DEPARTMENT OF CORRECTIONS

Policy Number: 104.450
Title: Payroll, Leave, and Overtime Requests
Effective Date: 9/4/18

PURPOSE: To process employee bi-weekly payroll accurately and in a timely manner, ensure payment is in accordance with applicable bargaining agreements and pay plans, provide a system for leave and overtime requests, and define a routine payroll review procedure.

APPLICABILITY: Department-wide

DEFINITIONS:
Consecutive leave – continuous absences relating to one Family Medical Leave Act (FMLA)-qualifying condition.

Employee self-service – MMB website containing employee time reporting, leave, and pay stub information that is used by employees to enter time information and by supervisors to validate and approve employee time and leave entered.

Exempt employee – position classifications designated by Federal Fair Labor Standards Act (FLSA) to be professional and not subject to the overtime provisions of this law.

Family Medical Leave Act (FMLA) Guideline – key leave management information contained in an FMLA approval notification from human resources (HR) including, such examples as: for whom (self, spouse, child, or parent) or birth/adoption; frequency and duration; and whether "report of workability" is required (see Policy 103.270, "Family and Medical Leave Act").

Intermittent leave – periodic absences relating to one FMLA qualifying condition.

Non-exempt employee – classifications that are eligible for overtime based on FLSA definition.

Overtime – hours worked in excess of a non-exempt employee's normal work schedule that were pre-approved or ordered and compensated in accordance with overtime provisions of the appropriate bargaining unit agreement. Special rules apply for exempt employee overtime.

Payroll departments – separate identification numbers for each area of supervision, assigned by agency human resources and finance, with employees' records included.

Provisional approval – preliminary designation of leave as FMLA, when an FMLA guideline was not available prior to beginning of leave.

Time records – payroll timesheet or self-service time entry.

PROCEDURES:
A. Each employee requesting non-military leave must:
   1. Submit requests for leave and overtime to the appropriate supervisor in advance of the need for the leave or overtime, using the system or routine required by the supervisor.

a) If leave is not foreseeable, an employee must notify his/her supervisor(s) as soon as possible.

b) Managerial plan employees are exempt from this requirement.

2. Ensure requests for leave have a sufficient balance available by the date the leave is taken. Leave may not be used in the pay period when it is earned including vacation hours earned for a holiday.

3. Use the employee self-service system to prepare his/her time record for each pay period.

4. Ensure the employee's time record is accurate for actual hours worked, leave taken, and other pertinent pay information, using proper earn codes.

5. Complete the employee's time record no later than 10:00 A.M. on the last day of each pay period, unless a payroll staff person or the employee's supervisor requires an alternate deadline.

6. Complete the time record in advance of any planned absence spanning the end of a pay period and/or multiple pay periods.

7. Provide the employee's supervisor with all pertinent back-up documents such as jury duty summons, or doctor's orders.

8. Add comments to the timesheet for items such as pending FMLA, jury duty, penalty pay, hours less than 80, election judge, holiday differential, and any other unusual circumstances. Comments must not be added for normal routine payroll codes including for exempt staff balancing hours.

9. Follow these steps when making changes to a time record following completion:
   a) If making changes prior to supervisor approval of time entry:
      (1) Uncheck the "Complete?" box;
      (2) Make changes;
      (3) Re-check "Complete?" box; and
      (4) Re-save.

   b) If making changes after the supervisor has approved the time record, complete one of the following:
      (1) If making changes to the current pay period and the payroll has not loaded:
         (a) Ask supervisor to uncheck the "ready to load," "approved," and "complete" boxes to return the time record to the employee. The employee then makes corrections, re-checks the "complete" box, and the supervisor reapproves the time record; or
         (b) Notify supervisor of leave changes, who forwards the approved changes to payroll, noting approval of the change. Payroll staff must adjust the time record and retain the e-mail, fax, or scanned copy of the adjusted time record for audit purposes; or
         (c) After 3:00 p.m. on Thursday of the payroll processing week, employees may no longer submit e-mail or faxed changes and are

required to submit amended timesheets for any changes to that pay period.

(2) If making changes to a prior pay period, the employee must sign onto employee self-service and print a screen of the employee time record, note changes in ink, sign, date, and forward to the employee's supervisor for approval. If approved, the supervisor signs the print screen and forwards the print screen to payroll staff. Payroll staff complete prior pay period adjustments on the next payroll cycle and retain the print screen for audit documentation.

(3) If FMLA authorization is received after the payroll period has been processed, staff must amend the time record indicating the proper FMLA earn codes, and submit it to the supervisor, who then must submit it to payroll within one week of notification.

10. All shift exchanges must be completed as mutually agreed upon. Failure to complete a mutually agreed upon shift exchange results in the reduction of available vacation/compensation leave and/or reduction in the last pay check received.

B. In cases of military leave, the employee must give notice of leave and will be reinstated in accordance with federal and state law. If the employee intends to use paid military leave or accrued paid leave during the employee's deployment, the employee must inform the supervisor of the choice.

C. Manager/supervisor responsibilities (approvers)

1. Each supervisor must maintain an appropriate timekeeping record system (example: leave slips, overtime slips, shift exchanges, electronic scheduling system, e-mails, calendar attendance record), monitoring work hours, leave usage, overtime approved or assigned, and shift exchanges.

