

Policy/Procedure Statement



- **POLICY NO.:** 12003
- **EFFECTIVE DATE:** *Immediately*
- **ISSUANCE DATE:** *May 31, 2006*
- **ORIGINATOR:** *Accounting Division*

DEPARTMENT OF MANAGEMENT AND BUDGET

SUBJECT: TIME REPORTING

I. PURPOSE

This policy/procedure statement sets forth the requirements for time sheet preparation, authorization and recording in the Human Resources/Payroll System.

Salaries and wage costs are typically the largest single cost of any employer. The provisions of this policy/procedure statement are designed to ensure that: (a) there is a proper segregation of duties in the payroll processing functions; (b) the payment of salaries and wages have been properly authorized; and (c) salaries and wages are supported by proper documentation, are accurate in amount, are recorded on a timely basis, and are properly recorded in the books and records of the County.

II. POLICY APPLICABILITY AND ENFORCEMENT

The Accounting Division of the Department of Management & Budget (M&B) is responsible for the development, communication, revision, and enforcement of this policy. M&B Satellite Offices will assist in the interpretation and monitoring of adherence to this policy for their user departments.

The provisions contained in this policy/procedure statement are applicable to the activities of all departments and elected official offices (user departments). The Director of Accounting is responsible for the resolution of policy interpretation issues, in collaboration with the Department of Personnel/Human Resources (Personnel Department), where applicable.

The processing of supplemental pay adjustments (manual pay checks) is not within the scope of this policy/procedure statement.

III. POLICY PROVISIONS

A. Completion of Time Reports

Every individual receiving compensation for wages from the County must complete a time report, also referred to as a time sheet or a time record. For purposes of this policy, these individuals will be referred to as “employees”. Elected officials are not considered employees for purposes of this policy/procedure statement. Employees include individuals hired pursuant to collective bargaining agreements; appointees; department heads; contractual employees, and temporary employees. When necessary to assist with centralized cost allocations and to meet grant reporting requirements, M&B will require employees who work on multiple jobs/projects to complete time distribution logs. The official time distribution log is included as Appendix E.

The employees of certain departments and elected official units, such as County Clerk, Third Circuit Court, and Probate Court, do not complete paper time reports. Their time is electronically captured (e.g., “swipe” badges). The electronically captured time is transferred to the Human Resources/Payroll System. The remaining provisions of this policy as they relate to the completion of proper supporting documentation and the review and approval processes shall apply.

An official time report is included as Appendix A. Certain employees are not paid overtime and shall not record such time on their time reports. A separate time log may be maintained if such additional hours worked are tracked for project accountability and management purposes.

The time report includes the mandatory requirements as defined below. User departments may require additional information from their employees to meet their needs.

Wayne County processes payroll every two weeks. There are 26 pay cycles in the calendar year. Each pay cycle begins on a Monday and ends on a Sunday. An annual pay calendar may be obtained from the Payroll unit of M&B or from Wayne County’s intranet.

A time report, **must** be completed for each employee, for each pay period, and **must** include the following mandatory elements:

- The name of the employee
- The employee’s unique five digit identification number (assigned by the Human Resources/Payroll System)
- The beginning and end date of the pay period
- The pay cycle number
- The number of hours reported each day of the pay period, which would include regular hours, overtime hours (if such hours will be paid), use of leave banks, etc. The most commonly used time utilization codes are listed at the bottom of the time report in Appendix A. Where appropriate, additional codes can be obtained from Personnel. The total hours reported each day must be a minimum of 8
- The total number of hours reported for the pay period (must be a minimum of 80)
- The employee’s signature
- The signature of the **supervisory official** having first hand knowledge of the hours worked by the individual and date signed (**employees are not to sign their own time reports as the supervisory official**)
- The signature of the timekeeper

A time report shall be on file for each employee. *Only elected officials are exempt from the requirement to complete a time report.*

Additional reporting requirements are necessary for individuals whose time and activities are charged to grants. Refer to Section G below for these additional requirements. Also refer to Policy/Procedure Statement No. 16000, “Grant Application, Acceptance, and Approval Process” for additional guidance on grants.

