

Procedure Title:	Payroll Distribution				
Procedure Number:	DHS-040-007-02	Version:	1.0	Effective Date:	05/01/2008

Deputy Director of Finance

07/22/2008

Approved By: (Authorized Signer Name)

Date Approved

Procedure

This procedure establishes uniform payroll accountability standards, strengthens internal control over payroll distribution and provides for equitable and consistent interpretation and application in conformance to state laws, rules, regulations, policies, and collective bargaining agreements.

The agency will safeguard all confidential information about employees to the full extent required. If a state or federal law or regulation, applicable collective bargaining agreement or order of a court having appropriate jurisdiction imposes a stricter requirement on any DHS policy regarding the privacy or safeguarding of information, DHS will act in accordance with that stricter standard.

Applicability

All DHS employees shall adhere to this procedure. Failure to comply with any provision in the policy or this procedure may result in disciplinary action up to and including dismissal.

Step	Responsible Party	Action
1. Electronic Funds Transfer / Direct Deposit	Employees	Electronic funds transfer direct deposit or AccelaPay Visa Card is the preferred method to pay employees earned salary and wages. (ORS 293.525) To lessen the risk of damaged, lost or stolen payroll checks, all employees are encouraged to submit the Direct Deposit U.S. Bank AccelaPay Visa Card authorization form to have earned salary and wages deposited directly to an AccelaPay Visa Card or into a financial institution designated by the employee. http://cms.oregon.gov/DAS/EGS/FBS/OSPS/docs/form/OSPS.99.1
2. Payday First Run	Payroll Unit	Permanent employees are paid on a monthly basis with payday occurring on the first day of each calendar month. When the first day of the calendar month occurs on a weekend or holiday, payday will occur on the last working day of the month, excluding Saturday and Sunday. The release day for December paychecks dated January 1 st is the first working day in January to avoid the risk of December's paychecks being included in the

		<p>prior year's earnings for tax purposes.</p> <p>Temporary employees are paid on an hourly basis and paid twice monthly. The first payday occurs on the first day of each calendar month. The second payday occurs at mid-month (payday-second run).</p>
3. Payday Second Run	Payroll Unit	<p>The mid-month calendar payroll is paid to:</p> <ul style="list-style-type: none"> • Permanent employees who began work after payday-first run cutoff. The amount paid is for the subsequent mid-month payroll for time worked in the affected pay period. • Permanent and temporary employees for additional pay and adjustments not included in the payday-first run, e.g., shift differential, overtime and compensatory time (comp-time) pay down from cut-off through month-end.
4. Approved Signers	Payroll Unit	<p>Paychecks and direct deposit pay stubs, including AccelaPay, are delivered by Department of Administrative Services (DAS) central mail services to agency personnel listed on the log of approved signers maintained by the Oregon State Payroll System staff within the DAS/State Controller's Division (SCD). To ensure segregation of duties, the approved signers may not have:</p> <ul style="list-style-type: none"> • Update access to PPDB or OSPA • Responsibility for manual timekeeping • Responsibility or involvement in payroll recordkeeping / paycheck preparation.
5. Designated Employee	Manager	<p>Managers will ensure:</p> <ul style="list-style-type: none"> • The designated employee's position description includes the duties and responsibilities for distributing paychecks, pay stubs and / or payroll reports. • The designated employee is knowledgeable of and has received training in accordance with DHS 040-007, <i>Payroll Management</i> policy.
6. Payroll Distribution Code (PDC)	Human Resources, Payroll Unit, Manager / Designated Employee	<p>The PDC is used to sort and route paychecks and pay stubs via next day mail delivery, shuttle service, or department mail courier.</p> <p>The first two digits designate the division, sub-division or section or special routing instructions. The last three digits identify the building or location. Managers must contact the Payroll Unit Manager to request a new PDC be established for their area.</p> <p>Link to DHS OHA Payroll.</p> <p>The PDC is printed on the payroll reports and the employee's check stub in the <i>Distribution</i> field. Managers should periodically verify the accuracy of the PDC on the payroll reports to ensure their employees' pay is routed to the correct location.</p> <ul style="list-style-type: none"> • Payroll Register – Employee ID Version XREF46D • Timesheet Audit and Control Report – B065C

<p>7. Distributing Payroll Checks and Pay stubs</p>	<p>Manager / Designated Employee</p>	<p>Envelopes: Generally, payroll checks and pay stubs will not be distributed to employees in individual envelopes due to the cost that would otherwise be incurred by the agency.</p> <p>Pay stubs: Direct deposit and AccelaPay pay stubs may be released to the employee when received.</p> <p>Paychecks: When a payday occurs on Monday through Friday, paychecks may be released to the employee after 8:00 a.m. on payday. It is the responsibility of the manager / designated employee to safeguard the paychecks and to distribute them to employees beginning 8 a.m. on payday. When a payday occurs on a Saturday, Sunday, or holiday, paychecks may be released after 8 a.m. on the last working day of the month.</p> <p>Early Release: Excluding January 1 paychecks, an employee not scheduled to work on payday may receive his / her paycheck prior to payday if the check is available and if the employee signs the "Request For Release of Payroll Check" form stating he / she will not cash the check until payday. http://www.oregon.gov/DAS/EGS/FBS/OSPS/docs/form/osps.99.16.pdf An employee who cashes a paycheck before payday shall be subject to disciplinary action.</p> <p>Returned to Payroll Unit: All paychecks and pay stubs not picked up by employees within five (5) workdays after payday must be returned immediately to the employee's manager unless the employee has made prior arrangements in writing. Employees who want someone else to pick up their paycheck or pay stub must submit a written statement identifying the individual authorized to pick up the paycheck or pay stub. The authorized individual receiving the employee's paycheck or pay stub from the employee's manager or manager's designated employee shall show proof of identification and sign the written statement acknowledging receipt of the employee's paycheck or pay stub. The written authorization will be filed with the employee's payroll records and retained in accordance with State Archives requirements. Paychecks and pay stubs issued to an employee who has terminated shall be returned immediately to the employee's manager by the designated employee responsible for distributing payroll. The manager will contact the Payroll Manager or payroll representative for instructions. Paychecks and or pay stubs may not be distributed, e.g., mailed, hand-delivered, or other,</p>
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		to the terminated employee without authorization from the Payroll Manager or payroll representative.
8. Materials permissible to distribute with payroll payments	DHS Controller / Designee	<p>Materials distributed with payroll payments must have a direct relationship to payroll and employee benefits:</p> <ul style="list-style-type: none"> • Information that defines or provides necessary payroll related information that is intended to help employees fully understand their pay, deductions, or adjustments. • Timesheets and other documents related to the collection of time and attendance data. • Enrollment packets, newsletters, or other information that describes or offers employee benefits that are provided by the Public Employees Benefit Board (PEBB), Public Employees Retirement System (PERS), and or the Oregon Savings Growth Plan (OSGP) • Information or pledge documents related to the annual Combined Charitable Fund Drive or the Governor's Food Drive. • Information and enrollment forms related to the direct deposit of payroll payments to bank accounts or stored value cards (AccelaPay). • Other information specific to DHS must be authorized by the DHS Controller or designee.

Policy that applies:

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

Procedures that apply

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

[DHS-040-007-03: Labor Cost Codes](#)

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

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

Form(s) that apply:

DHS Request for Early Release of Payroll Check:

<http://www.oregon.gov/DAS/EGS/FBS/OSPS/docs/form/osps.99.16.pdf>

DHS Request for Payroll Advance <https://apps.state.or.us/Forms/Served/me0142.pdf>

State of Oregon Direct Deposit U.S. Bank® AccelaPay® Visa® Card Authorization form

<http://cms.oregon.gov/DAS/EGS/FBS/OSPS/docs/form/OSPS.99.19.pdf>

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Procedure History:

- **Version 1.0:**
 - 08/31/2012 – Broken links repaired. Contact information updated.
 - 05/01/2008 - Initial Release

Keywords:

(List keywords here that might be used by someone to search for this policy on the internet)

