



OREGON YOUTH AUTHORITY
Policy Statement
Part I – Administrative Services



Subject

Payroll Reporting/Issuance of Checks

Section – Policy Number:

B: Financial Management – 1.0

Supersedes:

I-B-1.0 (11/06)
I-B-1.0 (12/02)

Effective Date:

09/15/2008

Date of Last

Review/Revision:
None

Related Standards and References:

- 29 CFR 553, [Fair Labor Standards Act](#) of 1938
- [ORS 651.110](#) (Assistance and cooperation in enforcement of Fair Labor Standards Act of 1938)
- Department of Administrative Services, State Controller’s Division (DAS-SCD); Oregon Accounting Manual (OAM) [45.05.0000.PO through 45.50.0000.PO](#);
- Department of Administrative Services, Human Resources Division, policies [Division 60: Employee Leave](#)
- Applicable Collective Bargaining Agreements ([AFSCME Local 191](#), [SEIU](#))
- OYA form: [YA 2236](#) (Payroll Release Form)
[YA 2237](#) (Request for Payroll Advance)
[YA 2238](#) (Lost Check Affidavit)
[YA 2239](#) (Authorization for Electronic Deposit)
[YA 2300](#) (Employee Leave Request)
[YA 2301](#) (Staff Overtime Request)
[YA 8020](#) (Notification of Separation)

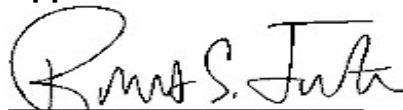
Related Procedures:

None

Interpretation:

Business Services

Approved:


 Robert S. Jester, Director

I. PURPOSE:

This policy describes the OYA’s process for reporting and documenting staff work time and issuing payroll checks.

II. POLICY DEFINITIONS:

Payroll staff: The staff responsible for and trained in various time-keeping activities, including receiving and reviewing time sheets, entering time sheet information into an automated payroll system, and other related activities.

Supervisor/Manager: The staff's immediate supervisor/manager, as well as any other manager with designated responsibility for monitoring the staff's work hours.

III. POLICY:

Staff work time will be reported in a manner that results in accurate payroll reporting, adequate backup documentation, and compliance with applicable Collective Bargaining Agreements, and policies of Department of Administrative Services State Controllers Division (DAS-SCD) and the federal government. Paychecks will be produced and distributed in a consistent manner throughout the OYA.

IV. GENERAL STANDARDS:

A. Time sheets

1. Authorization

- a) Staff who are required to report hours worked due to their status under the Fair Labor Standards Act (FLSA) and applicable Collective Bargaining Agreements must record actual hours worked.

For example, when such staff work a flexible schedule, the hours and days actually worked must be reflected on their time sheets.

- b) Supervisors/Managers must have a process to keep record of their staff's leave time. The record is used to reconcile with the staff's time sheet information.
- c) Time sheets will be signed and dated by supervisors/managers and staff, thus attesting that the claim is true and accurate.
- d) Staff and supervisors/managers sign on or after the last workday of the pay period. In some cases, staff may sign prior to the last working day and project their time through the end of the pay period, with supervisor/manager approval.
- e) Supervisors/Managers will always sign after the staff's shift is completed on the employee's last workday of the pay period.
- f) If a staff is unavailable to sign because of extended leave, the supervisor/manager will write "N/A" and the date on the staff signature line.
- g) The supervisor/manager, or designee, will give time sheets to payroll staff for review and entry into the payroll system.

- h) Payroll staff must not enter their own payroll information into the payroll system.

The payroll staff's supervisor/manager must give the payroll staff's approved time sheet directly to another payroll staff for input into the payroll system.

- i) Staff that engage in regular work hours or work overtime at an office/facility other than their assigned location must complete a separate time sheet for hours worked at each location.

2. Corrections

- a) Generally, corrections made after time sheets have been signed will be initialed and dated by the supervisor/manager and staff.