B. Time Report Supporting Documentation

Each employee time report must include support for approval of leave time and any expense reimbursements, such as mileage. Refer to Appendix B for the “Request for Leave Form” and Appendix C for the “Mileage Reimbursement Form”. The signed **originals** of these forms must be completed and attached to the time reports. Unscheduled and unanticipated sick or personal

time shall be noted as such on the time report since the Request for Leave Form would not have been completed in advance.

C. Input of Time into the Human Resources/Payroll System

Only those individuals authorized by the Personnel Department have the ability to enter time into the Human Resources/Payroll System (the “timekeeper”). User departments must contact the Personnel Department for any questions on establishing payroll input authority for their personnel.

The timekeeper shall input time into the Human Resources/Payroll System using the time reports. The timekeeper shall ensure that all time reports have been completed in their entirety, have been approved by the supervisor, and all supporting documentation has been attached. The timekeeper shall also ensure the mathematical accuracy of the time reports. The timekeeper must return any discrepancies to the employee and his/her supervisor for correction.

If the timekeeper makes any corrections to the time reports, the timekeeper must initial those corrections on the time reports and notify the employee and supervisor of such changes. The employee must also initial the corrections.

Any corrections to time entered in a previous pay cycle must be documented as a correction in the paperwork of **both pay cycles**. The supporting documentation should include, at a minimum, the nature and reason for the correction (for example, to adjust the employee’s leave bank or to adjust overtime hours incorrectly computed), the pay cycle in which the error occurred, and the pay cycle in which the error was corrected. All corrections of time made by the timekeeper from a previous pay cycle must be approved in writing by the employee, the employee’s supervisor, and the payroll approver.

The timekeeper shall bring any open items to the payroll approver (refer to Section D below) for resolution in advance of the deadline for the input and approval of time into the Human Resources/Payroll System.

The Personnel Department has established the following deadlines for the input and approval of time into the Human Resources/Payroll System:

Five-day operations (most County activities) – 5pm of the Monday after the pay period ends

Seven-day operations (County Clerk, Third Circuit Court, Probate Court, Children and Family Services, Roads, Department of Environment, Sheriff and Prosecutor) – noon of the Tuesday after the pay period ends

These deadlines are NOT extended to accommodate the timing of holidays. Divisional management should make the necessary arrangements to have payroll input and approved in the Human Resources/Payroll System by the above deadlines.

D. Approval of Time in the Human Resources/Payroll System

Only those individuals authorized by the Personnel Department have the ability to approve time in the Human Resources/Payroll System (the “payroll approver”). User departments must contact the Personnel Department for any questions on establishing payroll approval authority for their personnel.

To ensure the timely and accurate processing of salaries and wages, the payroll approver must examine the payroll input and ensure its accuracy and completeness.

The individual entering the time in the Human Resources/Payroll System is not authorized to also approve that time in the Human Resources/Payroll System.

The payroll approver must perform the following procedures **before** payroll is approved in the Human Resources/Payroll System:

- Obtain the Human Resources/Payroll System generated time input reports from the timekeeper
- Compare the time entered as reflected in the Human Resources/Payroll System report to the employee's timesheet
- Review all error reports (e.g., Missing Time Sheets report)
- Document and resolve any discrepancies
- Sign the Human Resources/Payroll System reports as evidence of review and approval

Once the payroll approver performs the above steps and resolves all discrepancies, the payroll approver will approve the time in the Human Resources/Payroll System in accordance with the deadlines in Section C above.

If changes to the payroll are discovered after the time has been approved, and the deadline for timesheet entry and approval has not passed, **the payroll approver, not the timekeeper**, must request approval from the Personnel Department for the timekeeper to make revisions in the Human Resources/Payroll System.

If the Personnel Department grants the approval, the timekeeper must initial and date the changes on the time reports and re-print the revised Human Resources/Payroll System reports. The payroll approver must review the revised reports and initial that the changes were made correctly. The employee must initial any subsequent changes to his/her time report.

