

Administrative and Finance Manual

Topic:

AF 401-04 ADP HR and Payroll Processes

Section:

400 Payroll

Author:

Human Resources and Payroll Departments

Introduction

Processing of the payroll is comprised of multiple parts within the responsibility of Sodexo unit management, Human Resource personnel, the Sodexo Payroll Service Center, Sodexo Benefits Department, Sodexo Tax Department, Sodexo People Center and Sodexo Compensation. Payroll input, employee deductions, pay calculations and process output are addressed.

Of Concern To

Sodexo Managers
Sodexo Human Resource Representatives
Sodexo Payroll Service Center
Sodexo Benefits Department
Sodexo Payroll Tax Department
Sodexo Compensation Department
Sodexo HR Service Center
Sodexo People Center

Forms to be Used

Frontline Manual Timesheet
Punch Exception Log
Nonexempt Manual Timesheet (Class Codes 4 and 7)

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Section
Payroll

Topic
ADP HR and Payroll
Processes

Employee Data Management Portal:

Employee Action Form (EAF)

New Hire/Rehire Form

Employee Action Form (PDF) *used by In Unit HR only

Federal W-4 Form (Employee's Withholding Allowance Certificate)

*(Available on Sodexo LINK)

State-specific Employee Withholding Forms

Voluntary Deduction Form

Miscellaneous Earnings and Deduction Worksheet

Historical Edit Form

Exception Pay Form

Immediate Pay Upon Termination

Effective Date

September 5, 2024

Policy

To ensure that employees are paid timely, payments must be properly authorized and the data must be reviewed and stored in secured areas. Employee record changes must be documented and approved using the procedure contained in this topic. **All employee HR and payroll records must be retained for 10 years as specified below.** Financial reconciliations are performed timely to verify accuracy of payments issued. Payroll processed in Kronos Workforce Central should be for payment to Sodexo employees who have provided services to only Sodexo and not to any other third party. Federal, state and local labor regulations and employment practices for such items as overtime, paid time off, employee benefits, etc. are programmed into the ADP tables for accurate payroll calculations.

ADP and the Sodexo Payroll Service Center coordinate the planning of the Annual Payroll Production calendar including the regular weekly and biweekly payroll cycles and reoccurring monthly and annual off-cycle Supplementary payroll.

Procedure

Payroll Process – Input

New Hire/Rehire Forms:

Frontline Employees (Class 6, 8, & 9): All Frontline Hire/Rehires must be processed through the Frontline Recruiting tool, Dexi. Please complete the hiring process in Dexi and submit the Dexi Action Form to hire your candidate.

Class 1 – 4 & 7: New Hire / Rehire Forms, with prior electronic approval, are retained in HR case management system.

For further information: see AF Topic 402-01.

Payroll Process – Timekeeping Procedures – Nonexempt Frontline Employees (Class Codes 6, 8, 9)

All employees must have a record of time indicating actual start and stop time for each shift and all meal periods taken.

Kronos Time Clocks

The primary method of timekeeping for Class Codes 6,8,9 is Kronos time clock to collect punch data for employees. The punch data should be reviewed daily by a manager or an approved designee in Kronos.

If an employee has a missed or incorrect punch, the **Punch Exception Log** must be used to document the exception. The log is initialed by both the manager and the employee at the time it is recorded on the log. The person entering the punch(s) into Kronos must also initial the **Punch Exception Log** when the edit is entered. The completed **Punch Exception Logs** must be retained with the weekly timekeeping records for 10 years.

At the end of the pay period, employees must verify that all punches accurately reflect time worked, meal periods taken, and approved time off. For employees using a Kronos time clock, the approval is done at the time clock following the time card approval steps on the screen. If an employee

is unable to approve at the clock, the manager should print the Punch Detail SDX report and have the employee sign and verify the time recorded is correct.

Other Timekeeping Methods

Nonexempt frontline employees in Class Codes 6,8,9 who do not have access to a time clock are required to use Web Timestamp method from a computer, the **Frontline Manual Timesheet** or other approved electronic time keeping device to record the start and stop time of the shift and for any meals taken. The manager or approved designee will enter the times from the Frontline Manual Timesheet or other approved electronic devices (i.e.: punch card, POS report) into Kronos. Each department will ensure that all time data is correct and submit payroll as predetermined on a weekly or biweekly schedule.

