

## **E. Timekeeping/Payroll**

### **1. Job Classification**

The Clinic classifies each job at the Clinic as exempt or nonexempt according to the federal law known as the Fair Labor Standards Act (FLSA). Positions which have “significant” decision-making responsibilities, such as management and administrative positions, are usually classified as exempt. Other types of positions are normally classified as nonexempt.

Employees classified as nonexempt are paid only for actual hours worked and are entitled to overtime compensation when required to work more than 40 hours per week. Employees classified as exempt are not entitled to overtime pay unless specifically defined under a contract.

### **2. Timekeeping**

Accurately recording time worked is the responsibility of every employee. Federal and state laws require the Clinic to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Employees should accurately record the time they begin and end their work, as well as the beginning and ending time if they are stopping to eat. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must be approved by management before it is performed.

Nonexempt employees should report to work no more than fifteen minutes prior to their scheduled starting time nor stay more than fifteen minutes after their scheduled stop time without expressed prior authorization from a member of management. If the extra time is estimated to cause an employee to go into overtime, only management can authorize the extra time.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment. Only management has the authority to make changes when needed.

The only times an addition, deletion, or change can be made to an employee's time record is during the pay period pertaining to the adjustment or when timesheets are run before payday. The Practice Manager will have each employee review their timesheet and have the employee sign they agree with all information recorded on the timesheet. It is the employee's responsibility to sign his/her time records to certify the accuracy of all time recorded. Signed timesheets are to be submitted to the Practice Manager's in-box within 2 days from the date the timesheet is received. Typically, timesheets are placed in each employee's in-box at the beginning of the payday week.

At times you may not have a complete time record for a pay period. This could be due to human error, computer error, inability to access the time clock due to use, etc. When this

occurs, you will need to complete a Time Clock Change Request form and place it in the Practice Manager's in-box for processing. An asterisk will appear next to the time on your time sheet, indicating an addition or change was made. When completing the Time Clock Change Request form, be sure to use the time on the time clock computer or Clinic phones which are set to Frost Time & Weather. Do not use your personal watch or other clocks around the Clinic for time clock entries as variations can exist with these timepieces.

Occasionally, an employee's work time may need to be estimated for a part of a pay period. Such times may occur when the Practice Manager is to leave on vacation and needs to complete payroll beforehand. In such cases, any time adjustments will be made on the subsequent paycheck.

### **3. Piece-Work**

Most work performed at the Clinic is during regular business hours and is paid on an hourly or salary basis. For work performed outside of regular business hours, such as Sunday and holiday kennels as well as after-hour medications, this work is paid on a "piece-work" basis. Please refer to the Sunday/Holiday Kennel and Medication Pay Scale sheet for pay rates. Only nonexempt employees are eligible for piece-work pay. Exempt staff members should still record their time on the designated sheet in order to receive credit for the time they worked after hours.

It is important the employee note the beginning and ending time of such piece-work on the designated sheet in the event such work time may otherwise cause the employee to go into overtime. Should the employee go into overtime with the time spent performing such piece-work, it will then be determined if the piece-work payment is sufficient to cover what would have normally been earned in overtime. If the piece-work payment is not enough to compensate for the overtime, the amount of overtime will be paid on the employee's paycheck based on the employee's overtime rate.

It is also important employees performing piece-work understand that each person may work at a different speed during after-hours; therefore, the average pay per hour based on the time spent doing piece-work may be more or less than their regular pay. As long as the per hour rate is at least current minimum wage, the payment for piece-work will not change. Only when the time spent doing piece-work causes the employee to go into overtime would additional payment be made based on the employee's overtime rate if the piece-work payment is not sufficient to cover the overtime wages.

If piece-work is done with the help of another staff member(s), the pay rate for the piece-work will be split accordingly. If the help involves the assistance of an exempt staff member, the split payment will only be made to the nonexempt employee.

NOTE: If anticipated working time for piece-work would cause an employee to go into overtime, they should request approval from a member of management before performing the piece-work.

#### **4. Paydays**

Employees are paid biweekly on every other Friday unless a payday falls on a holiday when the Clinic is closed, in which case paychecks may be issued on the business day before the holiday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

If a regular payday falls during an employee's vacation, the employee's paycheck will be available upon his or her return from vacation.

Employees may have pay directly deposited into their bank accounts if they provide advance written authorization to the Clinic. An authorization form for direct deposit is available from the Practice Manager. Employees will receive an itemized statement of wages when the Clinic makes direct deposits.

#### **5. Administrative Pay Corrections**

The Clinic takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Practice Manager so that corrections can be made in a timely manner.

There may be times when the Practice Manager may need to prepare paychecks in advance of the ending date of the pay period; therefore, you may receive a check on a payday that has pay estimated based on your regularly scheduled time for you to work. If you work more or less, an adjustment will be made on the next regularly scheduled paycheck.

#### **6. Pay Deductions and Setoffs**

The law requires that the Clinic make certain deductions from every employee's compensation. Among these are applicable federal income taxes. The Clinic also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." In addition, the Clinic must also deduct Medicare taxes on each employee's earnings. The Clinic matches the amount of Social Security and Medicare taxes paid by each employee and submits these taxes along with federal income taxes to the federal government on behalf of each employee as mandated by law.

Pay setoffs are pay deductions taken by the Clinic, usually to help pay off an employee's debt or obligation to the Clinic or others.

If you have questions concerning why deductions were made from your paycheck or how they were calculated, the Practice Manager can assist in having your questions answered.