E. Personnel Department Approval of Time

The Personnel Department is authorized to approve time in the Human Resources/Payroll System for the user departments that missed the approval deadlines. The Personnel Department only exercises this default authority to avoid jeopardizing the processing deadlines for the entire County payroll.

Since the Personnel Department's approval is not a substitute for the review and approval of time input by user department management, this method of approval can result in inaccurate or improper payrolls.

The Personnel Department will monitor the frequency of these types of approvals, by department. Persistent violations by the payroll approver may necessitate remedial actions. Sanctions may also be imposed.

F. Review of the Payroll Register

The payroll register summarizes the salary and wages paid to all employees. Each month, senior management of each user department (Assistant Division Director level or above) shall review, the payroll input for each employee as reflected in the Human Resources/Payroll System reports to the time paid to that employee as reported in the payroll registers to ensure that only the time authorized was paid and only to authorized employees.

The payroll approver shall not be the individual reviewing the payroll registers.

The M&B Payroll unit and the Personnel Department can provide other customized payroll reports considered useful by senior management in monitoring their division's salary and wage costs.

G. Time Reporting for Grant Awards

Employee time reports must include all elements identified in Section A above. In addition, time reporting related to federal grant awards must follow more stringent requirements.

The Federal Office of Management and Budget Circular A-87, "Cost Principles for State, Local and Indian Tribal Governments, Section 8(h) Compensation for Personal Services", prescribes that the support for salaries and wages regarding time distribution are in accordance with the following standards for payroll documentation:

- 1) Charges to Federal awards for salaries and wages, whether treated as direct or indirect costs, will be based on payrolls documented in accordance with the generally accepted practices of the governmental unit and approved by a responsible official(s) of the governmental unit.
- 2) No further documentation is required for the salaries and wages of employees who worked in a single indirect cost activity.
- 3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee and a supervisory official having first hand knowledge of the work performed by the employee. (Refer to Appendix D for the official time certification form.)
- 4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation, which meets the standards in (5).
- 5) Personnel activity reports or equivalent documentation must meet the following standards:
 - a) They must reflect an after-the-fact distribution of the actual activity of each employee,
 - b) They must account for the total activity for which each employee is compensated
 - c) They must be prepared at least monthly and must coincide with one or more pay periods, and
 - d) They must be signed by the employee and a supervisory official having first hand knowledge of the work performed by the employee
 - e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:
 - (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
 - (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually

performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and

- (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

To ensure that the County is in compliance with the above personnel activity reporting requirements, each employee working on a grant **MUST** complete a bi-weekly time distribution log to document such activities. Refer to Appendix E for the official time distribution log.

H. Record Retention

In accordance with the record retention policy followed by the State of Michigan, all time reports, payroll registers, and supporting documentation shall be retained for a minimum period of (3) years, or until completion of an audit, whichever period is longer.

IV. DISTRIBUTION

Elected Officials
Department Heads
Directors and Assistant Directors
Department of Management and Budget Staff
Department Financial Representatives

- /Attachments:
- Attachment A – Employee Time Report
 - Attachment B – Employee Time Off Request
 - Attachment C – Mileage Reimbursement Form
 - Attachment D – Time Certification Form For Employees of Federally Funded Programs
 - Attachment E – Bi-Weekly Time Distribution Log

EMPLOYEE TIME REPORT

PAY CYCLE _____

FROM _____

TO _____

EMPLOYEE Number	EMPLOYEE Name	EMPLOYEE INITIALS	DAY	OPTIONAL				TIME UTILIZATION (Number of Hours)						OVERTIME		Supervisory Approval
				A.M.		P.M.		RDY	PB	S	V	OTHER	CODE*	OVT HOURS	REASON	
				IN	OUT	IN	OUT									
			MONDAY													
			TUESDAY													
			WEDNESDAY													
			THURSDAY													
			FRIDAY													
			SATURDAY													
			SUNDAY													
			MONDAY													
			TUESDAY													
			WEDNESDAY													
			THURSDAY													
			FRIDAY													
			SATURDAY													
			SUNDAY													
				(For timekeeper's use only) Total Hours											GRAND TOTAL HOURS	

I verify that the hours stated above are true and accurate.

