

What if our board votes to process payroll locally?

The Georgia-Cumberland Conference recommends that all entities with employees transition to conference employment, consistent with NAD policy. If, however, the local board votes to remain as the employer, the entity must be in compliance with the following requirements:

FEDERAL REQUIREMENTS

1. Minimum Wage – currently \$7.25 per hour for non-exempt (hourly) or \$455 per week for exempt (salaried)
2. Overtime Pay – one and a half times the regular pay rate for hours worked over 40 in a workweek for non-exempt (hourly)
3. Fair Labor Standards Act compliance including employee classification (exempt or non-exempt) and record keeping requirements
4. Compliance with federal and state laws prohibiting discrimination based on race, creed, color, religion, gender, national origin, or age.
5. Federal Income Tax Withholding (Employee must complete W-4 form)
6. I-9 Employment Eligibility Verification (Employee must complete I-9 form)
7. Retain a Federal Employer Identification Number (FEIN)
8. Withhold and remit Social Security/Medicare (FICA) and federal income taxes per required deadlines (file quarterly 941 form and annual W-3 form)
9. Issue W-2 form at end of year to each employee per required deadlines
10. Child labor regulations (state requirements vary – follow more conservative of federal or state)
11. Posting of federal labor laws

STATE REQUIREMENTS

1. New Hire reporting
2. Retain a State Taxpayer Identification Number (STIN)
3. Withhold and remit state income taxes per required deadlines (Georgia and North Carolina. Tennessee is excluded)
4. E-Verify (if applicable)
5. Workers' Compensation coverage (requirements: Tennessee – 5+ employees; Georgia & North Carolina – 3+ employees)
6. Child labor regulations (state requirements vary – follow more conservative of federal or state)
7. Frequency of pay
8. Breaks and meal periods
9. Posting of state labor laws

BEST PRACTICES FOR EMPLOYMENT

1. Pay rate and benefits (determined by employer) clearly outlined and agreed upon by both employee and employer before employment begins
2. Provide benefits in a non-discriminatory manner
3. Job description outlining work responsibilities
4. Follow proper hiring procedures (job description, application form, referencing, interviewing, background check)
5. Follow proper discipline procedures (verbal warning, written warning, probation, etc.)
6. Follow proper termination procedures (payroll requirements, etc.)
7. Implement written employment policies

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For entities who remain as the employer, the conference auditors will 1) include a notation in the audit report of the entity’s decision to not comply with NAD policy, 2) request a copy of the minutes with the voted action, 3) review the list above with the entity’s treasurer, and 4) provide a letter from VP for Finance to give overview of any potential liability and clarify that the conference would not be responsible for employee payroll processing and reporting requirements.

The conference Human Resources office will be available to assist with inquiries and as requested, provide sample documents for local entities to use in communicating payroll/benefits to their employee.

Adventist Risk Management coverage: Employment Practices Liability (EPL) coverage includes all member entities of a conference (schools, churches, etc.) unless specifically excluded. Whether or not they participate in the NAD local employment plan will not impact coverage.

FREQUENTLY ASKED QUESTIONS:

Must all locally-funded employees at a location be voted as either conference employees or local employees?

Yes, for continuity, a local board will vote all employees at the local entity regarding the payroll implementation process (see Sample Board Vote).

Can separate entities at the same geographic location vote differently?

Yes, if they are separate entities with separate governing boards, then each entity would need to make a decision. A school, church, and day care can be considered separate entities if they have separate boards.

Can an entity change their vote at a later time?

Yes, if a local entity decides they cannot continue with conference payroll, they have the legal right to conclude conference employment and hire as a new employer locally.