

## **207-01 PAYROLL-PROCEDURE**

### **1. PURPOSE**

The purpose of the Payroll Procedure is to establish criteria for the proper control and handling of payments to employees.

### **2. PROCEDURES**

1. **Budget Manager Responsibilities**
  - a. Properly authorize and approve appropriate personnel action forms (PAFs).
  - b. Ensure that supervisors within their department are familiar with, and adhere to, policies and procedures.
  - c. Establish methods of timesheet submittal for employees who work in remote locations and who do not have access to regular time reporting systems.
  
2. **Supervisor Responsibilities**
  - a. Be familiar with the basic provisions of the Fair Labor Standards Act (FLSA) covering hours worked, meal periods, overtime pay, travel pay, weekends, and other record keeping.
  - b. Ensure that employees are trained in reporting hours worked and leave time through the appropriate method.
  - c. Ensure employees adhere to the procedures as they relate to time recording and time worked.
  - d. Certify employee's reported time worked, leave time, and overtime for accuracy.
  - e. Ensure certified time reports are submitted to payroll by required deadlines.
  - f. Set and enforce employee's work schedule based on operational needs and personnel policies, procedures, and procedural guidelines.
  - g. In coordination with Human Resources, communicate matters of significance to employees.
  
3. **Employee Responsibilities**
  - a. Comply with policies and procedures as well as department rules with respect to time, attendance, and reporting.
  - b. Accurately report time in and time out on a daily basis (see item #9 for details).
  - c. Certify accurate hours worked and submit hours to immediate supervisor by the required time reporting due date.
  - d. Review payments and deductions.
  - e. Advise the immediate supervisor of any discrepancies in regards to time worked, leave hours, or deductions.
  - f. Keep information current.

4. Human Resources Responsibilities
  - a. Authorize formal transactions to hire new employees and adjust salaries and wages.
  - b. Enter termination payroll deductions.
  - c. Review payroll deductions for accuracy.
  - d. Process personnel changes such as promotion, transfer, or terminations.
  - e. Set up employee direct deposit upon receipt of a Request for Direct Deposit Form.
  
5. Payroll Responsibilities
  - a. Manage the payroll work flow to ensure efficient and timely payroll processing.
  - b. Audit the entry of hours worked in the administrative system.
  - c. Review completed payrolls.
  - d. Report payroll deductions to various agencies, in accordance with federal and state laws.
  - e. Act as a resource for employees and supervisors when there is a question about pay discrepancies
  - f. Calculate termination payroll deductions.
  
6. Pay Schedule
  - a. An annual calendar is published establishing payroll dates to ensure that pay is processed in a timely manner.
  - b. Salaries and wages are paid on a semi-monthly basis. Hours worked for the first half of the month, from the 1<sup>st</sup> through the 15<sup>th</sup>, are paid on the 22<sup>nd</sup> of the month. Hours worked in the second half of the month, from the 16<sup>th</sup> to the end of the month, are paid on the 7<sup>th</sup> of the following month. Part-time faculty contracts are paid evenly over the course of the term.
  - c. If the 7<sup>th</sup> or 22<sup>nd</sup> falls on a federal banking holiday, Saturday, or Sunday, the pay date will be moved to the preceding banking business day.
  - d. **Under no circumstance will the College make advance payments to any employee.**
  
7. Direct Deposit Delivery
  - a. Payments are issued to the designated financial accounts on the scheduled pay date. Fund availability may vary by institution.
  - b. Employees may designate no more than four (4) bank accounts into which their net pay can be electronically deposited.
  - c. Enrollment or changes to direct deposit can be done by the employee via self-service, or by completing a Request for Direct Deposit Form.
  - d. Direct deposit elections remain in effect until the employee files a change authorization, cancellation, or processes changes through self-service.
  - e. Direct deposit payments may be pulled during a payroll process if a legal garnishment is served.

8. Check Delivery
  - a. Checks are available for pick-up by the start of business hours on the scheduled pay date.
  - b. Checks not picked up from the Business Office by 4:00 pm on the scheduled pay date will be dropped in outgoing mail.
  - c. If a pay date falls on a College Emergency Closure date, pay checks will be available for pick-up the next business day.
  - d. A pay check will not be released to anyone but the employee without written authorization.
  - e. A photo ID is required for check release.
  - f. Checks will not be distributed prior to the scheduled pay date.
  
