

<b>OREGON ACCOUNTING MANUAL</b>		Number 45.07.00
Oregon Department of Administrative Services State Controller's Division		Effective Date February 1, 2002
Chapter	<b>Payroll</b>	.1 OF .3
Part	<b>Time Record Approval</b>	
Section		Approval  Signature on file at SCD

Authority      **291.015**  
                    **291.990**  
                    **293.295**  
                    **293.590**  
                    **292.010**  
                    **292.036**  
                    [Designated HRSD Policies](#)

### Time and Attendance Review and Approval

- .101 This policy establishes standards of **accountability** and **internal control** to ensure that all time records are appropriately reviewed and approved by agency management. Generally, this responsibility is delegated to those who are staff supervisors, and for the purpose of this policy the term “supervisor” will be used to indicate the responsible party. Agency heads shall create, maintain and administer written policies and procedures that ensure conformance to this policy, DAS Human Resources Services Division (HRSD) policies and, if applicable, collective bargaining agreement provisions that address employee pay.
- .102 The accuracy of paychecks and payroll related payments as well as the data integrity of leave balances and associated accounting transactions and records are dependent upon the accuracy of the time and attendance records. Whether a paper timesheet, an agency specific time and attendance system, or an Oregon State Payroll Application (OSPA) time and attendance system is used, agencies must ensure the review and approval of the data that becomes the basis for and the documentation of the payroll **expenditure**. The approval is the supervisor’s affixed or electronic signature. Agency administration is responsible for ensuring that this policy is followed throughout the agency and that alternate reviewers are designated for when supervisors are absent from work.
- .103 Payroll transactions are no different than any other agency expenditure and require the application of the same standards of internal control, the basis for which is defined in Chapter 10 of the Oregon Accounting Manual.

### Approval Roles

- .104 State employees are expected to prepare and present accurate and timely documentation of their time and attendance dependent upon their status under the Fair Labor Standards Act (FLSA). DAS HRSD Policy 20.005.20 provides guidelines for application of the FLSA. Employees are classified in the State’s personnel system as either covered by or exempt from the FLSA, and that information is electronically passed into the OSPA. The requirement to report actual hours worked or the eligibility for compensatory time or overtime is dependent upon the FLSA status or the collective bargaining agreements for represented employees.

- .105 The OSPA, in the monthly Run 1, processes payroll for salaried employees based on a forecast of the hours the employee is expected to work. The processing of the monthly Run 2 is to perfect the data used in the forecasted Run 1 based on the introduction of actual time records. Hourly employees are paid from Run 1 and Run 2 based on the hours recorded on their timesheets. The Bureau of Labor and Industries clarifies that even if an employee does not submit a time report, the employer must pay the employee, ensuring that no more than 35 days elapse between pay days.
- .106 The supervisor is responsible for the review and approval of all employee time records. Supervisors shall ensure that time records are reviewed timely in accordance with the State's official payroll calendar or any applicable agency specific payroll processing calendar.