- b) The supervisor/manager or timekeeper may make changes that benefit staff, with notification to the staff.

Example: A staff claims 40 hours of vacation but has accumulated only 32, resulting in eight hours of leave without pay. However, the staff has at least eight hours of accrued compensatory time or personal business. The supervisor/manager or the timekeeper may change eight of the 40 vacation hours to accrued compensatory time or personal business on the time sheet, and notify the staff of the change.

- c) Changes that are detrimental to the staff will be initialed and dated by the staff and his/her supervisor/manager.

Example: A staff improperly claims sick leave. The supervisor/manager or staff makes corrections. Both the staff and his/her supervisor/manager initial and date the time sheet.

- d) Corrections should be made by the fifth workday of the month following the pay period in order to be included with that month's statistics. If the need for corrections is discovered after the fifth workday and the staff is unavailable, the supervisor/manager will:

- (1) Authorize the necessary corrections by initialing and dating next to the changes.
- (2) Include a brief note explaining the corrections.

- (3) Send the corrected time sheet to the timekeeper and provide a copy to the staff.

B. Overtime

1. Authorization

- a) All overtime will be approved by a supervisor/manager or designee using the YA 2301 (Staff Overtime Request) prior to the overtime shift, except for emergency situations.
 - (1) Emergency situations are defined as unscheduled overtime necessary to respond to safety and security issues or the delivery of therapeutic services where it is unreasonable to contact the supervisor/manager for approval.
 - (2) The YA 2301 will be completed by the staff prior to the overtime shift and approved by the supervisor/manager, or designee.
 - (3) When attendance to work-related meetings requires overtime compensation, the YA 2301 must be completed.
- b) In non-emergency situations when a supervisor/manager or designee is not available to sign the YA 2301, staff will obtain verbal approval and the YA 2301 will be completed by the staff prior to the overtime shift and signed by the supervisor/manager or designee.
 - (1) The supervisor/manager will forward the original form to payroll staff. Payroll staff will retain this copy at least three years, or until an audit has been completed by the state Audits Division.
 - (2) A copy will be made available to the staff upon his/her request.

2. Scheduling

- a) Supervisors/Managers will schedule staff leave in such a manner as to minimize the use of overtime.
- b) See appropriate Collective Bargaining Agreements for provisions regarding scheduling leave.

3. Recording

Overtime will be reported in increments of 15-minute intervals when partial hours have been worked. Minutes will be rounded to the nearest 15-minute interval for compensation purposes.

The following chart describes the appropriate number to record for overtime worked after the minutes have been rounded to the nearest 15-minute interval.

Overtime Minutes Worked	Rounded to 15-Minute Interval	Number to Record on Timesheet
0-7	0	0.00
8-22	15	0.25
23-37	30	0.50
38-52	45	0.75
53-67	60	1.00

4. Monitoring

Supervisors/Managers, or designees, will use overtime reports provided by Central Payroll to monitor staff overtime and compensatory time earned.

5. Compensation

- a) Collective Bargaining Agreements provide the most current provisions regarding overtime and compensatory time.

See DAS-SCD policy for management and unrepresented staff provisions.

- b) SEIU-represented, FLSA non-exempt staff:

- (1) Overtime will be paid in cash unless the staff elects compensatory time for overtime worked.
- (2) The staff will make this choice by the time he/she signs the next time sheet.
- (3) Compensatory time accumulated in excess of 80 hours will be paid in cash.

