I. PURPOSE

To provide uniform payroll procedures conforming to the regulations and format set forth by Department of Administrative Services (DAS), Oregon Statewide Payroll Services, and with the laws, rules, policies, and procedures referenced above.

II. POLICY

A. The Department of Corrections utilizes the Oregon Statewide Payroll Application (OSPA), managed by the Department of Administrative Services, to process the monthly payroll in accordance with the policies, procedures and laws referenced above.

B. Payday Schedule: Employees are paid on a monthly basis with payday occurring on the first day of each month. If the first day falls on a weekend or holiday, paychecks will be available the last working day of the previous month. The only exception is in January when checks are released the first workday of January to avoid paying thirteen months of wages in a year.

1. Any additional payments (i.e., differentials, overtime and on call pay) for the 1st to 15th of the month are also paid on the first of the new month. A supplemental payroll is paid approximately mid-month for the previous month to account for additional pay and adjustments. A supplemental payday schedule is distributed annually in December for the following calendar year and is available upon request from the Payroll Unit.

2. The Payroll Unit uses various means such as next day mail delivery, shuttle service, or department mail courier to have paychecks/ pay stubs delivered to each functional unit the day before payday.

   a. It is the responsibility of each functional unit to safeguard the paychecks and to
distribute them to employees beginning at 8:00 a.m. on payday. However, 24-hour institutions may release paychecks/pay stubs earlier on payday to night shift employees if it can be accommodated, but no earlier than 12:01 a.m. on payday.

b. Employees not scheduled to work on payday may receive their paycheck one day prior to payday if the checks are available and if the employees sign the “Request for Early Release of Payroll Check” OSPS.99.16 form (Attachment 1) indicating they will not cash check until payday.

3. All paychecks/pay stubs not picked up by payees within five workdays after payday shall be returned to the Payroll Unit unless employee has made other arrangements for pickup or the functional unit verifies employee is entitled to the payment before distribution.

4. Paycheck/pay stubs issued to employees who have terminated shall be returned to the Payroll Unit. The Payroll Unit will mail checks to the last address in the personnel system. All check stubs will be kept for six months from date of issue. If check stubs are not picked up within six months, they will be shredded. Note: Timesheet instructions and reporting monthly attendance & pay can be found in Attachment 2.

C. Finalization, Correction, and Retention of Final Timesheets

1. The Payroll Unit is the holder of the final, official timesheet. This timesheet is the documented record of time worked and leave taken. In the event of an audit or wage claim, the official timesheet held in the Payroll Unit will be used.

2. The timesheet provided approximately on the 15th of each month is a preliminary timesheet. This timesheet is a working copy and a signature is not required. The employee and manager shall review the timesheet and agree upon any corrections and/or changes to be made.

3. The timesheet received at the end of each month is the final timesheet. The timesheet shall be signed and dated by both the employee and the manager. The final timesheet is kept on file with the Payroll Unit in accordance with the department’s authorized retention schedule established in accordance with OAR 166-300.

4. If there are changes, corrections, or adjustments to be made, they are to be documented on the original final timesheet. The changes shall be initialed and dated by the employee and manager.

D. Notification of Leave Without Pay (LWOP) and other non-paid time

1. Supervisors/timekeepers shall report LWOP to the Payroll Unit in a timely manner to prevent overpayments to employees. LWOP information needs to reach the Payroll Unit by payroll cutoff date, which is normally approximately ten work days prior to month end.

2. Supervisors/timekeepers shall use the preliminary timesheet for reporting LWOP; and any additional non-paid time. The information shall be conveyed by telephone
or fax if it is being communicated on the final day of payroll cutoff. The information shall be conveyed no later than noon on the final day of payroll cutoff.

3. LWOP occurring after the cutoff shall be faxed or telephoned to the Payroll Unit on a daily basis so that the paychecks can be canceled and reissued in the correct amount. Note: All LWOP shall be reported including employees on worker’s compensation claim, military leave or on Family Medical Leave Act (FMLA) leave.

