



PERMANENT MEMORANDUM 65

Payroll Deduction Authorization Process

POLICY DIGEST

Monitoring Unit: Office of Finance & Administration
Initially Issued: October 9, 1987
Last Revised: October 30, 2018

I. PURPOSE

This policy codifies LSU's payroll deduction authorization process to reflect current technology and organization structure of the University.

II. DEFINITIONS

Accounting Code: the account number or worktag currently used to identify a payroll charge

Administrative Contract: a contractual agreement appropriately bid and awarded by the University to a company and/or corporation which meets or exceeds the requirements of R.S. 42:455 to manage a benefit plan

Benefit Oversight Committee: refers to the committee tasked with providing oversight to the Benefit Administration office; The committee is comprised of individuals from campuses of Louisiana State University the offices of Internal Audit and General Counsel must be represented on the committee.

Board of Supervisors: The Board of Supervisors of Louisiana State University and Agricultural & Mechanical College; the management board overseeing the University

Campus Payroll Deduction Code: the identifier in the payroll system which serves as a key for processing and reporting; The deduction code may represent a single agency or a group of agencies.

Campus Payroll Office: the section of Accounting Services primarily responsible for the campus payroll system and administration of rules governing University employees' payroll deductions

Campus/Department: any one of the campuses of LSU and any designated department within that campus

Deduction: any voluntary reduction of pay under written authority of an employee, which reduction is not required by federal or state statute

III. APPLICATION PROCESS

- A. Applications must be made by the provider or organization which is the provider of the coverage, product, service, or recipient of monies and must be signed by two officers of the applicant company, corporation, or organization.
- B. Any vendor requesting authorization to implement a payroll deduction must submit a completed application form through the requesting campus to the LSU Benefit Administration office. The application must conform to the following:
 - 1. The application must be submitted on a currently approved LSU PR1 Application for Employee Payroll Deduction Authorization Form (See Appendix I) and must include the LSU PR2:PM 65 Vendor Agreement Form (See Appendix II) LSU PR3 Request for Payroll Deduction Slot (See Appendix III) and IRS form W9 Request for Taxpayer Identification (ayrrl I

- B. Vendors will be responsible for preparing a detailed reconciliation of monthly payroll deductions/remittances to vendor invoices and notifying the appropriate campus of any discrepancies/exceptions.
- C. Monthly reconciliations must include the total monthly invoice amount, the total remittance amount, and must list all exceptions between the invoice and deduction remittances by employee, by campus, and by deduction cycle.
- D. Vendors failing to provide accurate and timely reconciliation maybe barred from active solicitation by the campus and will be responsible for any loss of premiums not collected.
- E. Vendors may not add products or services different from products or services indicated on currently approved application.
- F. Vendors will not be authorized to submit any deduction form which was obtained from an employee for the purpose of transmitting any part of that deduction to a third party except as indicated in Section XII of this policy.
- G. The Vendor Coordinator will be responsible for dissemination of information, such as the requirements of this application process and/or University/campus policy and procedures, to vendor representatives.
- H. Vendors will comply with LSU data policies and procedures, including but not limited to data disposal requirements and breach notifications.

IX. REPORTING

- A. Vendors must report to the LSU Benefit Administration office and each Payroll office, within 10 days of final approval, any change in the name, address, company status, principal officers, and designated vendor coordinator.

G. LSU will provide the state payroll office, upon request,

- D. Administrative responsibilities of this authorization process will preclude the Division of Administration from sponsoring applicants for vendor slots.
- E. Campuses will not refund to employees amounts previously deducted over 90 days without authority from the vendor.
- F. The campus must provide vendor coordinators a copy of campus policies relative to receipt, processing, and cancellation of payroll deductions, as well as solicitation guidelines prior to permitting access to employees.
- G. Requirements of this policy do not apply to supplemental retirement plans, IRC sections 403(b), 457(b), Roth 403(b), Roth 457(b), or Voluntary Retirement deductions, which are subject to a separate and distinct authorization process. Information on the supplemental retirement plans is available through the LSU Benefit Administration office.

XIII. APPEAL PROCESS

If any provider or organization is refused a deduction by the governing board, as defined herein, the only administrative appeal available is an appeal to the Benefit Oversight Committee.