

PPM #38

Policy Name: *Payroll and the LaGov HCM System*

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Authorization:



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PHILOSOPHY

It is the philosophy of the Office of the Lieutenant Governor (OLG) and Department of Culture, Recreation and Tourism (DCRT) that the Human Resources (HR) Division will develop and maintain policies/procedures for entering personnel data and time/attendance data into the LaGov Human Capital Management (HCM) Payroll System, thereby producing a timely and accurate payroll for all employees.

APPLICABILITY

This policy shall apply to all employees of OLG/DCRT who participate or contribute to the payroll process as applicable.

POLICY

OLG/DCRT shall maintain HR and Payroll programs that insure the entering of timely and accurate data into the LaGov HCM system in compliance with all applicable Federal and State laws, Civil Service Rules, and departmental policies and procedures. Staff assignments, responsibilities, and procedures are generally outlined below in relation to each of the specific components of the programs. Detailed assignments are maintained within each office.

The data entered and maintained in the LaGov HCM system represents employee and position information including the following: establishing and maintaining positions; account assignments (funding positions); employee personal data; employee/position actions and changes; regular and special pay; employee and position history; benefits; time and attendance; and employee performance. Time and attendance is the only LaGov HCM data entry function delegated to agencies.

PROCEDURES

A. LAGOV HCM/PAYROLL SECURITY AND ACCESS

Employees whose job duties include entering information into the LaGov HCM Payroll system can only do so with proper security clearance. The HR

Manager serves as the department's LaGov HCM Security Monitor and prepares a "Request for Position Security – HR" form for the approval of the Undersecretary.

Employees with security clearance enter information authorized by their job duties and within their level of security. Only those authorized with security clearance are allowed to enter data into the system. Data entered shall be monitored periodically by HR management to insure compliance with duty assignments, separation of duties, and duty exceptions as determined by agency procedures.

Security access to the system is assigned to the position occupied by the employee entering the data. If the position no longer requires access to the system, the supervisor must notify HR immediately. The HR Manager who serves as Security Monitor will immediately complete a new request form to remove access from the position, obtain approval of the Undersecretary, and notify the Office of Information Services (OIS).

B. SEPARATION OF DUTIES

1. Separation of Duties in the HR Division

Employees are limited in performing certain actions within the LaGov HCM system when the potential for fraudulent activity could exist. For example, the HR Manager who sets up positions in Organization Management will not generally enter employee actions because there is a relationship in the system between the employee and the position where one can affect the other.

Every effort is made by HR to insure that safeguards are taken when situations or exceptions occur preventing the proper separation of duties such as a staff shortage or when management confidentiality is a priority.

To guard against improprieties, HR management shall run a periodic LaGov HCM report that identifies infotype data changes made by certain HR staff. Changes identified as atypical for those staff members will be closely reviewed.

2. Separation of Duties within the Agencies

Time and attendance is the only LaGov HCM data entry function delegated to agencies. An example of the appropriate "separation of duties" is the requirement that a supervisor, or other designated employee, audit the time and attendance entered into the system by the timekeeper after the system has locked, prohibiting timekeepers from making any further entries.

Each agency within OLG/DCRT must establish internal payroll policies and procedures that are approved by the HR Division regarding separation of payroll duties. Separation of duties may be incorporated into the agency's Time Entry Policy.

Copies of internal payroll policies and procedures must also be maintained within each office and available for audit review as requested.

C. ENTERING ACTIONS

All employee personnel actions are entered into the system(s) by HR staff. A list of staff assignments shall be maintained within the HR Division and reviewed whenever changes occur in assignments or programs. This review is to insure that HR staff maintains a proper separation of duties and proper security levels in the LaGov HCM system. All actions are reviewed to insure accuracy and compliance.

1. Organization Management

The HR Manager is responsible for Organization Management. Upon receipt of proper authorization from an appointing authority, the manager will establish and maintain positions and relationships in the LaGov HCM Payroll system and maintain account assignments (source of funding) as determined by the agencies. The HR Director shall periodically review filled positions to insure OLG/DCRT does not exceed the maximum number of positions budgeted. Agency business managers or designees shall also run cost distribution reports to audit funding allocations.

