

# **Manchester School District (MSD)**

## **Payroll Process Efficiency Review**

May 12, 2026

### **Executive Summary**

#### **Objective**

To evaluate the efficiency, reliability, and operational sustainability of the payroll processes and employee insurance deductions within the School District, including staffing structure, manual processes, reconciliation procedures, and opportunities for automation and process improvement.

#### **Scope**

The review focused on the current payroll operations, staffing structure, reconciliation processes, position control practices, timekeeping procedures, payroll system utilization, the coordination between Payroll, Human Resources, Benefits administration, and Finance.

#### **Methodology**

Fieldwork included interviews with payroll and finance, walkthrough of payroll processing and operational practices, reconciliation procedures, and evaluation of current manual and automated processes associated with payroll and human resources.

#### **Background**

The Payroll Department currently consists of one Payroll Supervisor, one cross-trained Assistant Payroll Supervisor, one Payroll Specialist, and one Payroll Accounting Technician. The District processes both weekly and bi-weekly payrolls across seven union affiliations and five groups of non-affiliated employees.

#### **Overall Assessment**

The Manchester School District Payroll Department demonstrates experienced staffing, documented procedures, and strong recurring reconciliation practices. Existing controls between Payroll, Human Resources, Benefits administration, and Finance provide reasonable assurance that any discrepancies are identified and corrected in a timely manner. However, operations remain heavily dependent on some manual processes, institutional knowledge, and compensating controls. Opportunities exist to improve efficiency, reduce administrative burden, and strengthen long-term operational sustainability through additional automation and process standardization.

### **Key Observations**

#### **Complex Payroll Environment**

Payroll operations are inherently complex due to multiple unions, multiple non-affiliated employee groups, varying employee classifications, and weekly and bi-weekly payroll cycles.

Current payroll supervisory time constraints limit the ability to fully implement and complete technology updates and system enhancements that would improve operational efficiency, continuously strengthen internal controls, and reduce administrative burden.

### **Cross-Training and Continuity Planning**

The department maintains a cross-trained Assistant Payroll Supervisor and documented emergency procedures, reducing dependency on a single individual.

### **Manual Timekeeping and PTO Tracking**

Salary time tracking and PTO reconciliation involve manual spreadsheets and administrator review processes, increasing the potential for human error.

### **Reconciliation Controls Operating Effectively**

Recurring reconciliations between Payroll, HR, Finance, and Benefits administration were observed and appear to be functioning effectively.

### **Manual Position Control Process**

Position Control is a financial and HR management process used to track, authorize, and manage all staff positions within the district to ensure that every employee is tied to an approved position, and that position is budgeted and appropriated before hiring occurs.

Position control typically defines the position by unique ID, title, department, school/location, and funding source. Position Control should perform regular reconciliations, track vacancies and filled roles to align staff with the approved budget, provide leadership reports and maintain proper audit trail of changes.

Currently the position control functionality within MUNIS is not operational and staff positions are being tracked manually within Human Resources without a dedicated Position Control FTE.

### **Automation Opportunities Exist**

Additional automation between HR, Payroll, MUNIS, and timesheet modules could reduce duplicate data entry and improve operational efficiency.

These opportunities are on the horizon; however, many are dependent on the time and availability of the payroll supervisor, and outside of IT department.

### **Low Residual Risk Due to Existing Controls**

Although manual processes create opportunities for error, existing reconciliation procedures appear effective in identifying and correcting discrepancies in a timely manner.

### **Overtime Controls**

Overtime is restricted and requires prior approval from senior administration, helping to control payroll expenditures.

### **Best Practices – Positives Observed**

- Experienced payroll leadership and cross-trained backup support.
- Documented payroll procedures.
- Recurring reconciliations across Payroll, HR, Finance, and Benefits.
- The implementation of Benefit Focus platform has improved efficiency in reconciliation of employee insurance, enrollment and payroll deduction administration through increased automation, improved employee self-service functionality, and enhanced deduction

accuracy and reconciliation processes, which ensures proper enrollment deductions from staff.

- Automated Benefit Focus integration supporting regular deduction validation.
- Strong overtime authorization controls.

## **Prioritized Suggestions**

### **Quick Wins (implement 0–6 Months)**

- Require administrators to reconcile submitted salary timesheets and PTO balances to payroll actuals after payroll processing.
- Develop standardized reconciliation checklists between Payroll, HR, and Finance.
- Provide targeted MUNIS and payroll process training for administrators and support staff.
- Formalize written procedures for manual Position Control tracking until automation is implemented, if these are not already complete.
- Conduct a staffing and technology assessment for Payroll operations, to allow for timely technology updates and implementations.
- Consideration should be given to establishing dedicated IT support or cross training existing IT staff in Tyler MUNIS ERP and Benefit-focus. This would improve the districts' ability to implement system enhancements timely, strengthen continuity of operations, reduce administrative burden on payroll leadership, and improve long-term process efficiency and sustainability.

### **Structural Improvements (6–24 Months)**

- Expand use of the MUNIS timesheet module to reduce spreadsheet dependency.
- Automate HR-to-Payroll employee data integration to reduce duplicate entry.
- Implement automated Position Control functionality within MUNIS.
- Establish a dedicated Position Control Manager role with cross-functional oversight between HR, Payroll and Finance responsibilities.
  - Maintain official position control roster
  - Approve position creation, changes and elimination in system, ensuring alignment between budget and actual staffing
  - Oversee regular reconciliations (HR vs Payroll vs Budget)
  - Develop and implement internal controls
  - Provide reporting and analytics to leadership

## **Conclusion**

The Payroll Department demonstrates a strong operational foundation supported by experienced personnel, recurring reconciliation controls, and effective compensating procedures. Opportunities for improvement primarily relate to reducing reliance on manual processes and improving system automation. Addressing these areas would improve efficiency, reduce administrative burden, strengthen long-term operational sustainability, and the available time of the Payroll Supervisor.