TITLE	POLICY NUMBER	
Exempt Employee Time Code Entry	DCS 03-19	
RESPONSIBLE AREA	EFFECTIVE DATE	REVISION
Finance - Office of Accounting/Payroll	04/05/18	1

I.   POLICY STATEMENT

This policy explains the conditions under which exempt level employees, as defined by the Fair Labor Standards Act (FLSA), are paid for time worked in accordance with applicable federal and state laws. Under FLSA, exempt employees are not compensated for hours worked over 40 hours in a work week. Exempt employees must receive their full salary for any day in which the employee performs any work, regardless of the number of hours worked.

The accuracy of computing employee compensation, taxes, and other payroll related items depends upon accurate entry of employee time records. The correct pay, shift, deduction, and attendance codes must be used when recording hours, pay, deductions, reimbursements, etc.

II.   APPLICABILITY

This policy applies to all DCS employees designated as exempt from the Fair Labor Standards Act (FLSA).

III.   AUTHORITY

A.A.C. R2-5A-404   Overtime

A.A.C. R2-5A-502   Hours of Work

A.A.C. R2-5A-A601   Leave Administration

A.A.C. R2-5A-D601   Family and Medical Leave Act (FMLA) Leave

A.R.S. 8-453   Powers and duties

Fair Labor Standards Act

IV.   DEFINITIONS

Department or DCS: The Arizona Department of Child Safety.

Employee Time Entry (ETE) Card System: The application used by DCS employees to record their pay and leave information for a designated pay period. It is also used by supervisors, managers, or proxies to approve or reject an employee's time. The time card authorizes payment for hours worked and paid and unpaid leave, and distributing time charges to activity and reporting categories.

Fair Labor Standards Act (FLSA): A federal law which prescribes minimum wage and overtime pay standards as well as record keeping standards for employment. The standard workweek of 40 hours worked within a period of seven consecutive days (or 168 hours) is the basis for determining what constitutes overtime. The terms "non-exempt" and "exempt" refer to employees who are subject, or not subject, to the FLSA.

Family and Medical Leave ACT (FMLA): A federal law which entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.

Overtime: Pay for actual hours worked over 40 hours in a workweek and paid to eligible employees under the Fair Labor Standards Act (FLSA). Hours worked in excess of 40 hours within the standard workweek constitute overtime.

V.   POLICY

A.   Exempt Employee Ineligibility for Overtime & Allowable Salary Deductions

1.   In accordance with the FLSA, employees whose job duties and salary meet all the exemption requirements of the FLSA regulation are excluded

from both minimum wage and overtime pay eligibility.

    a.   Employees can find the FLSA status of their position by logging into Y.E.S. and clicking on their *Personal Information* tab and then *Current Employment*. The FLSA status is found next to the *Pay Plan*.

    b.   Deductions from salary may be made when the employee is absent from work for one or more full days to handle personal affairs, injury, or illness.

    c.   Deductions from salary shall not be made if an exempt employee is absent for a partial day for personal reasons, including illness.

B.   Responsibility for Correct Time Code Entry

Employees are solely responsible for ensuring the accuracy of their own time entry input.

1.   Exempt employees shall enter their regularly scheduled hours for each day they have worked and are entitled to receive pay regardless of the total number of hours they have actually worked.

    a.   If an exempt employee has a flex schedule and a state holiday occurs on his or her regularly scheduled work day, the employee shall apply leave time to make up the difference between 8 hours of holiday pay and their scheduled hours. For example, if the exempt employee works a 4 x 10 schedule, he or she would apply two hours of leave to make up the difference between 8 hours of holiday pay and their regularly scheduled 10-hour day.

    b.   An exempt employee who works on a state holiday does not receive pay or accrue compensatory hours.

2.   On days when an exempt employee is absent from work for a full scheduled day, the employee must use annual or sick leave appropriately in accordance with State Personnel Rule R2-5A-A601, *Leave Administration*.

3.   When an exempt employee on approved FMLA has a partial day absence, the employee will need to record a partial day absence on their timecard in order to track usage of their available FMLA time off by using the

appropriate codes (e.g. 300F, 310F, 311F).

C.   Approval of Timecards

      1.   Supervisors are responsible for ensuring that employees have entered the correct time codes.

      2.   Supervisors are responsible for establishing performance expectations with their exempt employees and need to address any performance concerns with the employee. If the employee's performance issues continue, supervisors will contact the Human Resources Department.

VI.   PROCEDURES

A.   Time Card Submission

      1.   In order to receive pay, a time card entered by the exempt employee and approved by the supervisor is submitted in the Department's Employee Time Entry (ETE) system.

      2.   The electronic signature of the employee and supervisor on the time card certify that the information (e.g., number of hours worked, paid leave, etc.) submitted is accurate and consistent with applicable statutes and laws.

      3.   Exempt employees certify via the *Excluded Employee Certification Acknowledgement* that their attendance reported for the pay period is correct and that they have performed services on the days indicated. For any paid full day absence, they shall deduct hours from appropriate leave categories. They acknowledge that any future hours submitted are a "best estimate" and shall report any necessary adjustments. Lastly, they acknowledge that any falsification on a time sheet may subject them to disciplinary action and/or legal prosecution.