E. Overtime Authorization Form (CD 3), Attachment 3

1. Overtime entries on the time sheets shall be supported by an Overtime Authorization form initiated and signed by the responsible supervisor and signed by the functional unit manager or designee. Each overtime occurrence shall be signed by both the employee and supervisor on the form. Criteria for overtime pay is contained in DAS State Policy 20.005.20, DOC Policy 20.2.4 and in applicable labor agreements.

2. Security Units submitting payroll data via RFMS provide overtime authorizations generated by the computer system, not form CD3.

3. Approved overtime authorizations shall be received by the Payroll Unit with all timesheets reporting overtime. Overtime hours per timesheet that are not supported by an authorization are subject to reversal if follow-up inquiry does not acquire the authorization.

4. All records pertaining to payroll and supporting documentation will be retained in accordance with the department’s authorized retention schedule established in accordance with OAR 166-300.

F. Work Out-of-Class Pay Authorizations

1. Authorization for compensation for work out-of-class shall be initiated by the responsible supervisor and signed by the functional unit manager or designee, and shall be forwarded to the unit’s human resources manager. Criteria for out-of-class pay are contained in DAS State Policy 20.005.10 “Pay Practices,” DOC Policy 20.2.2, and in applicable labor agreements.

2. The Personnel Records Unit will enter the approved work out of class into the state personnel database to be accessed by the payroll system for payment. A copy of the authorization shall be sent to the Payroll Unit.

3. The Payroll Unit will determine if there are any retroactive adjustments to be made and will enter the adjustments into the payroll system for payment on the next regularly scheduled payday.

G. Salary Advances

1. Except as stipulated in labor union contracts, salary advances shall be made only in emergency situations as defined by DAS Oregon Accounting Manual, 45.25.00PO and 45.25.00PR. OAM form 75.45.02.FO, Request For Payroll Advance, Attachment 4, shall be used to make the request including explaining the emergency situation, and shall be approved by the employee’s functional unit
manager or his/her designee before being submitted to Payroll Unit for processing.

2. The maximum salary advance allowed is 60% of gross pay earned up to the date of request, less any known garnishments, if any.

3. The Payroll Manager or appointed designee is the approving authority. Additional information or supporting documentation may be required before the request can be approved.

4. Approved requests may be faxed to the Payroll Unit to expedite the payment. If the employee works at a unit located outside of the Salem area and needs to receive the check as soon as possible, he/she may request to have it expedited and to be mailed by next day delivery. Otherwise, advance checks are issued by OSPS in the afternoon on the day after requests are received in the Payroll Unit, excluding Saturdays, Sundays and holidays, and are delivered to Payroll Unit by 4:30 p.m. that day. Each check is then sent by regular mail, or by shuttle if available, to the employee’s work unit if located outside of Salem area. Salem area employees may pick up the pay advance at their payroll office or have it delivered to their work unit.

5. If any advance is issued during the last five work days of a month, the employee’s following first of the month paycheck shall be canceled and reissued to account for the salary advance deduction. If pay is by direct deposit to the employee’s bank account and that deposit cannot be adjusted, the employee shall repay the advance by personal check, cashier’s check, or money order within ten days after payday, unless a collective bargaining agreement mandates otherwise.

H. Transfer of Vacation, Sick Leave, and Compensatory Time

1. When an employee transfers to another unit within the department, unused vacation and sick leave balances will transfer with the employee. Compensatory time balance will be paid by the prior unit in the month of transfer unless the gaining functional unit manager approves the transfer of compensatory time.

2. DAS State Policy 60.000.01, Sick Leave with Pay and 60.000.05, Vacation Leave shall be followed when employee transfers to another state agency or leaves state service, except as otherwise provided by applicable labor agreements. All accrued compensatory time shall be paid on the separation date.

I. Notification of Employee Resignation or Termination

Both the Human Resource manager and the Payroll specialist for the reporting functional unit shall be notified in advance of each employee termination so the final paycheck can be processed in compliance with Oregon law. The completed final timesheet for the terminating employee shall be submitted to the Payroll Unit as soon as possible to expedite the final paycheck.