- At the end of the pay period, employees using the **Frontline Manual Timesheet** must verify that all time they recorded on the timesheet accurately reflects the time worked and meal periods taken by signing the affirmation statement on the **Frontline Manual Timesheet**. Signing this affirmation statement also includes confirmation that all required meal periods and rest breaks have been taken.
- At the end of the pay period, employees using other approved electronic devices must verify that all punches accurately reflect time worked, meal periods taken and approved time off by signing the affirmation statement on the **Time Card Approval Report**. Signing this affirmation statement also includes confirmation that all required meal periods and rest breaks have been taken.
- Employees using the Web Timestamp Method from Kronos should follow the steps on screen at the end of the pay cycle to verify that all time they recorded on the timesheet accurately reflects the time worked and meal periods taken by agreeing to the affirmation statement as part of the approval step.

The **Punch Detail Report from Kronos (if unable to approve electronically)** and/or the **Frontline Manual Timesheet** must be printed and retained with the weekly time keeping files for 10 years.

Payroll Process – Timekeeping Procedures – Exempt Employees (Class Codes 1,2,3) and Nonexempt (Admin/Tech/Professional) Employees (Class Codes 4 and 7)

Government Services employees follow government contract and segment specific procedures not covered in this document. The information is kept at the Government Accounting Department in Buffalo, New York and each employee is provided a copy when hired, transferred or promoted into the above class codes.

Full-time exempt employees in Class Codes 1,2,3 are paid by “exception” with regular hours paid each cycle. These employees only enter pay codes into Kronos if an exception to regular pay is included during the pay period. Examples of exceptions include: sick time, bereavement, vacation, holiday, or jury duty. If two weeks were worked with only regular hours, 80 hours is automatically loaded into Kronos. If any hours were not regular hours, the employee enters the exception time. Each cycle is then transmitted to ADP for payroll processing.

Exempt employees with flexible work arrangements must record the approved hours for each pay cycle.

Documentation of **exceptions reported must be retained for 10 years.**

Nonexempt employees in Class Codes 4 and 7 must record actual start and stop times of each shift and meal periods taken including non-productive time requested (i.e. vacation, sick, holiday, jury duty, and bereavement) in Kronos. At the end of the pay period, nonexempt employees must verify that all time they recorded on the timesheet accurately reflects the time worked and meal periods taken by approving their timecard and agreeing to the affirmation statement.

The **Nonexempt Manual Timesheet** would only be used in cases where an internet connection is not readily available, and the data must be entered by their manager or other approved designee.

Nonexempt Manual Timesheets must be retained for 10 years.

Special Pay and Bonuses

The Sodexo Compensation Department calculates and sends special pays and bonuses to the Sodexo Payroll Service Center. In addition, the Sodexo Compensation Department calculates and enters the discretionary bonuses for Corporate Headquarters. The Segment calculates and sends discretionary bonuses to the Sodexo Payroll Service Center following the Sodexo Compensation Policy available on SodexoNet.

Managers are not permitted to issue a spot bonus or special pay premium to any employee without obtaining prior approval as detailed on Sodexo LINK.

Social Benefits

Leave of Absence forms (including FMLA) are completed by the employee, approved by the manager or the People Center, and then entered into Manager Self Service (MSS) or Enterprise HR. The unit should retain the LOA request packet documentation and/or note in the employee file to support the LOA if needed. An Employee Action Form does not need to be completed or filed in the employee personnel file for Leave of Absence. Disability and Workers' Compensation payment are determined by the Benefits Department completing the appropriate forms. Payments for disability and Workers Compensation are made to employees by various third-party vendors or, where applicable, state authorities. Refer to Benefits Overview found on Sodexo LINK.

Vacation Time/Sick Time/Holiday Time

Amounts of vacation time, sick time or other types of Paid Time Off are established by leave code which is approved by Human Resources in relation to labor laws, company policy, union contracts, etc. Such payments are noted on time records then, along with regular hours, entered in Kronos. Nonexempt employee requests for paid time off are reviewed and approved by the employee's manager.

Employee home address change, direct deposit setup and changes, and employee change in exemptions for tax withholdings

Both exempt and nonexempt employees can make these changes themselves in Employee Self Service (ESS). If unable to access ESS and complete the change themselves, they can obtain the form on Sodexo LINK or contact the ADP COS at 1-877-729-7396 and the customer service rep will fax a form to the employee to complete and fax back to make the change.

Employee Name Change and/or Social Security Number (SSN) Change

The employee, exempt or nonexempt, completes the SSN Name Change Form available on Sodexo LINK and sends it to the HR Service Center along with a copy of the Social Security Card. **All name changes must be consistent with Social Security records.**

Employee Action Form (EAF)

- 1. Pay Rate Changes** (Excludes mass updates. Examples are annual merit increases, minimum wage increases, mass unit changes, etc.)
All rate changes need to follow the Compensation policy.

