HSC OP: 68.02, Payroll Deduction Designated to Texas Tech for Charitable Contributions

PURPOSE: The purpose of this Health Sciences Center Operating Policy and Procedure (HSC OP) is to set forth policies and procedures related to processing and management of payroll deductions for charitable donations/gifts to Texas Tech University System, Texas Tech University, Texas Tech University Health Sciences Center, and Texas Tech University Health Sciences Center El Paso.

REVIEW: This OP will be reviewed on March 1 of each even-numbered year (ENY) by the Managing Director of Payroll & Tax Services, the Assistant Vice President for Human Resources, and the Director of Financial Services - Office of Institutional Advancement, with recommendations for revisions forwarded to the Executive Vice President for Finance and Administration by March 15.

POLICY/PROCEDURE:

1. **Background.** Texas Education Code, Section 51.947, allows employees to authorize a payroll deduction for a contribution to an institution of higher education to support the programs of the institution.

2. **General.**
   
   a. Faculty and staff of Texas Tech are eligible to contribute charitable donations/gifts to Texas Tech University System, Texas Tech University, Texas Tech University Health Sciences Center, and Texas Tech University Health Sciences Center El Paso via payroll deductions. A minimum deduction of $2.00 per period per designated purpose will be required to substantiate the processing of the contribution.

   b. Deductions designated as charitable donations/gifts to Texas Tech may be restricted as to use to a specific unit of Texas Tech or to the discretion of a particular member of the staff. However, such restricted gifts are acceptable only if they are applicable to existing programs and uses. The donor must state any such restrictions in writing.

3. **Authorizations of Deduction.**

   a. An employee may acquire a deduction authorization form from the Office of Institutional Advancement (IA) - Financial Services Department; Box 45025, Lubbock, TX 79409-5025, Accounting.AdvancementServices@ttu.edu, 806-742-1520, and return the completed form to the same office. The forms will be reviewed for completeness and verification that the employee's purpose of the gift is for an established Banner FOP that is designated to receive gifts.

   b. After verification of completion, IA's Financial Services Department will complete a Miscellaneous Deductions Form and submit this, via fax, directly to Human Resources (HR).

   c. HR will not accept any forms without prior review and approval by IA's Financial Services Department.

4. **Effective Date of Authorization Forms.**

   a. An employee's contribution deduction will be effective the first workday of the month following the month in which HR receives an approved authorization form.
b. Authorization forms submitted to change the amount of the deduction become effective the first workday of the month following the month in which HR receives the approved form. For example, on authorization forms received between March 1 and March 31, the deduction would be taken from pay for time worked in April.

5. **Salary or Wages to Support a Deduction.**

a. The employee is solely responsible for ensuring that the employee’s salary or wages are sufficient to support an authorized deduction.

b. If the employee’s salary or wages are not sufficient to cover the entire authorized deduction, then no part of the deduction may be made.

c. If there is not sufficient salary to support the deduction, the deduction may not be made up by deducting from subsequent payments of salary or wages to the employee.

d. Texas Tech is not liable or responsible for any damages or other consequences resulting from an employee authorizing an incorrect contribution deduction amount.

6. **Frequency of Deductions.** An authorized deduction will be submitted to HR as an amount to be deducted from each regular paycheck. The deduction will be ongoing until cancelled or until the stop date has been reached as designated by the employee.

7. **Cancellation of Deductions.**

a. An employee may cancel or change the deduction for contributions at any time by sending written notice directly to the Office of Institutional Advancement, Financial Services Department. An employee should not contact their respective Human Resources Department to cancel a contribution. The email address to send written notifications of cancellation is Accounting.AdvancementServices@ttu.edu.

b. The notice of cancellation will become effective the first workday of the month following the month in which the Office of Institutional Advancement, Financial Services Department receives the notice and submits the necessary form indicating the cancellation to the employee’s respective Human Resources Department.

c. The employee is responsible for ensuring that properly completed cancellation forms, cancellation notices, and change forms are submitted in time to meet the deadline.

8. **Acknowledgment of Charitable Contribution by Texas Tech.** The Office of Institutional Advancement, Stewardship Services Department will issue an "Official Gift Receipt" in January of each year for the previous calendar year’s charitable contributions. The receipt will support the employee’s calendar year gift to Texas Tech net of refunds and/or adjustments. Verification of the monthly payroll charitable deduction will appear on the employee’s check stub each month. No monthly gift receipts will be issued.

9. **Transmittal of Funds to the Office of Institutional Advancement.**

a. Payroll & Tax Services will automatically post the deductions to the Banner fund designated by the Office of Institutional Advancement, Financial Services Department. The posting will occur when the payroll processing is complete for the cycle in which the deduction is scheduled.

b. A detailed report will be sent to e-print for the Office of Institutional Advancement, Financial Services Department to retrieve after each payroll-processing run.

c. These deduction reports are used as gift transmittals to record and acknowledge receipt of charitable donation from the TTUHSC employee.
10. **Right to Change Policy.**

TTUHSC reserves the right to change, modify, amend or rescind this policy in whole or in part at any time.