2. Employee Actions

Employee actions shall only be entered into the system by authorized HR staff with approved security. Actions will only be entered into the system upon receipt of proper authorizations from appointing authorities (OMF-301 form) and any other forms that may be required such as Permanent Status Consideration Form and Training Series Consideration Form.

The LaGov HCM Action History Report is run by the HR Manager each pay period and is audited against approved action forms by an employee who does not enter actions into the system. Measures are taken to insure proper separation of duties.

D. PAY CHANGES AND DISCRETIONARY PAY

Civil Service Rules have authorized departments to develop policies for implementing discretionary pay. Procedures outlined in these policies must be followed when requests are made. In all cases concerning pay, appointing authorities must approve an OMF-301 form and any other required documents associated with the request before entries are made in the system. The policies developed by this department for discretionary pay rules are listed below and may be accessed at <http://www.crt.state.la.us/HR/Policies.aspx>.

- Special Entrance Rates (SER's)
- Hiring Above the Minimum
- On-Call Pay
- Optional Pay Adjustments
- Rewards and Recognition

E. TIME AND ATTENDANCE

1. Agency Policies on Time Entry

Each agency within OLG/DCRT must establish procedures that are approved by the HR Division regarding payroll time entry.

Agency policies must include the following requirements:

- (a) Each employee must sign a time sheet certifying that the time entered on the time sheet is correct.
- (b) Each supervisor must also sign the time sheet which indicates certification that the time sheet is accurate, that it is correctly completed and signed by each employee, and that all approved supporting documentation is attached. It is essential that the supervisor review the time sheet carefully to insure that all required documentation is attached and that all required signatures are present.
- (c) If timesheets are forwarded to timekeepers in advance of the pay period ending date, changes or additional entries must be forwarded early on Monday morning before the system shuts down to run payroll. When changes are made to the time sheets after they have been approved, the changes must be initialed by both employees and the supervisors.

- (d) After the LaGov HCM Payroll system has been closed to time entry, a supervisor or proper designee who does not have time entry security clearance must run the time entry reports from the LaGov HCM system and audit them against the approved timesheets. If the time entry reports are exported to Excel files, the LaGov HCM report in its original form must be attached. The employee who enters time into the system must not audit the final reports. All audit reports must be signed and dated when audited.
- (e) If errors are detected during the audit of reports, prior pay period adjustments must be approved and forwarded immediately to HR.

2. Agency Policies on Overtime

The employees of OLG/DCRT may earn overtime and K-Time. Appointing authorities in each agency are required to develop policies and procedures for their agencies in accordance with the Fair Labor Standards Act (FLSA), state law and Civil Service Rules. Policies must be approved by HR for accuracy and consistency. Overtime and K-Time must be approved by supervisors and agency appointing authorities.

3. Time and Attendance Administration Responsibilities

The efficient operation of OLG/DCRT's time and attendance administration process shall be implemented through the assignment of specific responsibilities and duties, as indicated below. The department will use forms designated by the Division of Administration and those approved by the HR Division and the Undersecretary.

(a) HR Manager

Serves as the Agency Security Monitor, and with the approval of the HR Director or designee, assigns a backup security monitor to serve when absent.

Gives/restores system access to approved time administrator and timekeepers.

Maintains the confidentiality of all operator identification numbers.

(b) HR Division

Under the direction of the Human Resources Director, provides oversight of the operation of the time administration process and time entry system.

Trains time administrator and timekeepers in the use and function of the system and assists them as necessary.

Updates time administrator and timekeepers on new procedures or information.

Conducts periodic reviews, or audits, on a random basis of time administrator documentation and system entry.

(c) Division Director or Designee(s)

Manages the time administration function within the assigned unit to insure the accuracy of the process.

Assigns a timekeeper and backup and notifies the HR Division as changes occur in the assignment of this function.

Designates an official sign-in method for the assigned unit and insures its accuracy.

Insures the timely completion of all documentation required by employees under his supervision.

Insures that the appropriate codes are entered on the time sheets and that all laws, rules, regulations, policies, procedures, and timelines have been followed.

