

Establishing New Payroll Deductions

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About This Policy

Effective Date:

10-01-1990

Last Updated:

09-01-1998

Responsible University Office:

Financial Management Services

Responsible University Administrator:

Vice President and Chief Financial Officer

Policy Contact:

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Policy Statement

To establish a new, voluntary payroll deduction, the deduction must meet the following criteria:

- A deduction for a union which is officially recognized by the university. (With regard to staff employees, qualifications for deductions shall be governed by the Trustees Conditions for Cooperation.)
- A deduction for a fringe benefit established by the university.
- A deduction for deposit into a financial institution.

A deduction for a charitable organization such as United Way or the Indiana University Foundation (IUF). The United Way and IUF will continue to have access to the IU workplace for both solicitation purposes and to utilize the payroll deduction system. When employees wish to contribute to other organizations, access to the workplace for solicitation and access to payroll deduction will be determined by each campus on the following criteria:

- a. Only federations representing a number of organizations will be considered. No individual organization will be granted access.
- b. The organizations represented by federations or combined campaigns must be health, education, or human services agencies recognized under Section 501 C (3) of the Internal Revenue Code, and must expend at least 60% of their budgets in the counties surrounding the campus.

- c. Federations must be able to demonstrate that a minimum of 80% of the funds contributed is granted to the beneficiary agencies. Each federation will make available to the Chancellor of the campus its financial records and other information reasonably requested as a condition to being granted access, and to maintain its access. This information is to be provided with the understanding that the information will be available to for public inspection.
- d. Federations meeting these requirements may be granted access to the workplace for solicitation and to the payroll deduction system at the campus if they can demonstrate that a minimum of 3% or one hundred (100) full-time employees, whichever is greater, working on the campus desire to contribute directly to their campaign through payroll deduction.
- e. After access is granted, if that minimum does not designate the federation as a recipient of payroll deduction in any year, the federation will not be granted access to solicitation and payroll deduction the following year. Access may be granted in subsequent years in the same way as obtained initially.
- f. Federations may demonstrate the interest of campus employees in either of the following ways: 1. by demonstrating that the required percentage of full-time campus employees has made designated gifts to the federation or an agency covered by the federation through the method of donor option designation prescribed for the annual United Way fund drive or, 2. by presenting to the Chancellor a letter of interest signed by required percentage of full-time campus employees.
- g. For federations which do not meet these requirements, campus administrators will work with such a federation and the United Way to explore the possibility that information about the federation might be distributed through the campus United Way campaign, so that employees will have access to payroll deduction for those federations through United Way. In these instances, the federation wishing to be considered must meet the guidelines of the United Way.

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Reason For Policy

To create a policy controlling the establishment of new payroll deductions.

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Definitions

The office or federation requesting the new deduction must apply to the Assistant Vice President; Financial Management Services and indicate which employees will be affected by the deduction. Financial Management Services and/or Human Resources Management will establish enrollment guidelines for the deductions established. If the deduction is approved and implemented, there will be no cost to the department or agency for this service.

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History

This policy was established on October 1, 1990.