

2019 SACUBO Best Practice

The Kentucky Community and Technical College System (KCTCS) has 16 separate colleges across the state of Kentucky. The Payroll function has traditionally operated in a partially decentralized environment, with payroll administrators in each location. The college payroll administrators were responsible for managing time and labor records, reviewing gross to net calculations, calculating termination payments, administering the leave programs, assigning local tax, and providing direct customer support. The System Office payroll staff was responsible for administering the gross to net calculation, remitting and filing tax returns, and functional support for the payroll systems. Additionally, the System Office staff had full payroll processing responsibility for a limited group of employees.

Due to the implementation of the PeopleSoft electronic time and absence system and streamlining of existing processes, KCTCS was able to implement Payroll Shared Services (PSS). PSS completely relieved colleges from the administrative duties associated with Payroll processing. With the introduction of PSS total labor cost associated with processing payroll was reduced from \$10.21 per payroll check to \$1.93 per payroll check. Compliance with regulatory agencies increased with the transition to PSS and a new centralized customer service network was established. When fully implemented KCTCS' estimates the annual ROI associated with a PSS environment will be \$305K.