



OREGON YOUTH AUTHORITY
Policy Statement
Part I – Administrative Services



Subject:

Payroll Reporting; Issuing Paychecks

Section – Policy Number:

B: Financial Management – 1.0

Supersedes:

I-B-1.0 (03/11)

I-B-1.0 (9/08)

I-B-1.0 (11/06)

I-B-1.0 (12/02)

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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 forms](#): YA 2236 (Payroll Release Form)
YA 2237 (Request for Payroll Advance)
YA 2238 (Lost Check Affidavit)
YA 8020 (Notification of Separation)

Related Procedures:

[FAC I-B-1.0\(a\) Sick Leave](#)
[FAC I-B-1.0\(b\) Overtime Assignment in Facilities](#)

Policy Owner:

Chief Financial Officer

Approved:

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I. PURPOSE:

This policy describes OYA's process for reporting and documenting staff work time and issuing paychecks.

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: A staff member's immediate supervisor and other manager with designated responsibility for monitoring the staff member's work hours.

OYA Time-tracking Information System (OTIS): The Oregon Youth Authority's automated staff time-tracking information system.

Time event: Any event outside a regular work schedule recorded on a time sheet including but not limited to leave requests, overtime requests, and shift trade requests.

III. POLICY:

OYA 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, Department of Administrative Services State Controllers Division (DAS-SCD) policies, and federal government policies. Paychecks will be produced and distributed in a consistent way throughout 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 using the OTIS flex time event code (FLEX).

- 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) Staff will mark their time sheets as "Completed" in OTIS. If supervisors/managers approve time sheets, the supervisors/managers are attesting that the times reported are true and accurate.
- d) Staff and supervisors/managers complete and approve time sheets in OTIS on or after the last workday of the pay period. In some cases, staff may complete their time sheets in OTIS 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 approve time sheets in OTIS after the staff member's shift is completed on the staff member's last workday of the pay period.

- f) If a staff member is unavailable to complete their time sheet in OTIS because of extended leave, the supervisor/manager will both complete and approve the time sheet in OTIS.
- g) Central Payroll will pull a report from OTIS that contains all pay and leave information and enter it into the payroll system.
- h) Payroll staff must not enter their own payroll information into the payroll system.

Payroll staff's approved time sheets must be entered by a designee assigned by the Payroll Manager.

- i) Staff who 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 approved or interfaced will be done by the affected staff and the supervisor/manager.
- b) The supervisor/manager or Central Payroll may make changes that benefit staff, with notification to the affected staff.

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

- c) Changes that are detrimental to a staff member must be communicated to the staff member in person or in writing.

Example: A staff member improperly claims sick leave. The supervisor/manager or Central Payroll makes the correction and calls the staff member regarding the correction.

- 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 member is unavailable, the supervisor/manager will:

- (1) Authorize the necessary corrections by requesting the time sheet be removed from OTIS by Central Payroll;
- (2) Communicate in writing to the staff member explaining the corrections; and
- (3) Notify Central Payroll that the corrected time sheet is ready to be entered.

B. Overtime

1. Authorization

- a) All overtime must be approved by a supervisor/manager or designee through OTIS prior to the overtime shift, except for emergency situations.
 - (1) Emergency situations are 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) Staff will request overtime in OTIS prior to the overtime shift. The supervisor/manager, or designee, will review and approve or deny the request in OTIS.

In facilities that use a centralized scheduler, the scheduler will have final approval of overtime time events.
 - (3) When attendance to work-related meetings requires overtime compensation, an overtime time event must be requested in OTIS.
- b) In non-emergency situations when a supervisor/manager or designee is not available to immediately approve the overtime request in OTIS, staff must obtain verbal approval and enter the time event into OTIS prior to the overtime shift. The supervisor/manager or designee will approve the overtime in OTIS when feasible.

