STATE OF MISSISSIPPI
DEPARTMENT OF FINANCE AND ADMINISTRATION

TOPIC	PAYROLL	SUB-SECTION 20.10.10
SECTION	OVERVIEW	ISSUANCE DATE May 30, 2008
SUB-SECTION	INTRODUCTION	REVISED - 2018

INTRODUCTION

Section 7-7-9, Miss. Code Ann. (1972), directs DFA to maintain a complete system of general accounting to record the financial transactions of every state department, division, officer, board, commission, institution or other agency owned or controlled by the State, except those agencies specifically exempted. Section 7-7-27, Miss. Code Ann. (1972) assigns DFA the authority to pay all claims against the State as the result of purchases, services, salaries, travel expense or other encumbrances made or liabilities incurred by any officer, department, division, board, commission, institution or other agency of the state authorized to incur such obligations. All payroll processing is handled through the Statewide Payroll and Human Resource System (SPAHRS).

SPAHRS creates employee and contract worker payroll information; establishes default accounting distributions; reports time and accrues leave; calculates pay; posts the related accounting transactions to MAGIC; and makes adjustments or reallocations to prior payrolls. SPAHRS generates payments for payrolls, vendors, and contractual workers. SPAHRS also handles required federal and state reporting.

The Human Resources (HR) section of SPAHRS contains data used in the payroll process. Work schedules input into the HR section create time sheets. SPAHRS records the rate and frequency of pay, as well as other types of additional compensation on position and worker records. When reporting time or earnings for additional compensation, the system verifies the earnings code for the agency and the position.

SPAHRS processes payments for all State employees and contract workers. Each agency's annual appropriation bill denotes the number of authorized employee positions and whether the positions are full-time, part-time or time-limited. The number of positions entered into SPAHRS each year establishes controls for payroll processing. SPAHRS has controls to ensure proper processing of benefits in accordance with the governing regulations.

Contracts are generally required for contract workers. Workers, whether in a contract or not, must be established in the system using a Worker Identification Number (WIN). Prior to hiring a contract worker, determine if the individual is a contract worker or an independent contractor. To assist in making this determination, SPB has provided guidelines in the SPB Contract Procurement Regulations, Appendix C, which is available at www.spb.state.ms.us. SPAHRS pays contract workers and SAAS pays independent contractors.

The agency maintains documentation authorizing deductions from gross pay. Examples of deductions include taxes, retirement, insurance premiums, and debt deductions. Payments are issued for all deductions withheld, as well as the employer's share of FICA, Medicare, retirement, and state health and life insurance.

Payroll processing and reporting use identifying numbers on the SPAHRS Maintain Agency screen. These include:

- PERS Identification Number – assigned and used by PERS
- Insurance Department Code – obtained and used by DFA - Office of Insurance
- ITS Agency Code – assigned and used by ITS
- MS Department of Employment Security Account Number – required for unemployment insurance coverage and obtained by completing the UI-1 Status Report form, found at http://mdes.ms.gov/wps/portal.