OFFICE OF THE COMPTROLLER
ONE ASHBURTON PLACE, 9TH FLOOR
BOSTON, MASSACHUSETTS 02108
(617) 727-5000
MACOMPTROLLER.ORG

Payroll Expenditure Approval Policy

Effective: July 1, 2004
Last Updated: November 1, 2006

Executive Summary

The Commonwealth is required to maintain time and attendance records for each employee. Reporting time that employees work during a workweek is essential for ensuring an accurate payroll. Employees are required to keep track of the number of hours they work during each workday. This information can be tracked in a number of ways, the most common being through timesheets. Please refer to the Time and Attendance Policy issued by the appropriate human resource authority for more guidance on this issue.

Considerations

This policy applies to all Commonwealth Branches and Departments.

Policy

Attendance Records

Attendance records record variations in the actual number of hours an employee has worked in a given pay period. Any changes to an employee's regular work schedule are identified as attendance exceptions. Attendance exceptions are used to document overtime, sick days, vacation days, personal days, or any other exception to regular hourly attendance. Reporting attendance exceptions is necessary in order for the payroll system to properly compensate employees and keep track of their accumulated balances of sick time, vacation time, personal days and compensatory time.

Payroll Exception Records

Payroll exception records record variations in the rate at which an employee's hours are compensated. An employee may work the same number of hours, but be entitled to a different pay amount. These are recorded as payroll exceptions. Some examples of payroll exceptions include shift differential, area differential and roll call pay. These exceptions must be recorded in the payroll system so that the employee receives the pay amount adjustment that is appropriate for that pay period.

Approving Payroll Expenditures

Once an employee's time is recorded, his/her manager must confirm that services have been delivered in accordance with this record. Time and attendance can then be recorded in the payroll system. A signatory authority or authorities certify the entire payroll based on confirmation of managers. This approval should include the following statement or can be done on the Payroll Expenditure Approval Form:

"This payroll has been processed in accordance with the Commonwealth's Payroll Expenditure Policy, State Finance Law, and this Department's Internal Control Plan. The amount listed has been certified to

the Comptroller through the payroll system for payment. This certifies that time and attendance for each employee is on file in this Department and approved by the appropriate manager to support amounts paid. This approval and supporting details will remain on file in this Department for three years for review by the Office of the Comptroller or other auditing entity."

Both levels of approval should be done in accordance with the Commonwealth's Payroll Expenditure Policy, State Finance Law and the Department's internal control plan.

These approvals are key steps in the series of reliance for payment consistent with State Finance Law. In accordance with M.G.L. c.7A § 3 and M.G.L. c.29 §31, the Comptroller examines all accounts and demands for payment for all Commonwealth accounts and funds unless specifically exempted. The Comptroller requires an affidavit from the Department Head or designee that articles have been furnished, services have been rendered (including payroll) or obligations have been incurred, as certified. This establishes a powerful series of reliance:

- The Governor's Council approves the Warrant based upon the certification of payments by the Comptroller.
- The Comptroller certifies the payroll based upon the approval of each Department Head. Funds are appropriated to Department Heads.
- The Department Head relies on the delegation of signatory authority given to state officials. Department signatory authorities are so designated by the Department Head and are on file with the Office of the Comptroller.
- The state official who certifies the payroll for each Department relies on the supervisor's certification that the services have been received in accordance with the employee's time sheet.

Departments are required to keep copies of employee's recorded time in house for a period of three years. All payroll records are kept centrally on MobiusView for a period of 7 years. The Payroll Expenditure Approval Form can be found at https://www.macomptroller.org/forms/.

Information Sources

Legal Authority

- 29 USC §211(c) Fair Labor Standards
- M.G.L. c. 7A §§ 3, 7, 8
- M.G.L. c. 29 § 20
- M.G.L. c. 30 §§ 38, 42
- M.G.L. c. 149 §§ 27B and 52C
- M.G.L. c. 66

Links

- Payroll Expenditure Approval Form

Contacts

- CTR Solution Desk