Signature of Employee Date

Signature of Supervisory Official Date

Signature of Timekeeper Date

Time Utilization Codes*

- RDY = Regular
- OVT = Overtime
- DBL = Double time

- HOL = Holiday
- NF3 = Work/Minor Holiday
- FH2 = Work/Major Holiday
- BDY = Birthday

- S = Sick Leave
- V = Annual/Vacation Leave
- PB = Personal Business Leave
- SF = Sick Family

- BL = Bereavement Leave
- NE = No Pay Excused
- JRY = Jury Duty

Employee Time Off Request

Department Of _____

_____ Division

Employee Name: _____

Leave bank to be utilized:

Hours in Bank

Annual

Bereavement

Sick (use comments if family related)

Birthday (to be used within 30 days)

Personal (must have sick hours in bank)

Leave is requested for a period of _____ day(s) and _____ hour(s).

From: ____ / ____ / ____ at ____ AM/PM

To: ____ / ____ / ____ at ____ AM/PM

If applicable, please check one of the following for the disposition of checks.

To be retained by my supervisor until my return

Released to: _____

Mailed to: _____

City: _____ State: _____ Zip: _____

Comments: _____

Employee's signature: _____

Disposition by Supervisor: Approved Denied

Supervisor's signature: _____

Approval of this time off request does not constitute approval for time off without pay. It is the responsibility of the employee to confirm that available time is present in their sick, personal or annual leave bank(s). Employees that take time off without sufficient leave time in their leave bank(s) will be docked.

Comments/Reason for denial: _____

**WAYNE COUNTY
MILEAGE REIMBURSEMENT FORM**
Sheet ___ of ___

Fund				Activity				Line Item						

Employee Name _____			Employee ID # _____				Department/Division _____		
Street Address _____		City _____	State _____	Zip _____	Month/Year _____				

Date	Odometer Reading		Total Miles	Home to Work and Return	County Business	Nature of Business and Work Order Number if Applicable
	Begin	End				
TOTALS						

I HEREBY CERTIFY THAT ALL MILEAGE INCLUDED IN THIS STATEMENT WAS INCURRED FOR AUTHORIZED OFFICIAL BUSINESS; ARE IN ACCORDANCE WITH THE WAYNE COUNTY TRAVEL POLICY; ARE CORRECT IN AMOUNT; AND REPRESENT PROPER CHARGES AGAINST THE COUNTY.

SIGNATURE OF EMPLOYEE/OFFICIAL _____	DATE _____	SIGNATURE OF AUTHORIZING OFFICIAL _____	DATE _____
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**WAYNE COUNTY
TIME CERTIFICATION FORM
FOR EMPLOYEES OF FEDERALLY FUNDED PROGRAMS**

In accordance with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, Attachment B, Section 8(h)(e) "Compensation for Personal

Services", I _____, certify that I have worked solely on
(Employee Name)

_____, for the period _____ to _____.
(Grant Description and CFDA#)

_____.
(No more than six months)

Employee Signature _____

Supervisor Signature _____

Date _____

WAYNE COUNTY DEPARTMENT OF _____

_____ DIVISION/UNIT

Bi-Weekly Time Distribution Log

Name:	
Title:	
Position #:	
Employee #:	

Pay Period Ending:	
Business Unit:	
Department Code:	
Division Name:	

Description	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total
Regular Hours								0.00								0.00

Project/Grant CFDA (if applicable) Number:																
Meetings								0.00								0.00
Training																
Admin.																
Other:								0.00								0.00
Total Hours:								0.00								0.00

List of Activities:

Leave Section:																
Sick Leave								0.00								0.00
Personal Leave								0.00								0.00
Annual Leave								0.00								0.00
Holiday								0.00								0.00
Birthday								0.00								0.00
Other:								0.00								0.00
Total Hours:								0.00								0.00

<i>The entries on this report are, to the best of my knowledge, complete and true.</i>	
SIGNATURE OF EMPLOYEE:	DATE:
SIGNATURE OF SUPERVISOR:	DATE: