

## **INTEROFFICE MEMORANDUM**

 $\label{eq:Human Resources} \\ University, MS \ 38677 \ | \ O: (662) \ 915-7431 \ | \ F: (662) \ 915-5836$ 

To: UM Employees

From: Desha Ferguson, Manager of Payroll

Date: February 27, 2017

Subject: Time Recording and Overtime Calculation

This is a reminder that all eligible employees (student workers, temp non-eligible, and employees who record time against work orders may not submit time electronically) are required to utilize the online Employee Self-Service (ESS) Time Entry/Approval application in myOleMiss. Consistent and accurate application of policies related to overtime and leave requests is essential to maximize the convenience and efficiency of the electronic timesheets. Review of the University's policies on overtime [HRO.EM.300.150] and departmental time recording [HRO.PC.400.40] is encouraged. To aid in compliance with policies and reporting requirements, please review this memo in its entirety.

- To maintain a separation of duties, each department must ensure that no one employee is responsible for both the entering and approval of time worked and leave taken.
- The federal Fair Labor Standards Act (FLSA) requires all workers qualified for overtime pay
  to receive a minimum of 1.5 times their regular pay rate for all hours worked over 40 in a 7day workweek.
- The standard workweek for University employees is defined as beginning at 12:01 a.m. on Monday and ending at 12 midnight on the following Sunday.
- Overtime applies only to hours worked over 40 within a work week; not the hours beyond one
   8-hour work day.
- Time for employees paid on an hourly basis should be recorded in quarter of an hour increments (7 minutes or less is rounded down, 8 minutes or more is rounded up).
- Paid or unpaid absences such as personal leave and major medical leave are not considered time worked for the purpose of calculating overtime. However, the University will continue its practice of allowing official holidays [HRO.PC.400.60] to count towards the hours used to

accumulate 40 hours worked in a week. For example, if an employee is required to work extra hours during the week of Memorial Day, then any hours worked over 40 (counting the 8-hour holiday for Memorial Day) will be compensated either with compensatory time or overtime pay (see example 2 below).

- Administrative Leave due to unforeseen closure of the University or special holidays designated by the Chancellor is not considered time worked for the purpose of calculating overtime (see example 3 below).
- Overtime eligible employees who work in more than one area of the University during a work week must combine the hours from all positions to calculate total hours worked.
- University policy states that Compensatory Leave (time off) is the first and preferred option for overtime compensation, but each department has the option to choose overtime pay in lieu of Compensatory Leave.
- Each department should have an overtime authorization process that requires employees to obtain advance supervisory approval to work more than their regular 40-hour work schedule.
- Overtime eligible employees MUST be paid or have compensatory time entered for all hours worked whether overtime has been approved or not.
- The Compensation Area within Human Resources is responsible for determining the overtime status for all staff positions. All hourly paid permanent, temporary, and student workers are, by definition, eligible for overtime pay.

To ensure accurate application of the overtime policy across all departments, Internal Audit will be conducting periodic audits. Additionally, Payroll will periodically run reports to determine if overtime or compensatory time is being applied correctly.

Please share this information with anyone in your area who is involved in the administration of payroll and time entry. If you have questions regarding the application of the guidelines set forth in this memo or related policies, please contact Payroll at x7431. (see examples on next page)

EXAMPLE 1 - incorrect	MON	TUES	WED	THURS	FRI	SAT	SUN	TOTAL
REGULAR HOURS WORKED				8.00	8.00			16.00
OVERTIME - COMPENSATORY					2.00			2.00
PERSONAL/VACATION LEAVE	8.00	8.00	8.00					24.00
TOTAL	8.00	8.00	8.00	8.00	10.00			42.00

EXAMPLE 1 - correct	MON	TUES	WED	THURS	FRI	SAT	SUN	TOTAL
REGULAR HOURS WORKED				8.00	10.00			18.00
OVERTIME - COMPENSATORY								
PERSONAL/VACATION LEAVE	8.00	8.00	8.00					24.00
TOTAL	8.00	8.00	8.00	8.00	10.00			42.00

EXAMPLE 2 - correct	MON	TUES	WED	THURS	FRI	SAT	SUN	TOTAL
REGULAR HOURS WORKED		9.00	9.00	9.50	4.50			32.00
OVERTIME - PAID					3.50			3.50
PERSONAL/VACATION LEAVE								
HOLIDAY PAY	8.00							8.00
TOTAL	8.00	9.00	9.00	9.50	8.00			43.50

<b>EXAMPLE 3 - incorrect</b>	MON	TUES	WED	THURS	FRI	SAT	SUN	TOTAL
REGULAR HOURS WORKED		9.00	9.00	9.50	4.50			32.00
OVERTIME - PAID					3.50			3.50
PERSONAL/VACATION LEAVE								
ADMINISTRATIVE LEAVE	8.00							8.00
TOTAL	8.00	9.00	9.00	9.50	8.00			43.50

EXAMPLE 3 - correct	MON	TUES	WED	THURS	FRI	SAT	SUN	TOTAL
REGULAR HOURS WORKED		9.00	9.00	9.50	8.00			35.50
OVERTIME - PAID								
PERSONAL/VACATION LEAVE								
ADMINISTRATIVE LEAVE	8.00							8.00
TOTAL	8.00	9.00	9.00	9.50	8.00			43.50

EXAMPLE 4 - correct	MON	TUES	WED	THURS	FRI	SAT	SUN	TOTAL
REGULAR HOURS WORKED	9.00	8.00	8.50	8.00	6.50			40.00
OVERTIME - PAID					1.50			1.50
PERSONAL/VACATION LEAVE								
TOTAL	9.00	8.00	8.50	8.00	8.00			41.50