

The Payroll Unit of the San Diego County Office of Education provides payroll services to school districts through use of a uniform payroll system, as authorized by the Education Code. The legal provisions pertaining to the processing of school orders and payrolls are as follows:

1. General provisions relating to the issuance and approval of school orders. [EC §§ 42630-1, 85230-1]
2. Authorization by the governing board of a person or persons to sign orders. [EC §§ 42632-3, 85232-3]
3. Uniform payroll procedure. [EC §§ 42646, 85260]

School districts utilize the San Diego County Office of Education's on-line Payroll/Personnel System to maintain employee data for payroll processing. As data is entered online, the system performs a legal audit in various areas.

Procedures for payroll data input are contained in a separate *Payroll/Personnel System User Reference Manual* published by the San Diego County Office of Education (see Additional Resources).

The payroll system provides the required payroll reports, which include, but are not limited to, warrants, warrant registers, payroll registers, remittance advices, year-to-date earnings, and expense distribution.

Various quarterly and annual reports are also produced including the year-to-date status file, earnings ledger reports, unemployment insurance reports, and W-2s, with magnetic tape reporting to the state and federal governments.

Under certain circumstances, districts are required to pay interest when making salary payments to certificated K-12 employees after the established payday. [EC §§ 45048-9] This interest is not a wage payment and cannot be paid through the payroll/personnel system. Interest must be paid on either a commercial warrant or from the district's Revolving Cash Fund. Interest paid of \$10 or more to an individual requires issuing an IRS Form 1099-INT. The employee must receive both salary owed and interest at the same time.

Refer to the Commercial School Orders section for the difference between employees and consultants (independent contractors) and to the *Commercial Warrant Claims Manual* for the appropriate payment process (by payroll or commercial warrant).

ADDITIONAL RESOURCES

1. *Commercial Warrant Claims Manual*, San Diego County Office of Education, 2006. Available: <http://www.sdcoe.net/business2/dfs/cw/com_war_manual.pdf>
2. *Payroll/Personnel System User Reference Manual*, San Diego County Office of Education, 2001. Available from:
Payroll Audit and Systems Utilization Manager
San Diego County Office of Education
6401 Linda Vista Road
San Diego, CA 92111-7399
(858) 571-7275
3. Payroll Audit Unit, San Diego County Office of Education. Available:
<http://www.sdcoe.net/business/dist_fin/pa/>
4. Systems Utilization Unit, San Diego County Office of Education. Available:
<http://www.sdcoe.net/business/dist_fin/su/welcome.asp>