2. Each supervisor and manager designated as a primary approver must review time records for the assigned payroll department. Time records must be reviewed for accuracy by comparison with a time record system, approved leave and overtime requests, shift exchange slips, appropriate payroll coding, and other appropriate documents or reports.

3. Managers and supervisors must take corrective action as necessary by returning time records with errors to the employee.

   a) If it is not possible to reach the employee to make the change, the supervisor may make the appropriate adjustments and follow up with the employee.

   b) Reasons for the changes must be noted as comments in time records and reviewed with the employee.

4. After verifying time records and resolving validation errors, supervisors must re-validate, approve, and load payroll departments by the end of the last day of each pay period, unless an alternate deadline has been established.

5. When a planned absence prevents a payroll department's primary approver from reviewing employee time records, a backup approver must be arranged to complete the review. By direction of MMB, the use of backup approvers must be limited, and such approvers must be at a supervisor or manager level.

a). Each back-up approver must notify the primary approver and employee of any changes made during the review, including a comment in the time record stating the reason for the change.

b) Back-up approvers must also include a comment explaining why the backup approver, rather than the primary approver, is approving the time records. A single comment in the first timecard of the payroll group is sufficient.

6. An employee must not approve the employee's own time records.

7. The supervisor must maintain leave, overtime, and shift exchange information for at least one month following the end of the pay period to which it applied.

8. Supervisors must forward military order and jury duty summons to payroll staff and human resources staff, and all medical documents to human resources staff.

9. If the employee is on FMLA unpaid status and unable to complete a time record, the supervisor must submit a time record to the payroll department unless the employee returns to paid status or FMLA is exhausted.

10. Managers and supervisors must note reasons for completing timecards for employees as comments in time cards.

11. Upon the termination of an employee from the Department of Corrections, the employee's supervisor must verify that all mutually agreed upon shift exchanges were completed by the employee prior to the employee's last working day. If exchanges were not completed, the supervisor must sent a notice to the finance payroll staff before the last timesheet is approved.

D. Payroll staff is responsible for:

1. Reviewing all assigned payroll departments, validating, and resolving errors in accordance with the procedures and schedules established by Minnesota Management and Budget (MMB).

2. During payroll processing week, reviewing the FIHP2460 and self-service time entry audit report.

a) Notify supervisors as applicable to enter a comment in each timesheet they complete and/or change, and to enter at least one comment when completing a department as a backup approver.

b) Notify management of ongoing problems or patterns of difficulty.

3. Resolving time entry concerns with employees and supervisors, and making the appropriate adjustments. Retaining pertinent documentation according to records retention schedule.

4. Completing prior pay period adjustments as necessary.

a) Any prior pay period adjustments unrelated to workers compensation must be signed off by both the employee and the supervisor prior to processing.

b) In situations where it is not possible to get the necessary approvals, a payroll supervisor may grant an exception.

5. Notifying employees and supervisors of any corrective actions required or completed.

6. Printing the payroll register report, document direct FIHP2062. A payroll supervisor or designated staff familiar with payroll must review, sign, and date this report.

7. Notifying the supervisor/finance director of ongoing problems or concerns related to the agency payroll process.

8. Processing a current or prior pay period adjustment for the time records submitted for FMLA unpaid status, if necessary.

9. Running the FLSA report to identify and correct any overtime issues related to FLSA status and reported time.

10. Printing and documenting the review of the Payroll Posting Audit Trail, Document Direct FIHR2280 each pay period to verify the employees have been charged to the correct account.

11. Retaining payroll reports and related documentation according to the financial services retention schedule and MMB guidelines.

E. Finance payroll audits

1. Each quarter, designated agency finance staff must review employee self-service time entry and the supervisory approval process.

2. The guide for payroll entry reviews establishes the scope of the review, questionnaire, and report distribution.

3. Reviews must assess:

a) Adequacy of supervisor's approval process;

b) Appropriateness of earn codes for the pay circumstance;

c) Accuracy of employee time reporting;

d) Adequacy of documentation regarding adjustments; and

e) Appropriate use of back-up approvers.

4. Each supervisor must actively participate in reviews of the supervisor’s payroll department.

5. Designated agency finance staff must complete a report for each payroll review, detailing problems found, corrective actions needed, concerns, or excellence noted.

6. Payroll reviews/audits must be retained in financial services according to the records retention schedule.

INTERNAL CONTROLS:

A. Time and leave information is recorded in employee self-service and maintained in the statewide payroll system.

B. Payroll reviews/audits are retained in financial services.

C. Payroll reports and other documentation is retained in accordance with the financial services record retention schedule.

ACA STANDARDS: 4-4040

REFERENCES: Minn. Stat. §§ 241.01 and 43A.1815
Financial Services "Audit Guide – Payroll Entry Review"
Policy 103.270, "Family and Medical Leave Act"
HR/LR Policy #1409: Family and Medical Leave Act (FMLA)
HR/LR Procedure #1409P: Family and Medical Leave Act
HR/LR Policy #1435, Paid Parental Leave (PPE)
Minnesota Management and Budget Payroll Operating Policies and Procedures

REPLACES: Policy 104.450, "Payroll, Leave and Overtime Requests," 4/17/18.
All facility policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS: None

APPROVALS:
Deputy Commissioner, Facility Services
Deputy Commissioner, Community Services
Assistant Commissioner, Facility Services
Assistant Commissioner, Operations Support