Payroll

The payroll for Cornell Cooperative Extension associations is handled by Cornell University as pay agent for the Associations. Association employees are paid directly on either a bi-weekly (non-exempt employees) or semi-monthly (exempt employees) basis. The association's total payroll charges, OTPS (Other Than Personnel Services) charges, and sub-contract invoice payments for a given month are included on the Monthly Operating Statement (“Cornell bill”) which is released on the 8th business day of the following month. However, associations have access to their current Cornell account on-line at all times. Payment in full is due to Cornell by the 20th of the month. For example, an association's charges for the month of January will show up on the January Operating Statement released February 8th, and payment is due to Cornell by February 20.

Associations are assessed an interest charge of Prime + 10% Annual for any balance not paid in full by the due date. This rate is determined by Extension Administration, which is held responsible by Cornell University for overdue association accounts. To avoid the Cornell interest charge, associations are strongly encouraged to maintain adequate financial reserves and/or obtain a line of credit from a local lending institution to address short-term cash flow problems.

Initial Deposit

Because Cornell is not reimbursed until after payroll and other expenses have already been incurred by the association and paid by Cornell, associations are required to maintain an initial deposit with Cornell that could be used to offset any shortfall. The deposit is equal to the association's average monthly payroll for the 6 months of January-June, and is adjusted annually. The initial deposit is held in a non-interest-bearing account.

Conclusion

Boards of Directors should work with their executive director to closely monitor the association’s finances, plan for the future, and respond promptly to unforeseen circumstances. The Shared Business Network Finance Lead and Extension Administration are available to assist as necessary.

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Cornell Cooperative Extension provides equal program and employment opportunities.