

CITY OF CHICO
Administrative Procedure and Policy Manual

Subject:		Number: 13-11
PAYROLL DEDUCTION AUTHORIZATION / WITHDRAW PROCEDURES AND POLICY		Effective Date: March 16, 2010
Department(s) Affected: All Departments		Supersedes: 13-11 dated 3/1/82, 02/21/84
Authority: Sections 2.12.010. 2R.78.010 Chico Municipal Code; Section 3507 Government Code; Council Motion dated 2/21/84		File Reference: L-AGR-8-8-17
		Approved:

I. PURPOSE:

- A. To establish a policy regarding deductions from payroll checks by the Finance Office.
- B. To establish a procedure to implement payroll deductions for both recognized employee organization dues and other types of payroll deduction authorizations.

II. POLICY:

Payroll deductions shall be made for the following purposes only:

- A. Recognized employee organization dues, pursuant to the Personnel and Employee Representation Rules (PERR's) and the current, applicable Memorandum of Understanding.
- B. For non-employee organizations (non-profit groups or programs of benefit to employees), payroll deductions may be authorized, provided that a minimum number of 20 employees have executed approvals therefor.

III. PROCEDURE:

A. Employee Organizations:

1. An employee who wishes to authorize a payroll dues deduction to an employee organization shall:
 - a. Obtain, thoroughly read, and complete a "Continual Payroll Dues Deduction Authorization" form, from the Human Resources & Risk Management Office.
 - b. After completion of the form, return the original copy to the Human Resources & Risk Management Office for processing.
2. An employee who wishes to withdraw a previous payroll deduction authorization shall:
 - a. Obtain, thoroughly read, and complete a "Withdrawal of Continual Payroll Dues Deduction Authorization" form, from the Human Resources & Risk Management Office.
 - b. After completion of the form, provide the original copy to the Human Resources & Risk Management Office for processing.
3. Human Resources & Risk Management staff shall:
 - a. Upon receipt of an authorization or withdrawal form, ensure that:
 - i. The employee information is correct and complete.
 - ii. The employee organization is recognized by the City Council.
 - b. Record employee's participation or termination on an employee organization membership roster.
 - c. Sign and date said form if all information is correct and forward to the Finance Director for further

processing.

- d. Return said form to the employee if any information required is lacking or incorrect.
- e. Upon the Finance Director's signing and returning said form, file it in the employee's personnel file.

4. The Finance Director shall:

- a. Record on appropriate employee records the dues deduction authorization, or withdrawal of such authorization.
- b. On a monthly basis, on or before the fifteenth (15th) day of the month, following the receipt of a certified dues deduction request from a recognized employee organization, provide to said employee organization the appropriate dues deductions less a City service charge, if any.
- c. Certify the correctness of the amount of the dues deduction request by having it signed and dated by an authorized officer of the employee organization prior to submittal to the City.

B. Non-employee Organizations:

- 1. Non-employee organizations (non-profit groups or programs of benefit to employees) which desire to become the recipient of payroll-deducted contributions or payments shall have a representative contact the City's Human Resources & Risk Management Director to determine the correct procedure for becoming such a recipient.
- 2. Upon review of the organization's request, the Human Resources & Risk Management Director shall:
 - a. Determine whether the organization's services are of benefit to employees and/or whether the organization is non-profit.
 - b. Contact the Finance Director to determine whether there is sufficient computer capacity to allow the inclusion of an additional payroll deduction.
 - c. Notify the interested organization's representative of whether or not the request is appropriate, the computer capacity is sufficient, that the organization must provide proof that a minimum of 20 employees are interested in participating in payroll deductions and that such minimum number must be maintained in order to continue payroll deductions.
 - d. Ensure that the non-employee organization provides to the Human Resources & Risk Management Director proof in the form of signature or enrollment cards that a minimum of 20 employees are interested in payroll deductions, if it is determined that there is sufficient computer capacity for such deductions.
 - e. Upon confirming that there are at least 20 interested employees, forward the enrollment cards to the Finance Director with a request that payroll deductions be implemented.

In the event that the number of employees having deductions made from their paychecks falls below 20, the Finance Director shall notify the Human Resources & Risk Management Director, who will advise the non-employee organization's representative that unless the number of interested employees returns to a minimum of 20 within a reasonable period of time, payroll deductions will be terminated. Should such deductions be terminated, the Human Resources & Risk Management

Director will advise all affected employees.

3. Upon receipt of request for payroll deductions, the Finance Director shall:
 - a. Record on appropriate employee records, the payroll deduction authorization or withdrawal of such authorization.
 - b. In accordance with the appropriate organization's requirements, provide to said organization the appropriate payroll deductions, less a City service charge, if any.
4. Notwithstanding any existing procedures to the contrary, employee organizations and non-employee organizations, which have, on the date of the adoption of this procedure, fewer than 20 participating employees shall be allowed to continue receiving payroll deductions until such time as the deduction is terminated by the organization or the City.