2. Scheduling

- a) Supervisors/Managers will schedule staff leave in a way that minimizes overtime use.
- b) See appropriate Collective Bargaining Agreements for provisions regarding scheduling leave.

3. Monitoring

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

4. 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) May be paid in cash or in compensatory time for overtime worked.

The staff member will make this choice when they enter the time event into OTIS.

- (2) Compensatory time accumulated in excess of 80 hours will be paid in cash.

- (3) Staff may request to have a portion or all of their compensatory time accrued balance paid to them. Requests must be made in writing to the staff's supervisor. If approved, payment will be made on the next applicable pay date.

- c) SEIU-represented, FLSA-exempt staff:

- (1) Receive straight time accrued for overtime worked on a time-for-time basis.

- (2) Straight time:

- (a) Must be used within the fiscal year earned or will be lost; and

- (b) Has no cash value.

- (3) Are subject to Collective Bargaining Agreement provisions regarding timely use of accumulated compensatory time.

- (4) Are responsible for monitoring and managing compensatory time, as are their supervisors/managers.

- d) AFSCME-represented staff:

Receive cash or compensatory time for overtime worked. Compensatory time accumulated in excess of 80 hours must be paid in cash.

Staff may request to have a portion or all of their compensatory time accrued balance paid to them. Requests must be made in writing to the staff's supervisor. If approved, payment will be made on the next applicable pay date.

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) Must be paid in cash for compensatory time accumulated in excess of 80 hours.
- (3) Staff may request to have a portion or all of their compensatory time accrued balance paid to them. Requests must be made in writing to the staff's supervisor. If approved, payment will be made on the next applicable pay date.

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.

C. Leave Authorization

1. All leave will be authorized using the OTIS Time Event screen.
2. 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 time event may be entered into OTIS by the staff member and approved by the supervisor/manager at a later time that still complies with relevant payroll deadlines for time sheet submission.
3. 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.
4. 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).
5. Supervisors/Managers are responsible for:

- a) Verifying the staff member 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; and
- d) Approving or denying leave requests prior to the leave occurring, except unscheduled sick leave which is generally approved on the day staff return to work following sick leave events.

6. In facilities that use a centralized scheduler, the scheduler will have final approval of time events.

D. Leave without Pay (LWOP)

Supervisors/Managers will ensure all projected instances of LWOP are reported to Central Payroll 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 member incurs or will incur LWOP after the payroll cutoff date, the supervisor/manager must contact Central Payroll by telephone or e-mail so the paycheck can be canceled and reissued in the correct amount.
- 2. A LWOP time event and a time sheet must be completed and approved in OTIS to document 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 staff paychecks are processed a few days prior to the 1st and the 15th of each month, respectively. Paychecks are based on information entered by Central Payroll.

F. Distribution of staff paychecks and pay stubs.

- 1. An agency payroll or fiscal staff member 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. 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 may not be cashed or deposited by any staff member until the official payday even though they may have received the check earlier as allowed above.
 - 4. Upon receipt of the paycheck, it is the staff member'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 time sheet 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 member. Requests for corrections (either in writing or via corrected time sheet) must be approved by the staff member'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 member who has worked 32 hours or more in the month.

 - (1) A Personnel Action form must be submitted to Human Resources Section 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;

A staff member 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 member 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 member 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 member in one month.
 - (7) No more than two pay advances will be made to a staff member during a calendar year.

- (8) If a staff member requests an advance after the payroll cutoff, the staff member's paycheck may be held and rewritten for the proper amount to avoid 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 who 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 member'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 who transfer to another state agency, unless it qualifies as a pay advance. Staff who 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 member'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 member's bank account. The staff member or the supervisor/manager must indicate how the check will be distributed (mail to the staff member's home; mail to the facility/office; or picked up by the staff member, staff member's representative, or appropriate OYA staff).
- 6. Special paychecks may take up to 72 hours to process.

V. LOCAL OPERATING PROTOCOL REQUIRED: NO