

**To the Mayor and Members of the City Council****November 17, 2020**

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**SUBJECT: TIMESHEET REQUIREMENT CHANGES****Background:**

PeopleSoft Payroll was implemented in 2010 to standardize payroll processes and to enforce consistent application of payroll policies across the organization. The transition to PeopleSoft was challenging and some employee paychecks were initially shorted. Some Fair Labor Standards Act non-exempt employees who are paid hourly wages experienced financial difficulties due to payroll underpayments. Payroll rules were created in PeopleSoft to automatically identify and correct differences between reported time and standard schedule time to avoid underpayment and any associated negative financial impact on employees. In every pay period, there are scenarios where the automatic corrections are applied to an employee's pay. A review of pay periods from October 2019 to July 2020 found 122 employees whose time was corrected by the automatic rule. In most cases the automatic corrections are accurate with routine timekeeping reviews identifying and correcting instances where the automatic corrections are inaccurate. Unfortunately, one result is that automatic corrections have resulted in creating the opposing problem of some employees being overpaid when the automatic rule is triggered.

**Discussion:**

Automatic corrections can result in overpayments in four different scenarios:

- an employee doesn't fill any information in the timesheet,
- an employee enters information but does not 'submit' the timesheet,
- an employee works an alternate schedule different from the standard schedule, and
- an employee separates from employment at the city but the electronic Personnel Action Requests is not entered before payroll processing.

As outlined above, three of the four instances causing overpayments are a direct result of employees not properly documenting their time before payroll processing is completed. Attachment 1 provides an illustration of these scenarios. In these scenarios a non-numerical entry is made to the time sheet (a space or a blank) and the standard schedule indicates hours should have been worked. To be favorable to the employee and avoid an underpayment, the standard schedule hours are substituted into the timesheet. In most cases, the correction is warranted with timekeepers correcting instances where the correction is incorrect. Payroll exception reports are available to assist in reviewing and correcting these scenarios. Overpayments occur in cases where the reviews being done to catch employee's mistakes are inadequate.

In order to reduce the potential for overpayments, Payroll staff will modify the payroll system to remove the automatic corrections when there is a mismatch between employee reported time and standard schedule time. When the change is made, the PeopleSoft Payroll system will only pay time reported by the employee. Attachment 1 illustrates how time will be processed after the changes are made. Employees who did not accurately record their hours in the time sheet will potentially be underpaid.

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The changes are scheduled to be implemented in the first pay period of 2021. To minimize the potential for underpayments, Payroll staff will initiate a communications campaign to make employees aware of the changes and to emphasize accurate time recording in the time sheet. Payroll staff is adding two additional off-cycle payroll runs to quickly issue payments for employees who may be underpaid due to their errors in under-reporting hours.

Please contact Jay Chapa, Deputy City Manager, if you have any questions.

**David Cooke**  
**City Manager**



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Scenario #1: Employee does not fill in their Timesheet

Calendar	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Schedule	0.00	0.00	8.00	8.00	8.00	8.00	8.00
Timesheet	Blank	Blank	Blank	Blank	Blank	Blank	Blank
Without the Reg-Zero Rule in Time & Labor							
Payable Time	0.00	0.00	8.00	8.00	8.00	8.00	8.00

Scenario #1: Employee does not fill in their Timesheet

Calendar	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Schedule	0.00	0.00	8.00	8.00	8.00	8.00	8.00
Timesheet	Blank	Blank	Blank	Blank	Blank	Blank	Blank
With the Reg-Zero Rule in Time & Labor							
Payable Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Scenario #2: Employee reviews but does not **submit** their Timesheet

Calendar	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Schedule	0.00	0.00	8.00	8.00	8.00	8.00	8.00
Timesheet	Blank	Blank	8.00	8.00	8.00	8.00	8.00
Without the Reg-Zero Rule in Time & Labor							
Payable Time	0.00	0.00	8.00	8.00	8.00	8.00	8.00

Scenario #2: Employee reviews but does not **submit** their Timesheet

Calendar	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Schedule	0.00	0.00	8.00	8.00	8.00	8.00	8.00
Timesheet	Blank	Blank	8.00	8.00	8.00	8.00	8.00
With the Reg-Zero Rule in Time & Labor							
Payable Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00



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**Scenario #3: Employee works an alternate schedule**

Calendar	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Schedule	0.00	0.00	8.00	8.00	8.00	8.00	8.00
Timesheet	Blank	Blank	10.00	10.00	10.00	10.00	Blank
Without the Reg-Zero Rule in Time & Labor							
Payable Time	0.00	0.00	10.00	10.00	10.00	10.00	8.00

**Scenario #3: Employee works an alternate schedule**

Calendar	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Schedule	0.00	0.00	8.00	8.00	8.00	8.00	8.00
Timesheet	Blank	Blank	10.00	10.00	10.00	10.00	Blank
With the Reg-Zero Rule in Time & Labor							
Payable Time	0.00	0.00	10.00	10.00	10.00	10.00	0.00

**Scenario #4: Employee Terminates (late ePAR) and Timekeeper doesn't catch it.**

Calendar	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Schedule	0.00	0.00	8.00	8.00	8.00	8.00	8.00
Timesheet	Blank	Blank	Blank	Blank	Blank	Blank	Blank
Without the Reg-Zero Rule in Time & Labor							
Payable Time	0.00	0.00	8.00	8.00	8.00	8.00	8.00

**Scenario #4: Employee Terminates (late ePAR) and Timekeeper doesn't catch it.**

Calendar	Sat	Sun	Mon	Tue	Wed	Thu	Fri
Schedule	0.00	0.00	8.00	8.00	8.00	8.00	8.00
Timesheet	Blank	Blank	Blank	Blank	Blank	Blank	Blank
With the Reg-Zero Rule in Time & Labor							
Payable Time	0.00	0.00	0.00	0.00	0.00	0.00	0.00