



TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT

Board Meeting Date: July 6, 2021

DATE: June 17, 2021
TO: Truckee Meadows Fire Protection District Board of Fire Commissioners
FROM: Cindy Vance, Chief Fiscal Officer
Phone: 775-326-6070 Email: cvance@tmfpd.us
THROUGH: Charles A. Moore, Fire Chief
Phone: 775-328-6123 Email: cmoore@tmfpd.us
SUBJECT: Recommendation to authorize Truckee Meadows Fire Protection District to prefund its Bi-Weekly Payroll in an amount of the estimated payroll amount and other payroll obligations up to 10 days before the execution of the final payroll. (All Commission Districts) FOR POSSIBLE ACTION.

SUMMARY

Recommendation to authorize Truckee Meadows Fire Protection District to prefund its Bi-Weekly Payroll in an amount of the estimated payroll amount and other payroll obligations up to 10 days before the execution of the final payroll.

PREVIOUS ACTION

None

BACKGROUND

The District's payroll is extremely complex and requires a multiple step process to finalize payroll. Over 90% of employees' time is tracked in the Telestaff scheduling software. The time tracking in Telestaff must be finalized before import into SAP where it is again approved. The District performs several review procedures on time and pay to determine that payroll is paid accurately. The District's payroll is paid to employees via ACH from the District's Wells Fargo payroll bank account. The District must request a wire transfer from the Comptroller and Treasurer's Office no later than 11:30am the day before pay date. Given the complexities of District payroll, final payroll numbers are often not available until two days prior to pay date and, at times, the morning of the day the wire is due. The District then obtains approval signatures from either the Fire Chief or the Deputy Fire Chief for the wire before sending the request before 11:30am the day prior to pay date.

The District's general payroll process is as follows:

- Payroll period ends on Sunday, 12 days prior to pay date.
- Operations has two days to finalize Telestaff before import into SAP on Wednesday morning, 9 days prior to pay date.

- Payroll department imports the Telestaff data, clears any errors, performs review procedures to determine that all time was imported and imported accurately. Payroll also reviews time for any anomalies such as less than scheduled hours or using accrued time off benefits more than available time. Payroll works with management and staff to clear all errors before pushing out time for final approval in SAP on Thursday, 8 days prior to pay date.
- Department managers have until end of the day Monday to approve time within SAP, 4 days prior to pay date.
- Payroll processing usually starts on Tuesday morning and is completed on Wednesday afternoon, 2 days prior to pay date.
- Payroll prepares the wire request and obtains approval signatures on Wednesday afternoon up to Thursday morning, depending on availability of signatories, 1 day prior to pay date.

The District's payroll averages just under \$700,000 per pay period but may run as high as just over \$1 million depending on timing (longevity payouts, Employer HSA) and overtime. Given the total time to process payroll the District requests the ability to prefund payroll up to 10 days prior to pay date based on an estimate that will be reconciled each payroll period. This request only moves cash from one account to another and therefore has no cost. Any loss of interest earnings from moving from the cash or LGIP investments a few days early would be minimal.

The District discussed this plan with its auditors, Eide Bailly, LLC and noted no audit risks. The District's payroll bank account is secure. Payroll ACH payments are automated uploads via SAP, the payroll tax wire is a template that can only be sent to the IRS, payroll bank account checks are positive pay and check stocks are locked and inventoried. Any non-routine transaction requires dual approvals.

FISCAL IMPACT

There is no fiscal impact with this staff report. This authorization allows the District to transfer funds from one District cash account to another District cash account based on an estimate to be reconciled each pay period.

RECOMMENDATION

Staff recommends the Board authorize Truckee Meadows Fire Protection District to prefund its Bi-Weekly Payroll in an amount of the estimated payroll amount and other payroll obligations up to 10 days before the execution of the final payroll.

POSSIBLE MOTION

If the Board agrees with Staff Recommendation a possible motion can be:

"I move to authorize Truckee Meadows Fire Protection District to prefund its Bi-Weekly Payroll in an amount of the estimated payroll amount and other payroll obligations up to 10 days before the execution of the final payroll."