

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Policy FO-PAY-11
Retroactive Payroll

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, retroactive increases to employee salaries will not be accepted.

The Payroll Office will accommodate retroactive transactions under the following conditions only:

1. Those transactions that date retroactive one pay period 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.

Situations concerning deficit payroll account balances should be corrected with budget transfer transactions that change budgeted amounts. Any deficit payroll accounts not cleared through the processing of budget transfers should be discussed with the Associate Vice President for Finance and Operations.

The process necessary to request retroactive moves to expenditures is as follows:

1. A letter of request indicating the reason for the correction, the accounts to be credited and debited, the dates of the expenditures involved and a list of the employees involved shall be submitted to the Associate Vice President for Finance and Operations for approval.
2. Corrected time sheets and leave reports must be attached to the request. Clearly indicate the new account number and write the word "CORRECTED" conspicuously across the time sheet or leave report. The supervisor originally signing the document must initial their signature. If a grant account, the principal investigator must also initial the document.
3. Payroll Action Forms must be prepared indicating the change to the accounts with the appropriate dates and sent through the approval process.

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

Reviewed by: Paige Smith – Director, Administrative Accounting 02/01/09
Karyl Horn – Associate Director of Accounting (Payroll) 02/01/09
Next review: 02/01/10