Insures that the proper attendance reasons are coded when employees are away from the office for approved events such as testing/exams, training, conference/convention, state interviews, etc.

Pays particular attention to non-routine situations where specific laws, rules and/or procedures may apply. The LaGov HCM system has an established set of codes to be used to identify the type of time an employee is earning or using, such as FLSA (overtime), FMLA, Worker's Compensation, Military Leave, Funeral Leave, Act of God, etc.

Gives final approval to the hours recorded on the time sheet and on the overtime reports submitted by employees.

Reviews the system-generated payroll reports each pay period (after the system is locked at the end of the pay period) to verify the accuracy of the time entry input by the timekeeper.

Approves changes and adjustments as necessary.

Insures the timely submission of prior pay period adjustments if necessary.

Insures the orientation of new employees to this process during initial on-the-job training.

(d) Time Administrator (HR)

Provides assistance to timekeepers.

Enters time and attendance or makes corrections on payroll Mondays after timekeepers are locked out of the system, if required.

Maintains the confidentiality of all operator identification numbers and passwords.

(e) Timekeeper

Enters information from the time sheets and documentation provided by employees and supervisors into the time entry system in a timely manner (at least weekly).

Follows the “Guidelines for Timekeepers,” established by HR to assist timekeepers and supervisors in properly identifying the correct codes required for many of the non-routine situations.

Uses documentation from employees and supervisors to verify hours worked and leave taken.

Insures the custody of the bi-weekly reports and backup documentation for audit purposes.

Generates and distributes reports for use by division directors/designees to determine any attendance or leave inaccuracies for the pay period.

(f) Employee

Signs in and out on the time sheet on a daily basis in accordance with the unit's designated method.

Advises the supervisor or other designated manager of his whereabouts during the day, if he is away from his work station/location.

Requests approval for leave and/or for the earning of overtime on the appropriate form and obtains supervisor's approval in time for entry into the time entry system for the current pay period.

Indicates the proper attendance reasons when away from the office or work location for approved events, i.e., testing/exam, training, conference/convention, state interview, etc.

Reviews remuneration statement for accuracy of pay, leave usage and leave balances, and reports discrepancies to the Division Director or his designee.

F. PAYROLL DEDUCTIONS

Payroll deductions are either the result of requirements by law or optional choices made by employees. The HR Division will advise employees on the various requirements and options. Deductions fall under the following categories and may only be entered into LaGov HCM Payroll system upon receipt of written authorization by the employee or other authorized entity. Employees must therefore complete the appropriate documentation in order to facilitate a deduction. HR staff is responsible for reviewing enrollment/deduction documents, entering information into the appropriate data system, and forwarding the enrollment forms to LASERS, Group Benefits, or other offices as required. Examples of typical payroll deductions are:

- Retirement/Social Security
- Federal and State Taxes
- Health and Life Insurance
- Credit Union Deductions
- Miscellaneous Products Approved by Office of State Uniform Payroll (OSUP)

Court ordered deductions such as child support or garnishments are served by law enforcement officials directly to OSUP and entered into the LaGov HCM system by OSUP. The legal documents are retained by OSUP. In the event papers are served to an agency in error, HR Memo #02-089 "Garnishment Procedures" explains how the agency should respond.

G. DISTRIBUTION OF PAYCHECKS

1. Regular Pay

Paychecks are distributed by electronic direct deposit into an employee's checking or savings account(s) at an approved banking institution(s). Exceptions to this OSUP rule must meet certain criteria and be approved in advance of employment. If an employee changes banks during employment, HR must be notified immediately to insure the employee's timely receipt of pay. See PPM #28, Direct Deposit, for more information.

2. Off-Cycle Pay

If a payroll error occurs resulting in a loss of pay to an employee, HR will make the correction and generate an off-cycle paycheck to insure that the employee receives his pay in a timely fashion. If the loss is less than eight hours, the correction will be adjusted in the following pay period. If the error does not result in a loss of pay to the employee (such as an incorrect time entry code), the correction will be made by HR in the next pay period.