### **Standards for Time Record Review**

- .107 Supervisors must review all entries on the employee's time record. The review should consider each time element reported as well as considering time elements not reported. If errors are detected on the time record, the supervisor must coordinate with the employee to correct the time record timely according to the payroll calendar. The supervisory review should consider:
- a. Regular Hours. Time that the employee is actually on the job is regular hours and may have the addition of differentials or other added pay components. The supervisor must ensure the accuracy of this time.
  - b. Vacation Hours. The time record should be reviewed for the presence or absence of vacation hours consistent with actual hours the employee may have taken or neglected to record. Review this time to ensure consistency with HRSD Policy 60.000.05, Vacation Leave, and any applicable collective bargaining agreements.
  - c. Sick Leave Hours. The time record should be reviewed for the presence or absence of sick leave hours consistent with actual hours the employee may have taken or neglected to record. Review this time to ensure consistency with HRSD Policy 60.000.01, Sick Leave, and any applicable collective bargaining agreements.
  - d. Holiday Hours. While the OSPA forecasts holiday time based on an employee's work schedule, those days should be reviewed for time that may have been actually worked on the holiday and any applicable premiums. Additionally, for those employees who work a schedule other than an 8 hour day, the holiday entries should be reviewed for the addition of vacation hours or compensatory time added to the allowable holiday hours to fill the deficit between the holiday hours allowed and the scheduled hours. Review this time to ensure consistency with HRSD Policy 60.010.01, Holidays, and any applicable collective bargaining agreements.
  - e. Special Paid Leave and Personal Business. The time record should be reviewed for the presence or absence of these leave hours consistent with actual hours the employee may have taken or neglected to record. Review this time to ensure consistency with HRSD Policy 60.000.10, Special Leaves With Pay, or any applicable collective bargaining agreement.
  - f. Vacation Payoff. The use of vacation payoff when the employee has been denied time off must be pre-authorized in writing and supervisors must not approve the time record without the presence of that pre-authorization. Vacation payoff that is associated with a transfer to another agency or termination from state service should be reviewed to ensure that it is consistent with the standards. In all of these circumstances, review this time against HRSD Policy 60.000.05, Vacation Leave, and any applicable collective bargaining agreements.
  - g. Exceptional Performance Leave or Recognition Leave Pay. This leave shall be granted using the criteria set forth in HRSD Policy 60.000.10, Special Leaves With Pay. This leave must be pre-authorized in writing and the supervisor must not approve the time record without the

presence of that pre-authorization. The time record should be reviewed for the presence or absence of these hours consistent with actual hours the employee may have taken or neglected to record.

- h. Leave Without Pay. In the forecast payroll environment, leave without pay results in an overpayment to the employee. Any hours that an employee does not work that cannot be supported by sick or vacation leave balances or compensatory time becomes leave without pay and reduces the employee's salary. The time record should be reviewed to ensure the presence of these hours when applicable. Further, supervisors have a responsibility to report occurrences of leave without pay to their agency payroll office as soon as they become aware of that fact. Payroll staff may then prevent an overpayment by logging the LWOP hours on the Run 1 payroll. Review this time to ensure consistency with HRSD Policy 60.005.01, Leave Without Pay, and any applicable collective bargaining agreements.
  - i. Overtime and/or Compensatory Time Accrued. The time record should be reviewed for the presence or absence of these hours consistent with agency specific overtime authorization forms or other documentation. Review this time to ensure consistency with HRSD Policy 20.005.20, FLSA laws and applicable collective bargaining agreements.
  - j. Shift Differential. The time record should be reviewed for the presence or absence of these hours based on the employee's work schedule. Review this time to ensure consistency with HRSD Policy 20.005.10 and applicable collective bargaining agreements.
  - k. Other Situations. Supervisors should coordinate with their agency payroll staff for assistance and clarification of the appropriate pay codes to be used in situations or occurrences of military leave, jury duty, workers' compensation claims, Family Medical Leave, employees returning to work on light duty, time off for union business, employees whose hours are supported under a return to work agreement, situations of paid leave pending an investigation or other occasional situations. The review of the time record should include these pay codes and hours. HRSD Policy 60.000.10, Special Leaves With Pay, provides guidance on some of these leaves, some are governed by collective bargaining agreements, and some require coordination with the agency personnel office.
  - l. Changes and Adjustments. Supervisors are responsible for ensuring that any prior month time record adjustments or corrections are reported to the agency payroll office as soon as detected.
- .108 Time records that have not been reviewed and authorized may introduce erroneous data into the state payroll and accounting systems and cause unauthorized expenditures of **state funds**. Failure to review and authorize time records is an inappropriate action by a person responsible for authorizing the expenditure. Agency management should apply the same standards and penalties for failure to review and authorize time records as those included in **OAM 10.40.00**, Internal Control – Expenditures, in the section titled Penalties for Inappropriate Action.