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**LAMAR UNIVERSITY**  
**MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES**

**SECTION: Financial Services**

**AREA: Payroll**

<b>Retroactive Payroll</b>	<b>MAPP 05.04.04</b>
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**I. POLICY**

- A. Lamar University (LU) has established policies and procedures to manage retroactive payroll issues. These policies and procedures are designed to maintain University payroll practices that are accurate, ethical, transparent, and compliant with the laws, statutes, rules, and regulations of the State of Texas and the Texas State University System (TSUS).

**II. PURPOSE AND SCOPE**

- A. This policy falls under the authority of the TSUS Rules and Regulations; Texas Education Code, Title 3, Chapter 51; and Texas Constitution, Article 111, including but not limited to §§ 44, 51, and 53.
- B. This policy covers retroactive payroll issues that include, but are not limited to, retroactive wage increases, retroactive labor redistributions, deficit payroll account balances, and retroactive payroll adjustments and corrections.

**III. RETROACTIVE WAGE INCREASES**

- A. The Texas Constitution prohibits the state from paying extra salary to a state officer or employee for services already rendered to the state. An administrative error in awarding a salary increase is insufficient, by itself, to overcome the constitutional prohibition against retroactive salary increases. (Tex. Const. Art 111 §§ 44, 51, 53). As such, it is the University's policy to reject retroactive increases to employee salaries.
- B. For cases in which a University administrative error causes an employee to not receive a previously approved (in writing) salary increase by its effective date, the University will contact the TSUS Office of General Counsel to determine a resolution that adheres to the Texas Constitution and applicable state laws and statutes.

**IV. RETROACTIVE LABOR REDISTRIBUTIONS**

- A. The Payroll Office will accommodate the following retroactive labor redistributions:
1. Transactions that date one pay period retroactively due to the Payroll Office not receiving the correct paperwork.
  2. Grant account situations in which funds are actually received after the official beginning date of the grant.

3. Those transactions required due to incorrect processing of paperwork by the Payroll Office, Office of Human Resources, or Office of Budget & Financial Planning.

**V. DEFICIT PAYROLL ACCOUNT BALANCES**

- A. Deficit payroll account balances must be reported to the Office of Financial Services and Office of Budget & Financial Planning. These deficits will be resolved according to policies established by these offices. Any financial or budget transfers or transactions that change budgeted amounts must be approved beforehand by the Vice President for Finance and Operations (VPFO).

**VI. PROCEDURES FOR RETROACTIVE PAYROLL ADJUSTMENTS AND CORRECTIONS**

- A. The process necessary to request retroactive adjustments to expenditures is as follows:
  1. A letter indicating the reason for the correction, the impacted FOAPs, dates of the expenditures involved, and a list of the affected employees must be submitted to the Payroll Office.
  2. Corrected time sheets and leave reports related to the pay period being redistributed must be attached to the letter. Person submitting the letter should clearly indicate the new account number and write or stamp the word "CORRECTED" conspicuously across the time sheet or leave report. The supervisor originally approving the document must initial their signature. For a grant account, the principal investigator (PI) must also initial the document.
  3. Personnel action forms must be prepared indicating the change to the accounts with the appropriate dates and routed through the approval process.

- B. Once all items have been received by the Payroll Office, retroactive corrections will be made.

**VII. REVIEW AND RESPONSIBILITY**

Responsible Party: Vice President for Finance and Operations

Review Schedule: Every three years on or before September 1

**VIII. APPROVAL**

Jeremy C. Alltop	07/28/2021
Vice President for Finance and Operations	Date
Dr. Jaime R. Taylor	07/29/2021
President	Date

## REVISION LOG

Revision Number	Date	Description of Changes
1	05/21/2021 06/11/2021	Version created (05/21/2021). VPFO Review: Revised sections on Retroactive Wage Increases and Deficit Payroll Account Balances (06/11/2021).
	07/29/2021	Version approved by President.