H. AUDITING REPORTS

The LaGov HCM system is a statewide information system used by many state departments. The data records provide employment, pay and benefits histories for all LaGov HCM-paid employees, and these records must be reviewed periodically by running LaGov HCM reports.

All audit reports must be signed and dated when audited and retained in accordance with established laws and agency procedures.

1. Reports Run by HR

A schedule of periodic reports and staff assignments shall be established by HR and reviewed annually to insure compliance with "separation of duties" requirements and to monitor the accuracy of data entered. As changes occur in the LaGov HCM reporting system, more frequent updates may be warranted.

2. Reports Run by Agencies

Agencies shall develop policies on running reports to audit time entries and to monitor filled positions to insure proper funding and reporting categories and other associated information. Time entry audit reports

must be run after the timekeepers are locked out of the system after the pay period ending, on “payroll Monday.” Reports run before the end of the pay period and used for proofing the entries are not considered official audit reports. All audit reports must be signed and dated.

I. RECONCILING INVOICES

The HR Division is responsible for reconciling invoices from insurance companies and discrepancies from retirement systems. Invoices are reviewed to determine accuracy and to research discrepancies by the assigned HR Analyst. Discrepancies are resolved in a timely fashion and reported to the appropriate entities. Corrections are made in the LaGov HCM and the OGB e-Enrollment systems. Employees are notified of the outcome.

J. RECOVERY OF LOSSES

The HR Division will make every effort to recover any losses resulting from overpayments or underpayments. Efforts to recover losses may include telephone calls to employees, letters, and legal notification.

K. RECORDS RETENTION

Payroll records and LaGov HCM audit reports must be retained in accordance with established laws and agency procedures.

1. Time and Attendance Documents

The OS, OMF, OSM, OSP, and OT must retain time sheets, leave approval forms, overtime approval forms, and audit reports for five years and audit reports for three years. For OLG, OCD, and OSL, time sheets, leave approval forms, overtime approval forms, and audit reports must be retained for 10 years.

2. LaGov HCM System Reports

The monitoring reports generated by HR staff shall be retained as determined necessary.

L. PRIVACY & CONFIDENTIALITY VERSUS PUBLIC RECORDS

The Human Resources Director is the official custodian of personnel and payroll records. The official records are maintained in the HR Division. All employee records are maintained in locked files. Employees may review their complete file upon request under the supervision of an HR staff member. Upon request, members of the public may review the public records file of any employee of OLG/DCRT under the supervision

of an HR staff member. Upon written request, copies of public records only will be provided within 72 hours as required by the Louisiana Public Records Act (RS 44:1-427). Upon receipt of a court ordered subpoena for records, all requested information will be provided according to law.

HR staff responding to public requests will take measures to insure that any confidential information contained within the public records (such as a Social Security number) is obscured from view when viewing or is obliterated on the copies provided. All such records will be certified by the HR Director as true copies of the original, when necessary, rather than originals.

The public and confidential records of employees' personnel files will be separated and the confidential section clearly marked. Confidential records include payroll, benefits, performance documents/ratings, and many other confidential documents. Confidential documents will be protected from general public access. Records in the HR Division or any other offices of OLG/DCRT that contain medical information, such as FMLA requests or doctor's statements relating to absences, Pre-existing Condition Forms, Risk Management E-2 forms, leave slips containing medical information, and any others, will be maintained in separate, locked files.

Based on a need to know, information that is considered public record, such as an employee's salary, date of hire, and title, will be provided by HR staff when verification of employment is requested. With the exception of requests for employment information from other state agencies, all other personnel information will only be verified with written consent of the employee.

As new actions are entered into the La Gov HCM Payroll system, copies of employee notification forms (ENF's) and benefits authorization forms will either be given personally to employees or mailed to the employees' current mailing address as appropriate.

CONSEQUENCES

Employees who fail to comply with the requirements outlined in this policy are subject to disciplinary action.

Summary of Changes: Added policy number, updated references to payroll system name from ISIS to LaGov HCM, removed primary/secondary actions under Section C.2, updated discretionary pay policy list, removed miscellaneous policy list, removed Examples section (December 1, 2011).