Office of the University controller

# Process narrative OUTLINE

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| **Process Name** | ***Process Name*** |
| **INSTRUCTIONS** | Outline process to determine what should be included in process narrative documentation.   1. **Determine Scope of Process Narrative:**    1. What is the question you’re attempting to answer?       1. Examples include, how does an employee get paid?          1. *See payroll process outline below and final payroll process narrative for reference.*    2. Consider materiality ($10M, all API’s, Fin. Reporting audit requests) and review [PN Standards](https://controller.iu.edu/compliance/fiscal-officer/accounting-standards/internal-controls/process-narratives) further resources. 2. **Other Helpful Tips and Suggestions**    1. For new processes or proposed changes, please overview current process as well as proposed process/changes.    2. Define acronyms, object codes, and accounting names.    3. Should include all applicable parties who would contribute to document/process.    4. Consider audience is someone external to IU etc. – no “we, I, or us” in the narrative    5. Narrative will need to include the following components:       1. Governance structure over unit/org for fiscal responsibility       2. Transaction authorization       3. Segregation of duties       4. Data feeds and/or subsidiary systems used (if any)       5. Supervision over process       6. System user access       7. Monitoring activities- reviews and approvals.       8. Documentation/training documents & flowcharts       9. Accounting entries    6. Also consider some “fresh-eyes” review to fill in holes in the outline and narrative. |
| **OUTLINE SUMMARY** | *See below for an example of a completed Outline Summary.* |

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| **Process Name** | **Payroll Process** |
| **OUTLINE SUMMARY** | 1. How we hire an employee (entire hiring process) – HR    1. Position Responsibilities and Pay Grade/Pay Group/Funding (eDoc Process)       1. Multiple Jobs (Priority Listing)    2. Benefits Set-up and Elections    3. Deductions Set-up and Elections    4. Taxes Set-up and Elections    5. Direct Deposit Set-up and Elections 2. Payroll Close    1. Biweekly       1. Pay Period/Date/Calendar - Sandy       2. Pay Group by System - Sandy       3. Paycheck Calculation (Gross to Net – high level process) – Sandy/Cassie R./John          1. Recording Wages, Earnings, Time Recording, Shift Premiums, Nonexempt (Overtime), Sick and Vacation             1. Timekeeping Process (Rate x Hours)             2. Voucher Process (Funding Info and Approval)          2. Tax             1. Some exclusions apply (FICA, NRAs, etc.) Reference tax documentation          3. Deductions (normal vs. multiple job issues)          4. Labor Ledger Entries and Fringe Benefits Charges (Accounting Entries) - John    2. Monthly       1. Pay Period/Date/Calendar       2. Pay Group by System          1. 18/20, Post-Doc Fellowships, etc. Short Explanations but don’t need all detail       3. Paycheck Calculation (Gross to Net – high level process)          1. Salary vs. Contract Payment, ePTO, Recording Wages, Earnings, Time Recording, Sick and Vacation             1. Voucher Process (Funding Info and Approval)          2. Tax             1. Some exclusions apply (FICA, NRAs, etc.) Reference tax documentation          3. Deductions (normal vs. multiple job issues)          4. Labor Ledger Entries and Fringe Benefits Charges (Accounting Entries)    3. Off Cycle       1. Pay Period/Date/Calendar       2. Pay Group by System       3. Paycheck Calculation (Gross to Net – high level process) 3. Issuing Payment    1. Treasury/Tax Input Needed    2. Direct Deposit/Paper Check/Retirement Contributions/Etc. 4. Labor Ledger Scrub and connection to accounting entries/GL (Reference LL Entries above) 5. 9050 Accrued Wages Process |