- c) SEIU-represented, FLSA-exempt staff:
 - (1) Receive compensatory time for overtime worked on a time-for-time basis.
 - (2) Compensatory time:
 - (a) Will be used within the fiscal year earned or will be lost.
 - (b) Has no cash value.
 - (3) Is subject to Collective Bargaining Agreement provisions regarding timely use of accumulated compensatory time.
 - (4) Supervisors/Managers and staff are responsible for monitoring and managing compensatory time.
- d) AFSCME-represented staff:

Will receive compensatory time for overtime worked up to 80 hours. Any compensatory time accumulated in excess of that 80 hours will be paid in cash.
- e) Unrepresented and management, FLSA non-exempt staff:
 - (1) Will receive either compensatory time or cash for overtime worked at the supervisor's/manager's discretion.
 - (2) Compensatory time accumulated in excess of 80 hours will be paid in cash.
- f) Management, FLSA-exempt staff:
 - (1) May earn compensatory time or cash for actual time worked on a holiday at time-and-one-half.
 - (2) Must get written pre-approval from their supervisors to work on a holiday.
 - (3) Compensatory time in excess of 240 hours will not be accumulated or paid in cash. Supervisors/Managers and staff are responsible for monitoring and managing compensatory time.
 - (4) Supervisors/Managers may approve staff requests to receive cash for accrued compensatory time up to

maximum accrual amounts after considering budgetary issues.

C. Leave authorization

1. All leave will be authorized using the YA 2300 (Employee Leave Request), with the following exception.

Exception: Vacation leave scheduled in accordance with Collective Bargaining Agreements for facility staff may be scheduled on a calendar or some similar means for administrative ease. The YA 2300 may be completed by the staff and signed by the supervisor/manager at a later time that still complies with relevant payroll deadlines for timesheet submission.

2. Accrued sick leave is the only leave that may be used without prior written approval. Staff will provide reasonable notice for sick leave and follow facility or local procedures.
3. Vacation and compensatory time may not be used for unscheduled sick leave, except for leave under the Family Medical Leave Act (FMLA) or Oregon Family Leave Act (OFLA).
4. Supervisors/Managers are responsible for:
 - a) Verifying that the staff has sufficient accrued time for requested time off, using payroll reports provided by Central Payroll.
 - b) Verifying that requested time off will not impact the workload of the work area by causing unnecessary overtime to accrue.
 - c) Determining if requests for sick leave qualify under FMLA or OFLA.
 - d) Signing, dating, and approving or denying leave requests prior to the leave occurring, except unscheduled sick leave which is generally approved on the day the staff returns to work following the sick leave.

D. Leave without Pay (LWOP)

Supervisors/Managers will ensure all projected instances of LWOP are reported to the appropriate timekeeper by the payroll cutoff date (approximately five business days prior to the end of the month) to prevent overpayments to the LWOP staff.

1. When a staff incurs or will incur LWOP after the payroll cutoff date, the supervisor/manager or timekeeper must contact Central Payroll by telephone or fax so the paycheck can be canceled and reissued in the correct amount.

2. A timesheet must be completed to report all LWOP hours for staff on extended leave including workers' compensation claims or under FMLA or OFLA.

E. Processing paychecks

Regular monthly and mid-month paychecks for staff are processed a few days prior to the 1st and the 15th of each month, respectively. Paychecks are based on information entered by timekeepers and Central Payroll.

F. Distribution of staff paychecks and pay stubs.

1. An agency payroll or fiscal employee who has update authority to the Oregon State Payroll Application (OSPA) must not receive or distribute payroll checks or direct deposit pay stubs. This includes daily manual payroll checks.
2. The OYA will provide staff paychecks, pay stubs, and payroll reports to all OYA locations at least one day prior to the day paychecks are to be issued. Paychecks are released as follows.
 - a) Payday on a weekday: paychecks will be available for distribution to staff no later than 8 AM on payday.
 - b) Payday on a weekend or a holiday: paychecks will be available to staff no later than 8 AM on the last weekday workday prior to payday.
 - c) Staff not scheduled to work on payday: paychecks may be released the day prior to payday if the paycheck is available and the staff has completed a YA 2236.
 - d) December paycheck dated January 1: released the first working day in January. This will avoid the possibility of the December paycheck being included in the prior year earnings for tax purposes.
3. As required by the State Treasurer, paychecks are not to be cashed or deposited by any staff until the official payday even though they may have received the check early as allowed above.
4. Upon receipt of the paycheck, it is the staff's responsibility to review the paycheck for accuracy. Any discrepancies should be reported to payroll staff immediately for correction.
5. Electronic deposit pay stubs may be distributed at any time prior to payday upon availability.

