



**DEPARTMENT OF CORRECTIONS  
Human Resources**



<b>Subject:</b>	<b>Employee Time Reporting and Payroll Process</b>	<b>DOC Policy: 20.5.11</b>
<b>Supersedes:</b>	<b>DOC Procedure #31, "Payroll," dated 11/01/93</b>	
<b>Applicability:</b>	<b>All employees</b>	
<b>Reference:</b>	<b>DAS Oregon State Payroll System Manual; DAS Oregon Accounting Manual, Policy #06 01 00.174 &amp; #07 01 00 through #07 10 00; State Policy 20.005.10, Pay Practices; State Policy 20.005.20, Fair Labor Standards Act; AFSCME, AOCE, &amp; OPEU Bargaining Agreements; Oregon Bureau of Labor &amp; Industries Handbook of Wage &amp; Hour Laws; and Oregon Secretary of State Archives Division, OAR 166-307-010</b>	

**I. PURPOSE**

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

**II. POLICY**

- A. The Department of Corrections utilizes the Oregon State Payroll System (OSPS), managed by the Department of Administrative Services (DAS), to process the monthly payroll in accordance with the policies, procedures and laws referenced above.
- B. Payday Schedule
  - 1. Employees are paid on a monthly basis with payday occurring on the first day of each month. If the first day occurs on a weekend or holiday, paychecks/pay stubs will be released to employees on the previous workday, except for January 1<sup>st</sup> holiday when checks are released the first workday of January to avoid paying thirteen months of wages in a year.
  - 2. 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.
  - 3. The department 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. It is the responsibility of each functional unit to safeguard the paychecks and to distribute them to employees beginning at 08:00 AM on payday. However,

24-hour institutions may release paychecks/pay stubs earlier on payday to night shift employees if it can be accommodated. 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 Release of Payroll Check" form indicating they will not cash check until payday.

4. 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. Paycheck/pay stubs issued to employees who have terminated shall be returned to the Payroll Unit.

C. Reporting Monthly Attendance & Pay, [Attachment 1](#)

1. Employee Monthly Timesheet, form #AD1743, provided by OSPS shall be used by all functional units to report attendance and pay information to Payroll Unit, except for security units approved to submit the information via the Relief Factor Management System (RFMS) electronic transfer method. Security units submitting payroll data via RFMS shall use the timesheet form prepared by the RFMS system. Both types of timesheets are used to record actual hours worked each day (for FLSA-subject employees only), leave taken, and additional pay hours worked such as overtime, holiday, and shift differential. Timesheets #AD1743 with preprinted employee names are sent to each functional unit at the first of each month by the Payroll Unit.
2. Each supervisor is responsible for ensuring that each employee has a monthly timesheet completed accurately and signed by the appropriate employee and supervisor. Supervisors shall ensure that each employee's leave time taken does not exceed the accrued leave per the monthly Leave Accrual Report sent to units each month. Supervisors are responsible for delivery of all their employee final monthly timesheets to the Payroll Unit no later than the third working day of the following month, or at an earlier date as stipulated in cutoff schedules provided to functional units. If unable to obtain appropriate signatures on timesheet(s), send copy of unsigned timesheet(s) to meet the deadline and send original(s) later when signatures obtained. See Attachment I for instructions for completing time sheets.
3. Preliminary timesheets shall be submitted to Payroll Unit prior to each month-end cutoff according to a cutoff schedule provided by Payroll Unit. Preliminary timesheets shall be submitted for employees with additional pay and/or leave-without-pay, and for employees paid on an hourly basis. Security units submitting payroll data by RFMS shall submit preliminary timesheet data for all their employees at the stipulated cutoff date per schedule provided by Payroll Unit.
4. Payroll Unit shall retain final monthly timesheets for four years per Secretary of State, Archives Division rules.

D. Notification of Leave Without Pay (LWOP)

Supervisors/timekeepers shall report LWOP to the Payroll Unit in a timely manner to prevent overpayments to employees. LWOP information needs to reach Payroll Unit by payroll cutoff date, which is normally approximately five work days prior to month end. Supervisors/timekeepers shall use the preliminary timesheet for reporting if it will reach Payroll Unit by the cutoff; otherwise the information shall be conveyed by telephone or fax. LWOP occurring after the cutoff shall be faxed or telephoned to 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 or on FMLA leave.

E. Overtime Authorization Form (CD 3), Attachment 2

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 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 Payroll Unit no later than the fourth workday following the end of the month. 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. Retention period for overtime authorizations are four years for Payroll Unit. The functional unit shall retain a copy for two years.

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 consultant. Criteria for out-of-class pay is contained in 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 database to be accessed by the payroll system for payment. A copy of the authorization shall be sent to the Payroll Unit.

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 Policy No. 070500.00. DAS form OSPS20, Request For Payroll Advance, Attachment 3, 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 sixty percent (60%) of gross pay earned up to the date of request, less any known garnishments, if any.
- 3 Approved requests may be faxed to the Payroll Unit to expedite the payment. If 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 04:30 PM that day. Each check is then sent by regular mail, or by shuttle if available, to employee's work unit if located outside of Salem area. Salem area employees may pickup advance at payroll office or have it delivered to their work unit.
- 4 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 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.

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. State Policy 60.000.01 and 60.000.05 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 Consultant and the Payroll Technician 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 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 (DAS Form AD1743) can be used for this purpose, except requirement b. is not captured on the form and will need to be recorded by another means.
  - a. Employee name and social security 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. Retention period for these records is four years.

L. Payroll Unit Records

The Payroll Unit will keep records showing each employee's

- 1. Name 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 FSA, 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 166-307-010. All of the above records, except 7. and 8., are on microfiche. Documents for 7. are retained for two years after they are replaced and for five years after employee terminates. Documents for 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. If the overpayment is discovered within two (2) weeks of the date of the paycheck or the net overpayment is less than \$100.00, the entire overpayment shall be deducted from the employee's next paycheck.
- 2. In all other circumstances, the payroll office will notify the employee of the matter of overpayment. The employee will have the opportunity to discuss the matter and reach agreement with the Payroll Manager on a repayment agreement. Should the employee not enter into such discussion, or should an agreement not be reached, then the overpayment shall be repaid as follows:
  - a. If the net amount overpaid is less than ten percent (10%) of the

employee's monthly base salary, the entire amount will be deducted from the employee's next paycheck, or

- b. If the net amount overpaid exceeds ten percent (10%) of the employee's monthly base salary, it will be deducted in monthly installments of ten percent (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 scheduled shall be established with the employee, or the matter may be pursued through appropriate legal channels.

### **III. IMPLEMENTATION**

This policy will be adopted immediately without further modification.