

## Guidelines

<b>Title:</b>	ODHS OHA-040-007-02 Payroll Distribution
<b>Related to:</b>	ODHS OHA-040-007 Payroll Management
<b>Effective date:</b>	11/02/2020

## Purpose

This document provides guidelines for distribution of payroll, paychecks, and paystubs.

## Guidelines

1. The payroll system generates pay twice each month on the 1<sup>st</sup> and the 15<sup>th</sup>.
  - A. When the payday falls on a weekend or holiday, payday will occur on the Friday before the date.
  - B. December paychecks are dated for January 1<sup>st</sup> or the first working day in January to avoid the risk of December's paychecks being included in the prior year's earnings for tax purposes.
  - C. Permanent employees are paid for forecasted hours and additional time worked on the 1<sup>st</sup> of the following month and any overtime, shift differentials or other adjustments on the 15<sup>th</sup> of the following month.
  - D. Temporary employees are paid for hours worked from the 1<sup>st</sup> to the 15<sup>th</sup> of the month on the first day of the following month and for hours worked from the 16<sup>th</sup> to the end of the month on the 15<sup>th</sup> of the following month.
2. All employees and officers of ODHS and OHA paid under the Oregon Statewide Payroll Application (OSPA) receive payment of net salary and wages through direct electronic deposit to a financial institution specified by the officer or employee or to the US Bank FOCUS Mastercard. Some exceptions apply.
  - A. Direct deposit to a financial institution account maintenance is updated by the employee in Workday.
  - B. US Bank FOCUS card authorization forms are submitted to OFS Payroll unit.
  - C. An employee may receive a paper paycheck their first month of employment or in between direct deposits if an update is made to account information.
2. Employees register with ePayroll to retrieve their paystub; paystubs are available approximately two days before payday.
3. Paychecks are delivered by Department of Administrative Services (DAS) central mail services to OFS Payroll unit personnel who are listed as approved signers. This list is maintained by DAS Oregon Statewide Payroll Services.
  - A. To ensure segregation of duties, approved signers shall not have:
    - a. Update access to OSPA.
    - b. Specialized Workday roles that allow creation of employee records or compensation changes.
    - c. Responsibility for manual timekeeping.

4. Responsibility or involvement in payroll recordkeeping, or paycheck preparation. The Payroll Distribution Code (PDC) is used to sort and route paychecks via next day mail delivery, shuttle service, or agency mail courier.
  - A. Managers contact the OFS Payroll unit to request a new PDC be established for their area.
  - B. The PDC for each employee is in Workday and ePayroll in the Employee Data section (Crew #).
  - C. Managers should periodically verify the accuracy of the PDC and update the code in Workday if needed to ensure the employee's current work location is accurate.
5. Managers receive and safeguard payroll checks until they are distributed on payday, the date printed on the check.
  - A. Managers may assign these duties to a designated employee whose position description includes the duties and responsibilities of distributing paychecks if the individual has received training in advance in accordance with DHS|OHA-040-007, Payroll Management policy.
  - B. Paychecks may not be released to employees prior to payday, the date printed on the check, unless the employee has completed an OSPS.99.16 Request for Release of Payroll Check form.
    - a. The employee signs the form attesting that they will not redeem the check prior to payday.
    - b. The manager or designee releasing the check to the employee signs the form.
    - c. The manager or designee retains the form and may be asked to provide it to OFS Payroll unit for review.
6. All paychecks that have not been distributed to employees within five workdays after payday are returned to OFS Payroll unit unless the employee made prior arrangements in writing.
  - A. Employees may authorize another person to pick up their paycheck by submitting a written statement identifying the individual authorized to pick up the paycheck.
    - a. The authorized individual provides proof of identification and signs the written statement acknowledging receipt of the employee's paycheck.
    - b. The written authorization is filed with the employee's payroll records and retained in accordance with Secretary of State Archives – Records Retention requirements.
  - B. Paychecks issued to an employee who has terminated shall be returned to OFS Payroll unit immediately.
7. ODHS|OHA Controller or designated employee shall approve any materials distributed with payroll payments.

## References

[Oregon Accounting Manual](#)

[Oregon Statewide Payroll Services: EPayroll](#)

[Oregon Secretary of State Archives – Records Retention](#)

[Common Terms](#) for Finance policies and Administrative Services Division policies

## Forms referenced

[OSPS.99.16 State of Oregon Request for Early Release of Payroll Check](#)

[State of Oregon Request for Payroll Advance](#)

[State of Oregon Employee Direct Deposit form](#)

US Bank Focus Mastercard

## **Related policies and procedures**

[DHS|OHA-040-007: Payroll Management](#)

[DHS|OHA-040-007-01: Time and Attendance Records](#)

[DHS|OHA-040-007-03: Labor Cost Code](#)

[DHS|OHA-040-007-04: Work Charge Codes and Labor Cost Override Codes](#)

[DHS|OHA-040-007-05: Payroll Error Correction](#)

[DHS|OHA-040-010: Delegation of Expenditure Decision Authority](#)

[DHS|OHA-040-010-01: Exercising Expenditure Decision Authority](#)

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