Policy #: **446**
Title: **PAYROLL AND LEAVE & OVERTIME REQUESTS**
Date of Initial Approval: 04-19-2016
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Reviewers: MSA Superintendent; MSA Fiscal Services Office; MSA Human Resources Office

I. **PURPOSE**

The purpose of this policy is to ensure that payroll entries for Minnesota State Academies (MSA) employees are completed accurately, utilizing established codes and procedures.

II. **GENERAL STATEMENT OF POLICY**

A. All MSA employees will complete their time and leave information using the State of Minnesota Employee Self Service System. Employees must make certain that time, leave earn codes, and comments are entered accurately based on hours worked, leave taken, other appropriate pay and leave accrued, and completed by the required deadline.

B. Directors and supervisors will review their employees' time records for accuracy, appropriate payroll coding, comments, and take corrective actions as needed. This includes approving, validating and loading their payroll departments by the deadline established by the MSA fiscal services office.

C. Each director/supervisor will maintain an appropriate timekeeping record system (example: Leave/Overtime requests, emails, or calendar attendance record) to monitor work hours, leave usage, and overtime approved or assigned.

D. Employee requests for leave and overtime must be submitted and documented by directors/supervisors. Directors and supervisors will maintain leave request documentation for at least one month following leave usage.

E. MSA payroll staff will process payroll in accordance with the procedures and schedules established by the Minnesota Management and Budget (MMB), make all necessary adjustments, and participate in quarterly payroll reviews.

III. **DEFINITIONS**

A. **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 approve and validate employee time and leave entered.

B. **Exempt Employee -** Position classifications designated by the Federal Fair Labor Standards Act (FLSA) to be professional and not subject to the overtime provisions of this law.

C. **Non-exempt Employee -** Classifications that are eligible for overtime based on the FLSA definition.

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

E. **Payroll Department -** Separate identification numbers for each area of supervision, assigned by agency Human Resources and Fiscal Services, with employees' records included.

F. **Time Records -** Payroll timesheets or Self-Service Time Entry.

See MSA Policy 410 – Family and Medical Leave for additional information/definitions regarding FMLA leave.

IV. **EMPLOYEE RESPONSIBILITIES**
   A. Employees will submit requests for leave to their direct supervisor in advance of the need for the leave, using the MSA Leave Request Form. If leave is not foreseeable, employees must notify their supervisor as soon as possible, following established communication protocols for their respective departments. Failure to do so may result in disciplinary action.
   B. Employees who request paid leave must have a sufficient balance available on the date the paid leave is taken.
   C. Employees must submit requests for overtime to their direct supervisor and receive approval prior to performing the work. Only in unusual circumstances will overtime be approved after the fact. Employees must follow established communication protocols for their respective departments to request overtime. If overtime is assigned by supervisors (i.e. schedule changes, late meetings, additional hours of work), no requests are necessary.
   D. Employees will use the Employee Self Service System to prepare their time entry for each pay period, following established timelines. Employees who fail to adhere to required timelines and accuracy of their time entry may be subject to disciplinary action as appropriate.
   E. Time entry must be accurate for actual hours worked, leave taken, comments, and other pertinent information, using proper codes.
   F. Employees must complete time entry in advance of any planned absence spanning the end of a pay period.
   G. Employees must provide their supervisor with all pertinent back-up documents such as military orders, jury duty summons, or doctor's orders.
   H. Employees will make corrections to their time entry as needed. In the event supervisors have to make corrections for the employee, employees are responsible for signing the audit sheets that are sent out by payroll.

V. **DIRECTOR/SUPERVISOR (APPROVERS) RESPONSIBILITIES**
   A. Directors and supervisors will respond to requests for leave or overtime within 48 hours of the request. They will determine appropriate documentation systems to maintain records of employee leave and overtime hours.
   B. Directors and supervisors designated as primary approvers will review time records for their assigned payroll department. Time entry must be reviewed for accuracy by comparison with the Self Service Time Entry system, approved overtime requests, sub calendars and other appropriate documents or reports.
   C. Directors and supervisors will correct time entries as necessary by either notifying the employees to make the appropriate adjustments or making the adjustments themselves in the absence of the employee and following up with the employee. This should only be done as a last resort. Reasons for the changes must be noted as "comments" in time entry and reviewed with the employee when the employee signs the audit reports.
   D. After reviewing the time entry and resolving validation errors, directors/supervisors must revalidate, approve and load departments by the timelines established by Fiscal Services.

E. When a planned absence prevents a director/supervisor from reviewing and approving employee time entry, a backup approver must be arranged to complete the process. By direction of MMB, the use of backup approvers should be limited.

F. Back-up approvers will notify the primary approver and employee of any changes made during their review, including a comment in the time entry stating the reason for the change. Back-up approvers will also include a comment explaining why he/she, rather than the primary approver is approving the time records.

G. Employees will not approve their own time entry.

VI. PAYROLL STAFF RESPONSIBILITIES

A. Payroll staff will review all assigned payroll departments.

B. Payroll staff will resolve time entry concerns with employees and supervisors and make appropriate adjustments. Retain pertinent documentation according to the records retention schedule.

C. Payroll staff will complete current and prior period adjustments as needed.

D. Payroll staff will notify employees and supervisors of any corrective actions needed or completed.

E. Payroll staff will notify supervisor/Director of Fiscal Services of problems related to the agency payroll process.

F. Payroll staff will review and print the Self Service Time Entry Audit Report HP 2460 and send to supervisors for their signature as well as their employees for any changes that are made.

G. Payroll staff will print the following reports for the Director of Fiscal Services to review, correct, if needed, and approve.
   a. Payroll Posting Audit Trail (HP2280)
   b. Payroll Register Report (HP2062)
   c. Business Expense Report (HP6745)
   d. Invalid Chart Strings Report (HP6670)
   e. FLSA Overtime Report (HP5005)
   f. Business Expense Transfers Report (HP2380)

VII. FINANCE PAYROLL AUDITS

A. Bi-weekly, designated MSA finance staff will audit employee self-service time entry and the supervisory approval process.

B. The audit will include the following:
   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.
   e. Appropriate use of back-up approvers.

C. Supervisors will actively participate in reviews of their payroll departments.

D. Designated MSA finance staff will notify supervisors of problems found, corrective actions needed, and/or concerns.