(A) Policy statement

The university will administer payroll deductions which are legally required. Additionally, the university may elect under specific circumstances to administer other payroll deductions. This policy discusses the categories of deductions, but does not attempt to list every deduction to be administered. The approval for beginning a new type of deduction must come from the university controller.

(B) Purpose of policy

To establish the circumstances under which deductions of employee payroll will be allowed and the proper procedures used to administer these deductions.

Categories of deductions:

Required:

Payroll taxes – federal, state and local income taxes; school district income taxes; state retirement plan or alternative retirement plan contributions, etc.

Garnishments and other court ordered deductions – amounts ordered by a court to be deducted and paid to the court or a trustee in satisfaction of an obligation of the employee, e.g., past due debt, child support, etc.

Union dues – dues for membership in one of the bargaining units that represent university employees, or fair share fees for bargaining unit members who are not members of the union but represented by that union.
Employee benefit plans – premium contributions from employees which are required in order to obtain coverage in an employer sponsored fringe benefit program. Participation may be optional, but when participation is elected, employee contributions must be made by payroll deduction. All such programs will be approved by the human resources department.

Employee savings programs – any program that is determined to be a bona fide savings or consumer credit counseling service to which employees can contribute either on a pre-tax or after tax basis, as applicable law or internal revenue code permits. Examples include Ohio Tuition Trust Authority, tax sheltered annuities, purchase of savings bonds, contributions to Ohio Deferred Compensation Plan, etc. The president or vice presidents must approve such programs. The vice president for human resources and campus safety shall establish appropriate procedures in order to ensure compliance and coordination with all applicable statutory regulations, contractual agreements, and other interrelated policies and procedures.

Optional

- Charitable organizations – single or ongoing bi-weekly pledged donations to charitable organizations that comply with the “Philanthropic Fundraising Activities and Request for Gifts Policy,” policy 3364-55-04, or its successor, and are approved by the vice president for human resources and campus safety under the following guidelines. The agency shall:
  - Be a tax exempt organization per Internal Revenue Code (proof required)
  - Have a voluntary board of directors reflecting the diversity of the community served. Board membership should be on a rotating basis
  - Utilize a strategic planning process and provide upon request an up-to-date formal strategic plan approved by its board
  - Provide upon request a current independent financial audit
  - Utilize a fund distributor plan which includes program and budget audits of the recipient agencies
  - Produce a formal annual report to the community
  - Conform to all relevant local, state and federal law
  - Adhere to Financial Accounting Standards Board (FASB) rules and follow Generally Accepted Accounting Principles, (GAAP)

The university reserves the right to charge agencies, approved for deduction, a fee to cover the administrative costs incurred.

University related organizations – payments to university related organizations, e.g., pledges to the UT Foundation, Rocket Wireless payments, parking payments, payments to UTMC for hospital services not covered by insurance, etc. It is not preferred that payroll deductions be used for these type items. In rare circumstances, payroll deductions will be allowed if approved by the vice president for finance under the following guidelines:

- UT organization will be responsible for full reconciliation of individual accounts
- All uploads will be electronic, no manual work is required on the part of payroll office employees.
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| /s/ S. Scarborough  
Senior Vice President for Finance and Administration |
| July 2, 2010  
Date |

<table>
<thead>
<tr>
<th>Policies Superseded by This Policy:</th>
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<tbody>
<tr>
<td>• 01-076 Payroll deduction (former Health Science Campus policy, previous review date 7/1/03)</td>
</tr>
<tr>
<td>• 01-077 Payroll deduction for community organizations (former Health Science Campus policy, previous review date 7/1/03)</td>
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| Senior Vice President for Vice President and Administration  
Senior Leadership Team  
Controller |

| Initial effective date: July 1, 2010  
Review/Revision Date:  
Next review date: July 1, 2013 |