J. Final Paychecks for Terminations/Resignations

1. When an employer terminates employee, or if termination is by mutual agreement, the final check shall be paid not later than the end of the first business day after termination, ORS 652.140(1).
2. When an employee quits without notice, the final paycheck is due within five days excluding Saturdays, Sundays, and holidays, except if regular payday occurs within the five day period, then the employee shall receive all wages due at that time, ORS 652.140(2).

3. If employee gives 48 hours or more notice of resignation, the final paycheck is due on the final day worked, except if the final day falls on Saturday, Sunday, or holiday, then paycheck is due not later than the end of the next business day, ORS 652.140(2)(3).

4. Employee may request the final paycheck be mailed to a designated address and employer shall comply, ORS 652.140(4).

5. Employer shall comply with the above referenced laws and cannot hold back an employee’s final paycheck until property is returned such as uniforms, keys, identification badge, etc.

K. Work-Site Monthly Attendance Records

1. Supervisors shall keep attendance records at the work site. The following information shall be recorded for each employee. The Employee Monthly Timesheet can be used for this purpose, except requirement b below is not captured on the form and will need to be recorded by another means.

   a. Employee name and Employee Identification Number;
   b. Work schedule and shift, including time and day the work schedule begins and days off;
   c. Daily hours worked for each employee subject to the Fair Labor Standards Act (FLSA);
   d. Overtime hours worked each day;
   e. Leave taken (with or without pay);
   f. Holiday hours worked; and
   g. All other additional pay earned by each employee.

2. These records shall be available for inspection by Human Resources Division Administrator or designee and by auditors.

3. All records pertaining to payroll and supporting documentation will be retained in accordance with the department’s authorized retention schedule established in accordance with OAR 166-300.

L. Payroll Unit Records: The Payroll Unit will keep records showing each employee’s

1. Name, Employee Identification Number and social security number;

2. Rate(s) of pay;

3. Additional earnings for each pay period, including shift differential, overtime compensation, holiday pay, special duty pay, special qualification pay, work out-of-class pay, etc.;

4. Deductions from wages paid each pay period;
5. Total wages paid each pay period;

6. Date of payment and pay period covered by payment;

7. Signed authorization for each voluntary deduction; and

8. Monthly attendance, including accrued balances for vacation, sick leave, and compensatory time. For employees subject to FLSA, the records must show hours worked each day and total hours worked each week.

The retention period for the above records shall comply with OAR 166-300. All of the above records, except subsection 7 and 8, are on microfiche. Documents for subsection 7 are retained for two years after they are replaced and for five years after employee terminates. Documents for subsection 8 are retained for four years.

M. Recoupment of Overpayments: Unless otherwise provided in applicable labor agreements, overpayment to employees shall be recouped as follows:

1. When an overpayment occurs, the following will occur:

   a. The payroll office will perform an overpayment calculation to determine the actual overpayment.

   b. The pre-calculated overpayment amount and supporting documentation will be sent to the appropriate HR Manager.

   c. The HR Manager will notify the employee of the matter of overpayment.

   d. If appropriate, the employee shall work with their Payroll technician to establish a repayment agreement.

2. If the net amount overpaid is less than 10% of the employee’s monthly base salary, the entire amount will be deducted from the employee’s next paycheck. Otherwise, the employee will have the opportunity to discuss the matter and reach agreement with their payroll technician on a repayment agreement. If the employee does not enter into such discussion, or if an agreement is not be reached, then the overpayment shall be repaid as follows:

   a. If the net amount overpaid exceeds 10% of the employee’s monthly base salary, it will be deducted in monthly installments of 10% of the employee’s monthly base salary.

3. If an employee leaves department employment prior to full recovery of the overpayment, the balance owing shall be deducted from the employee’s final check. If this does not complete the repayment, a subsequent repayment schedule shall be established with the employee, or the matter may be pursued through appropriate legal channels.

IV. IMPLEMENTATION

This policy will be adopted immediately without further modification.
Certified: ____________________________
   Birdie Worley, Rules Coordinator

Approved: ____________________________
   Mitch Morrow, Deputy Director