1.6 Based on the expectation that Organizations follow the aforementioned laws and policies for the payment of salaries, the Director of the Division of Accounting, with the authority of the Secretary of Finance, approves and processes the Payroll Journal, through the FSF system, for the State of Delaware on a biweekly basis. (Title 29, Chapter 65, §6515 (d))
- 1.7 All Organizations, School Districts, and Higher Education facilities must have a current Payroll Authorized Signature Card on file with the DOA Payroll Compliance Group (PCG). The card must be signed by all individuals authorized by the Organization Head to expend funds for the Department IDs listed on the card.
- 1.8 The Uniform Electronic Transactions Act in the Delaware Code allows for an electronic signature to authorize financial transactions. (Title 6 Del. C. §12A)

- 1.9 Authorized signers must submit an electronic approval of biweekly payroll expenditures for the Department IDs they are responsible for by sending an email to PCG that includes the verbiage in the sample email below along with a list of the covered Department IDs:

To: PRFUND.AUTH@state.de.us

Subject: Payroll Funding Expenditures Authorization

I, _____ (Signer),
certify that the associated charges for the Pay Period ending
_____ (Pay Period End Date) for the Department
IDs listed below meet all federal and state legal and
regulatory requirements and that the represented
expenditures **do not exceed** the remaining balance of funds
appropriated by the General Assembly to this Organization.

Dept IDs:

2 Definition

Appropriation A budgetary tool used in governmental accounting to control spending.

3 Procedures

- 3.1 The Authorized Signer is required to :
- 3.1.1 Ensure their name appears on the Payroll Authorized Signature Card on file with the Payroll Compliance Group.
 - 3.1.2 Review PHRST DocumentDirect Report DPR003, Payroll Expenditures by Appropriation, for each Department ID and match expenditures against available appropriated balances.
 - 3.1.3 Submit certification email to PCG after Pay Confirm, but no later than the date of payday to: PRFUND.AUTH@state.de.us
 - 3.1.4 Maintain a copy for audit purposes.
- 3.2 Payroll Authorized Signature Cards
- 3.2.1 All Organizations are required to submit new Payroll Authorized Signature Cards by July 1st, annually. The Organization Head **is**

required to sign with a **LIVE** signature to authorize all signatures on the card.

3.2.2 All School Districts and Higher Education facilities must submit new signature cards any time new School Boards are organized. The Organization Head is required to sign with a LIVE signature to authorize all signatures on the card.

3.2.3 Payroll Authorized Signature Cards may be found on the Division of Accounting website:
http://accounting.delaware.gov/payroll_comp/policies.shtml

3.2.4 Contact the Payroll Compliance Group for assistance:
Katrina Zapata, 302-672-5506, Katrina.Zapata@State.de.us

3.3 Payroll Internal Control Plans

3.3.1 All Organizations are required to have a current Payroll Internal Control Plan on file with PCG.

3.4 Future Expenditures Considerations

3.4.1 Authorizers are to review the remaining pay periods in the fiscal year to ensure anticipated future payroll expenditures will not exceed appropriated balances.

Supporting documents:

Title 29, Chapter 65, § 6506

Title 29, Chapter 65, § 6515

Title 29, Chapter 64, §6404 (b)(1)

Title 6, Chapter 12A