G. Special Paychecks

1. Special paychecks are those which are processed and written outside the normal payroll cycle.
2. Special checks may be written for the following reasons:
 - a) Adjustments for errors on the regular payroll cycle, including timesheet entry errors and incorrect deductions. Ordinarily, reimbursement to correct these errors will be made in the next regular payroll cycle. However, a special check may be issued at the request of a staff. Requests for corrections (either in writing or via corrected timesheet) must be approved by the staff's supervisor/manager prior to being sent to Central Payroll for review.
 - b) Pay for newly-hired staff. Paychecks are routinely issued to a newly-hired staff who has worked 32 hours or more in the month.
 - (1) A Personnel Action form must be submitted to Employee Services and forwarded to Central Payroll when new staff work more than 32 hours.
 - (2) New staff who have worked less than 32 hours in the month and wish to be paid before issuance of the first regular payroll check must request a pay advance. See section c) below.
 - c) Pay advances. The staff must complete form YA 2237 (Request for Payroll Advance) and submit it to their supervisor/manager for approval. The supervisor/manager will send it to Central Payroll.
 - (1) A staff may request a 60% draw against salary and wages earned but not paid to date, less any wage attachments.
 - (2) Advance paychecks are issued only when it has been established that a *bona fide* emergency exists. Payment of ordinary debts, other routine obligations, and departure on scheduled leave are **not** considered to be emergencies.

Examples of emergency situations include:

- Death in the family,
- Major car repairs,
- Theft of funds,
- Automobile accident (loss of vehicle use),
- Accident or sickness,
- Destruction or major damage to home,
- New staff lack of funds, or

- Moving due to transfer or promotion.
- (3) A receipt or written verification may be required as supporting evidence for each request.
 - (4) If the request is denied, it will be returned to the staff with a notation as to why it was denied.
 - (5) If approved, the regular paycheck will be decreased by the amount of the advance drawn. Advance paychecks will not be issued in the following month to compensate for this shortage.
 - (6) No more than one advance paycheck will be made to a staff in one month.
 - (7) No more than two pay advances will be made to a staff during a calendar year.
 - (8) It may be necessary for a staff's paycheck to be held and rewritten for the proper amount should a staff request an advance after the payroll cutoff to avoid the possibility of an overpayment.
- d) Pay owed to staff terminating from state employment (not including staff transferring to another state agency).
- (1) Special paychecks will automatically be issued to staff that terminate employment during the month, provided the payroll unit has 48 hours notification

See OYA form YA 8020 (Notice of Separation).
 - (2) Pay for unused vacation leave (up to 250 hours), compensatory time, and overtime will be included with the staff's final paycheck.
 - (3) Final paychecks will be in check form only. Direct deposit of final paychecks is not an option.
 - (4) A special paycheck will not be issued for staff that transfer to another state agency, unless it qualifies as a pay advance. Staff that transfer to another state agency will receive their final pay from OYA during the regular payroll cycle.
3. Special payroll checks will not be written to pay for overtime, compensatory time, or accumulated vacation time with the intent of reducing the amount of taxes withheld.

4. Special check requests must be approved by the staff's supervisor/manager, and submitted to Central Payroll.

Central Payroll reviews for completeness and appropriate signatures, makes proper calculations for payment, and routes to the Accounting Manager, or designee, for approval.

5. Any pay produced outside of the regular payroll cycles cannot be directly deposited into a staff's bank account. The staff or the supervisor/manager should indicate how the check will be distributed (mail to the staff's home; mail to the facility/office; or picked up by the staff, staff's representative, or appropriate OYA staff).
6. Special paychecks may take up to 72 hours to process.

V. LOCAL OPERATING PROCEDURE or PROTOCOL REQUIRED: NO