



Instructor

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Course 203 Payroll and Personnel – Best Practices

Description

This course is designed to help participants understand the best practices over payroll and personnel issues including hiring processes and payroll processes. It is also intended to help participants understand that the best practices include accountability and transparency.

Objectives

To provide participants with best practices over payroll and personnel issues including:

- Hiring processes
- Personnel files
- Time and Attendance
- Overtime and Leave
- Payroll processing
- Performance appraisals
- Ethics
- Discrimination/Harassment

Who Will Benefit


- Elected Officials/Appointed Officials
- Local Government Employees/Local Government Auditors

About the Instructor

Brad Cryer is the Director of Local Government Services with the Louisiana Legislative Auditor's (LLA) Office. He has nearly 23 years of experience with the LLA and is responsible for Local Government and Advisory Services. Brad's past experience includes financial and federal program audits at state agencies, universities, pension systems, boards, and commissions. He also spent several years as the Assistant Director responsible for the audit of the state of Louisiana's Comprehensive Annual Financial Report. More recently, Brad has been involved with the implementation of the LLA's statewide agreed-upon procedures.

Brad is a Certified Public Accountant and is a member of the American Institute of Certified Public Accountants, the Society of Louisiana Certified Public Accountants, and the Government Finance Officers Association. He earned a Bachelor of Science degree in Accounting from Louisiana Tech University in 1996.

Center for Local Government Excellence



Payroll and Personnel – Best Practices

Presented by:
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Written Policies and Procedures


Written policies and procedures should include hiring processes, personnel files, time and attendance, overtime and leave, payroll processing, performance appraisals, ethics, and discrimination/harassment provisions.

Hiring Processes




- * Perform a “needs” assessment, including budgetary considerations, when determining whether to hire or contract.
- * Establish minimum qualifications, job responsibilities, and formal pay scales/salary ranges before posting the job.
- * Establish a protocol for receiving resumes or applications, interviewing applicants, performing background checks, and verifying credentials (e.g. diploma, transcript).

Hiring Processes




- * The focus should be on a candidate’s qualifications:
 - * Can not disqualify based on race or gender
 - * Can not ask about religion, marital status, child care arrangements, or sexual orientation



Personnel Files

- * Items to include in personnel files:
 - * Employment application/related forms, including I-9 (employment eligibility) – usually maintained separate from employee files
 - * Job description – signed by employee
 - * Authorized salary/pay rate and changes
 - * Tax withholding forms (W-4, L-4)
 - * Retirement system forms, if applicable



Personnel Files

- * Items to include in personnel files (continued):
 - * Authorized deduction forms (e.g. insurance, deferred compensation)
 - * Direct deposit forms
 - * Annual certification forms – acknowledgment that employee agrees to comply with employee, operations, ethics, safety, IT, and/or travel handbooks.

Personnel Files



- * Items to include in personnel files (continued):
 - * Annual performance appraisals
 - * Promotions
 - * Disciplinary actions

Time and Attendance



The AG has noted that timesheets or a similar form of documentation are required to document and substantiate the accrual of leave. The AG has also noted that payment for work that is not performed is a prohibited donation of public funds and may constitute payroll fraud. Therefore, there should be some form of documentation and adequate supervision to ensure that employees are working the scheduled hours upon which their salaries are based.

Time and Attendance



- * Timesheets are preferred, with a breakdown of hours worked daily – **this will continue to be evaluated as a best practice criteria for statewide agreed-upon procedures.**
- * If not using timesheets, employees must otherwise certify that they have worked their required hours (e.g. 40 hours/week for a full-time employee). This applies to salaried employees as well.

Time and Attendance



- * Timesheets, and related leave requests, should be approved by each employee's supervisor prior to payroll processing.
 - * Timesheets are generally not required for elected officials, unless the official is earning leave.
 - * For directors, CEOs, etc., hired by a board to run an organization, timesheets should be approved by a board member.

Overtime and Leave



Fair Labor Standards Act (FLSA) Non-Exempt employees:

- * Employer must provide time and a half for time worked in excess of 40 hours in a week, either paid or compensatory time.
- * Compensatory time is generally limited to 240 hours. Any amounts in excess of the 240 hours must be paid out to the employee.

Overtime and Leave



FLSA Exempt employees:

- * Employer may provide compensatory time by policy and set limits on "carry-over" compensatory balances. These provisions must be applied prospectively.

Overtime and Leave



- * Family Medical Leave Act (FMLA) provides for 12 weeks of unpaid leave for eligible employees, under a covered employer, for a serious health condition, within a 12-month period.
- * FMLA also provides for an additional 26 weeks of unpaid leave relating to military service

Overtime and Leave



- * Leave should not be advanced or given to employees before it is earned.
- * Employers must maintain leave records for employees.
- * For elected officials, the employer must also maintain records if the official earns leave.
- * Leave records should be periodically reviewed by an independent person.

Payroll Processing



- * Management should segregate payroll processing duties such that employees do not have the ability to process and approve actions that affect their own pay.
- * Good controls require different people to (1) prepare/update payroll and personnel data; (2) review/approve payroll actions; (3) review/approve payroll reports; (4) distribute payroll; and (5) review and reconcile bank accounts.

Payroll Processing



- * If proper segregation can not be established, a supervisor should review and approve all steps in the payroll process.
- * Employee access to the payroll system should be limited so that a single employee can not create employees, change employee pay information, and input hours worked.
- * Each pay period, management should review reports for the appropriateness of employees added, pay rate changes, or termination payments.