Nonexempt Frontline Employees (Class Codes 6,8,9) who are processed using MSS. The Reports to Manager completes the pay rate change in MSS. An email notification is generated by MSS and sent to the approving manager to complete the transaction. An Employee Action Form (EAF) does not need to be completed or saved in the employee personnel file.

Nonexempt Frontline Employees (Class Codes 6,8,9) who are not processed using MSS. For pay rate changes processed by an In Unit HR practitioner, an EAF (PDF version) needs to be completed and emailed to the In Unit HR practitioner from a Sodexo.com email address. If the pay rate change is historical, an EAF must be completed via the Employee Data Management Portal and submitted to the HR Service Center for processing. Manager/HR should print,

manually sign and date “Approved By” field on the EAF form, and retain the completed form in the employee’s file.

Exempt Employees (Class Codes 1,2,3) and Nonexempt Employees (Class-Codes 4 and 7) An EAF form is completed via the Employee Data Management Portal by an HR professional and submitted to the HR Service Center for processing into Enterprise HR. The completed EAF with prior electronic approval are saved by the HR Requestor to the HR case management system.

2. Job Code Changes

Nonexempt Frontline Employees (Class Codes 6,8,9)

Manager/HR completes the EAF via the Employee Data Management Portal and submits it to the HR Service Center for processing. Manager/HR should print, manually sign and date “Approved By” field on the EAF, and retain the completed form in the employee’s file.

Exempt Employees (Class Codes 1,2,3) and Nonexempt Employees (Class-Codes 4 and 7) An EAF form is completed via the Employee Data Management Portal by an HR professional and submitted to the HR Service Center for processing into Enterprise HR. The completed EAF with prior electronic approvals are saved by the HR Requestor to the HR case management system.

3. Leave of Absence (LOA)

Nonexempt Frontline Employees (Class Codes 6,8,9) who are processed using MSS. The Reports to Manager can only place or return an employee on LOA for TUC (temporary unit closing). All other LOA Types must be completed by Sodexo’s Leave of Absence team.

Nonexempt Frontline Employees (Class Codes 6,8,9) who are not processed using MSS. An In Unit HR Professional can only place or return an employee on LOA for TUC (temporary unit closing). All other LOA Types must be completed by Sodexo’s Leave of Absence team.

Exempt Employees (Class Codes 1,2,3) and Nonexempt Employees (Class Codes 4 and 7). All EAF's for LOA requests are submitted by Sodexo's Leave of Absence team.

LOA Extensions - All employees: All EAF's for LOA requests are submitted by Sodexo's Leave of Absence team.

Retain LOA paperwork in accordance with privacy guidelines established by the Sodexo Benefits Department.

4. Transfers

Nonexempt Frontline Employees (Class Codes 6,8,9). Manager/HR completes the EAF via the Employee Data Management Portal and submits it to the HR Service Center for processing. Manager/HR should print, manually sign and date "Approved By" field on the EAF, and retain the completed form in the employee's file.

Exempt Employees (Class Codes 1,2,3) and Nonexempt Employees (Class Codes 4 and 7). An EAF form is completed via the Employee Data Management Portal by an HR professional and submitted to the HR Service Center for processing into Enterprise HR. The completed EAF with prior electronic approval are saved by the HR Requestor to the HR case management system.

5. Terminations

Process all terminations (with the correct termination code) no later than employee's last day of employment. Terminations may be processed before the termination date, still allowing the employee to be paid through their last scheduled date. Units should retain the letter of resignation and/or termination documentation in the employee's personnel file, to support the termination, as applicable.

Ensure all time worked and any non-productive time used is entered in Kronos for the final pay cycle. If the employee is in a state that

requires immediate payment of all monies due, follow procedures in the Immediate Pay Upon Termination process chart found in Sodexo LINK or contact Payroll Service Center.

Frontline Nonexempt Employees (Class Codes 6,8,9) who are processed using MSS Reports to Manager completes the termination in MSS. An EAF does not need to be completed and saved in the employee's personnel file.

Frontline Nonexempt Employees (Class-Codes 6,8,9) who are not processed using MSS. For terminations processed by an In Unit HR professional, an EAF (PDF version) is completed. For terminations processed at the HR Service Center, complete and submit the EAF or Mass EAF (Permanent Unit Closing) via the Employee Data Management Portal. Print, manually sign and date "Approved By" field on the EAF, and retain the completed form in the employee's file.

Exempt Employees (Class Codes 1,2,3) and Nonexempt Employees (Class Codes 4 and 7) An EAF is completed by HR, and is submitted to the HR Service Center for processing. The completed EAF with prior electronic approval are retained within the HR case management system.

Employee Deductions:

Voluntary Deductions

(Safety shoes, charity contributions, parking etc.)

Voluntary Deduction Form is completed and signed by the employee and faxed to ADP, number provided on the form. ADP is responsible for all voluntary deduction enrollment. The manager is responsible for faxing the form to ADP and retaining the hard copy of the form in the employee's personnel file for audit purposes. Documents sent to ADP are electronically stored for record retention.

Benefit Deductions

Verification of eligibility and enrollment is provided by third party vendors. A file interface with employee deductions is sent to ADP. Following

enrollment, each employee receives an individual confirmation statement from the third-party vendor.

Garnishments, Tax Levies, Child Support

Court Orders are sent to ADP COS - Third Party Vendor - Garnishment Department for processing.

Payroll Process – Output

Paper Paycheck and Pay Stub Distribution

Pay vouchers produced from ADP are distributed to units and tracked. Documents are maintained in a secure area at units/offices until disbursement to employees.

Electronic Method of Payroll Distribution

The Company expects employees identified in this section to enroll in an electronic pay method (which may include direct deposit into a bank account or receipt of wages through a Money Network check or a MetaBank debit card):

- All employees working in exempt positions (Class Codes 1,2,3) regardless of work location.
- All non-union, non-exempt employees (Class Codes 4,6,7,8,9) working in the following states:

Alabama	Arizona	Colorado	Delaware	District of Columbia	Florida
Georgia	Indiana	Iowa	Kansas	Kentucky	Louisiana
Massachusetts	Maine	Michigan	Mississippi	Missouri	Nebraska
North Carolina	North Dakota	Ohio	Oklahoma	South Carolina	South Dakota
Tennessee	Texas	Utah	Virginia	Washington	West Virginia
Wisconsin					

Electronic Pay Procedures

1. The employees identified above must enter their bank account information into Employee Self Service or complete and submit the Direct Deposit/Pay Card Authorization Form to ADP within their first two pay periods.
2. Employees will receive their first paycheck in paper form.
3. Except where required by law, upon separation of employment, same day checks will not be issued for employees who do not enroll in electronic pay within the timeframes listed.
4. Any payments to an employee after separation will be processed as a paper check. Employees must enroll in electronic pay for travel and expense reimbursement by completing the Expense Report Reimbursement Direct Deposit Authorization Request (Form 306) found in the Travel Authorization Packet and submitting it to the Accounts Payable Department.
5. Direct deposit payments can be deposited to a checking or savings account at any U.S. financial institution that participates in the NACHA banking system.

Payroll Register Review

When paychecks arrive, Management must carefully review the payroll register to ensure the accuracy of pay rates and hours paid as reported. If the register review uncovers inaccuracies, they need to be corrected immediately following identified procedures.

Every pay cycle all unit managers are required to review the electronic payroll register attesting to the accuracy of pay rates and hours paid.

Payroll registers must be reviewed by the 22nd of the next month in order to be in compliance. Any payroll registers not reviewed by the 22nd of the next month will appear on a non-compliance report sent to the Reports To Manager. The Reports To Manager is responsible for ensuring all payroll registers are reviewed.

Payroll Register

Unit managers must retain the employee signed **Frontline Manual Timesheet**, signed timecards, or documentation from other approved timekeeping methods, etc. in the unit files for 10 years. Electronic approval

of timecards is retained in Kronos for historical reference. Electronic pay registers are also available for historical reference for 10 years through the EPRD Repository.

All unit managers will receive an email notification every pay cycle of payroll register availability. One level up managers (usually the Reports To Manager) will also receive a copy of the payroll register.

Payments to External Entities

During the last step of pay processing there is an automated interface from the ADP payroll system to the Sodexo Accounts Payable system. Vendor checks are printed and sent to the Sodexo Payroll Service Center, who compare the check amounts to reports that are generated during the pay processing and posted to folders in ADP Enterprise. The reports are printed and accompany the checks to the vendors. Any discrepancies are investigated, and if necessary escalated to ADP, and resolved prior to mailings.

Sodexo Balance Sheet Accounting reconciles the related GL Balance Sheet accounts and is assisted by the Payroll Service Center as needed.