9. Time and Attendance Reporting
  - a. Employees are required to accurately account for their hours worked.
  - b. All benefit eligible employees are required to account for their approved FTE hours in each work week through hours worked or use of authorized leave.
  - c. Employees with multiple jobs are responsible for the accurate recording of their time for each position. Hours worked will not overlap with each other.
  - d. Employees are required to enter time only for themselves, and only from the locations approved by their supervisor.
  - e. Reported time is rounded to the nearest quarter hour. Minutes from one (1) to seven (7) past a quarter hour are rounded down, and minutes from eight (8) to fourteen (14) are rounded up to the nearest quarter hour.
  - f. Employees and/or supervisor found to be improperly reporting work time and attendance information will be reported to their immediate supervisor for appropriate disciplinary actions.
  - g. Designated types of work such as grant funded projects, overload, administrative work, or other positions may require additional recordkeeping of hours worked as a condition of employment.
  - h. If an error is caught by the employee or payroll after a pay period is processed, corrections will be made in the next payroll run.
  - i. If a supervisor or approver feels a change to reported hours is required, they will obtain an employee's initials on the change before submitting time to payroll whenever possible. All supervisor changes to reported time will be communicated to the employee by the supervisor.
  
10. Calculation of Overtime Pay or Compensatory Time Accrual
  - a. Overtime compensation results only in those cases when the actual hours "worked" exceeds forty (40) hours during the established FLSA work week.
  - b. Supervisors are to plan, organize, and schedule workload so as to accomplish departmental goals within the prescribed work week.
  - c. Non-exempt employees who work in excess of forty (40) hours per work week will be compensated at time and half the employee's regular rate of pay if he or she holds one position at the college. If employee holds more than one

position, hours worked in excess of forty (40) will be compensated at the weighted average of the all the rates.

- d. The College may choose to credit compensatory time off at a rate of not less than one and one-half (1.5) hours for each hour of overtime worked for benefit-eligible non-exempt employees.
- e. For FLSA purposes, holiday pay does not count towards hours worked.

	<b>Hours Worked</b>	<b>Holiday Hours</b>	<b>Total Hours</b>	<b>Comp Time Earned</b>	<b>Comment</b>
Example #1	33	8	41	1 hour	1 hour of straight time Time worked did not exceed 40 hours
Example #2	42	8	50	11 hours	8 hours of straight time 2 hours of overtime worked/1.5 comp hours granted per overtime hour worked

11. Reporting of Hours for Non-Exempt Employee Travel

- a. Travel time that constitutes work time will be compensated according to FLSA.
- b. Travel that is part of the employee’s principal activity, such as travel from work site to work site during the workday, must be counted as hours worked.
- c. Any work that an employee is required to perform while on travel status is counted as hours worked.
- d. Non-exempt employees report all mandatory travel hours that fall within their regularly scheduled work day. Hours that fall on a scheduled day off, if during regularly scheduled times, must be reported as hours worked. If there is mandatory work beyond regularly scheduled hours, those hours should also be reported.
- e. Non-exempt employees who operate a vehicle for travel purposes after their regularly scheduled work time must report that time as hours worked.
- f. Non-exempt employees who are a passenger in any vehicle or aircraft beyond regularly scheduled work time may not report that time as hours worked.
- g. Travel from home to or from the employee’s primary work site are not reportable hours.

12. Separation Pay-Out

- a. Payment for voluntary work separation due to resignation or retirement is paid no later than the regular pay date for the pay period during which the separation occurs.
- b. Payment for work separation due to involuntary discharge is paid according to current Arizona Revised Statute requirements.

- c. The College may process separation pay via check, even if the employee has an established direct deposit set-up.
- d. For final pay-out due to the death of an employee, the College will follow the established procedural guidelines and all IRS reporting regulations related to deceased employee pay.
- e. Any debts or credits to individual benefit accounts will be settled with final pay.

13. Pay Corrections and Adjustments

- a. Due to cost and complexity of running a complete payroll process, adjustments are rare and may require special approval.
- b. Adjustments are a manual process which runs outside a regular scheduled payroll run or to an already processed pay period.
- c. Payroll adjustments will generally be processed during the next scheduled pay period, unless exception is made by Payroll based on the adjustment circumstances.
- d. Due to Arizona State Retirement System and Affordable Health Care Act requirements, hours will be reported in the correct FLSA work week, regardless of when pay is processed.
- e. Overpayment is a legal debt and must be repaid.

**3. BACKGROUND**

- 1. References: Internal Revenue Service, Department of Labor
- 2. Revision history: 12/06/2017 (new)
- 3. Legal review: none
- 4. Sponsor: Business and Administrative Services

Adopted by College Council: 12/06/2017

**COCONINO COMMUNITY COLLEGE**