Payroll Processing




- * The entity should schedule recurring payments for insurance, retirement contributions, federal/state taxes, etc. to minimize the risk of missing a deadline for payment or filing.
- * An independent person should be assigned to investigate unclaimed checks.
- * Blank checks should be stored in a secure location and never signed in advance.

Performance Appraisals




- * All employees should be formally evaluated annually. This provides management with an opportunity to address compensation, training, and/or disciplinary issues.
- * Annual evaluations should include an update to certification forms (e.g. ethics, confidentiality, policies/procedures).



Ethics

- * An agency's Code of Conduct should include a commitment to integrity and ethical values, prohibitions, and disciplinary actions.
- * An annual hour of training for all employees is legally required. Entity should maintain documentation of this training.
- * The entity should consult with legal counsel when establishing ethics-related policies and procedures.



Ethics

- * The entity's written policies and procedures should include (1) the prohibitions as defined in R.S. 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, sign an annual certification that they have read and agree to comply with the entity's ethics policy.

Discrimination/Harassment



- * Under the laws enforced by the Equal Employment Opportunity Commission (EEOC), it is illegal to discriminate against an applicant or employee because of that person's race, color, religion, sex (including gender identity, sexual orientation, and pregnancy), national origin, age (40 or older), disability, or genetic information.
- * It is also illegal to retaliate against a person because he or she complained about discrimination, filed a charge of discrimination, or participated in an employment discrimination investigation or lawsuit.

Sexual Harassment



- * It is unlawful to harass an applicant or employee because of that person's sex. Harassment can include "sexual harassment" or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature.
- * Harassment does not have to be of a sexual nature and can include offensive remarks about a person's sex. For example, it is illegal to harass a woman by making offensive comments about women in general.

Sexual Harassment




- * Although the law doesn't prohibit simple teasing, offhand comments, or isolated incidents that are not very serious, harassment is illegal when it is so frequent or severe that it creates a hostile or offensive work environment or when it results in an adverse employment decision (such as the victim being fired or demoted).
- * The harasser can be the victim's supervisor, a supervisor in another area, a co-worker, or someone who is not an employee of the employer, such as a client or customer.

Sexual Harassment



Louisiana R.S. 42:341-344 (Prevention of Sexual Harassment)

- * Became effective January 1, 2019
- * Who is impacted? All public officers and employees, departments, offices, divisions, agencies, commissions, boards, committees, and other organizational units of the State of Louisiana or political subdivisions.




Sexual Harassment

§342. Mandatory policy prohibiting sexual harassment

Requires each agency head to adopt a sexual harassment policy, containing, at a minimum, **ALL** of the following:


- * A clear statement that unwelcome sexual advances, requests for sexual favors, and other verbal, physical, or inappropriate conduct of a sexual nature constitute sexual harassment when the conduct explicitly or implicitly affects an individual's employment or the holding of office, unreasonably interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment and shall not be tolerated.



Sexual Harassment


- * A description of the behavior the agency defines as inappropriate conduct, including examples.
- * An effective complaint or grievance process that includes taking immediate and appropriate action when a complaint of sexual harassment involving any public servant in the agency is received. The complaint process shall detail who may make a complaint, to whom a complaint may be made, and shall provide for alternative designees to receive complaints. Actions taken on the complaint shall be documented.

Sexual Harassment



- * A clear prohibition against retaliation against an individual for filing a complaint or testifying or participating in any way in an investigation or other proceeding involving a complaint of sexual harassment.
- * A statement apprising public servants of applicable federal and state law on sexual harassment.

Sexual Harassment



§343. Mandatory training requirements

- * Each public servant shall receive a minimum of **one hour** of education and training on preventing sexual harassment during **each full calendar year** of his public employment or term of office.
- * Supervisors and any persons designated by the agency to accept or investigate a complaint of sexual harassment in his/her agency shall receive additional education and training.

Sexual Harassment




- * The education and training may be received either in person or via the internet.
- * Each agency head shall ensure that each public servant in the agency is notified of the agency's policy against sexual harassment and the mandatory training requirement on preventing sexual harassment.

Sexual Harassment




- * The agency head, or his designee, shall be responsible for maintaining records of the compliance of each public servant in the agency with the mandatory training requirement.
- * Each public servant's record of compliance shall be a public record and available to the public in accordance with the Public Records Law.



Sexual Harassment

- * Each agency head shall ensure that its policy against sexual harassment and its complaint procedure is **prominently posted on its website** or, if the agency does not have a website, that a notice on how to obtain the information is posted in a conspicuous location in each of the agency's offices.



Sexual Harassment

§344. Mandatory reports

Each agency head shall compile an annual report by February first of each year containing information from the previous calendar year regarding his agency's compliance including:

- * The number and percentage of public servants in his agency who have completed the training requirements;
- * The number of sexual harassment complaints received by his agency;

Sexual Harassment



- * The number of complaints which resulted in a finding that sexual harassment occurred;
- * The number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- * The amount of time it took to resolve each complaint.

These reports shall be public record and available to the public in the manner provided by the Public Records Law.

Other Issues



- * Any fraud or suspected fraud, payroll or otherwise, must be reported to the LLA and District Attorney.
- * LLA fraud hotline notice should be posted on entity premises and website.

Things not addressed...



* Please note that this presentation is primarily designed to address best practices and **is not** a comprehensive source of all legal or regulatory requirements. For questions on issues not discussed, such as ADA, COBRA, Davis-Bacon, ERISA, FUTA, HIPAA, etc., you should consult with your legal counsel.

Questions



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Contact Info



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