

# UCSB Timekeeping Guidelines

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This document provides guidelines and clarification of timekeeping practices at UCSB consistent with relevant policies, contract articles and references (see below). This document is not intended to be a step-by-step process guide for timekeeping at UCSB, but is intended to bridge the gap between the policies, best practices, and step-by-step processes. It is also intended to provide clarification to controls and procedural questions in order to fully implement and maintain consistent timekeeping practices campus-wide.

## Timecards

UCSB tracks employee time and leave via the campus's electronic timekeeping system. Employees who submit hours worked and/or are eligible to accrue leave are required to maintain a timecard in the electronic timekeeping system. Departments not yet utilizing electronic timekeeping will use an equivalent paper timecard.

Employees who are exempt and not eligible to accrue leave (based on title code or appointment percentage), are not required to maintain a timecard. Examples include:

- Faculty
- Teaching Assistants (TAs) and Teaching Associates
- Graduate Student Researchers (GSRs) and other exempt Academic Employees appointed below the percent threshold for leave accrual eligibility\*
- Lecturers and other Unit 18 employees (other instructor titles)
- By Agreement (BYA) appointments

*\*Note: For GSRs and other exempt Academic Employees, if at any point during employment they do become eligible to accrue leave (or carry over an eligible leave balance from another appointment), they are required to maintain a timecard.*

## Fair Labor Standards Act and Appointment Types

Non-exempt and exempt statuses are designated by the Fair Labor Standards Act (FLSA), which is a federal labor law of general and nationwide application, including Overtime, Minimum Wages, Child Labor Protections, and the Equal Pay Act. Employees in positions designated as non-exempt who physically work more than 40 hours during a workweek must be paid overtime or be allowed to earn overtime compensatory leave at time and a half for all hours worked over 40. Employees in positions designated as exempt shall be paid an established salary based on percentage of effort. Exempt employees are expected to fulfill the duties of their position regardless of hours worked and are not eligible to receive overtime compensation or compensatory time off.

Positive and Exception pay time reporting is determined by appointment types. Positive pay employees are paid on an hourly basis and must record the hours they work each day in order to

receive a paycheck. Exception pay employees are paid the percent time that is on their active distributions in the payroll system.

### **Non-Exempt Employee Timecards**

Timecards are the official record that supports compensating non-exempt employees. For non-exempt fixed (exception pay) employees, the distribution of pay charged to specific University fund sources is officially recorded in the payroll system, not on the timecard. However, non-exempt positive pay (variable) employees who are paid from multiple fund sources (split-funded) are required to select the appropriate fund source designation on the timecard each time they report hours or leave. Fund source designations are limited to the active distribution(s) in the payroll system as supported by funding distribution documentation retained in the funding unit/department.

Non-exempt employee timecards shall contain:

- Employee's name
- Record of time worked each day
- Record of absences (with or without pay)
- Employee's verification of time submitted
- Employee's manager/supervisor approval
- Fund source designation (required for split-funded non-exempt variable employees only)

### **Exempt Employee Timecards**

Because exempt employees are paid a predetermined, established salary based on appointment percentage, they are not required to record their hours of work for purposes of receiving their salary, but they are expected to record their absences on the timecard. However, exempt positive pay (variable) employees, such as Readers and Tutors, are required to report their hours for purposes of receiving their salary. For exempt employees, the distribution of pay to specific University fund sources is officially recorded in the payroll system as supported by funding distribution documentation retained in the funding unit/department, and is not reflected on the exempt employee timecard.

Exempt employee timecards shall contain:

- Employee's name
- Record of time worked each day (required only for exempt variable employees such as Readers and Tutors)
- Record of absences (with or without pay)
- Employee's verification of time submitted
- Employee's manager/supervisor approval

### **Positive Pay (Variable)**

Positive Pay employees' hours are uploaded from the electronic timekeeping system to the payroll system for payroll processing after each pay period close. Positive Pay employees must report their daily hours worked and absences on the timecard.

The following are common types of appointments currently designated as Positive Pay:

- Non-exempt casual-restricted appointments (e.g., Student Assistants)
- Non-exempt limited staff appointments
- Non-exempt per diem appointments
- Exempt hourly student academic appointments (e.g., Readers and Tutors)

### **Exception Pay (Fixed)**

Exception Pay employees' hours are processed for payroll per the active distributions in the payroll system. Only leave reported is uploaded to the payroll system. Non-exempt employees set up in the payroll system as Exception Pay must report their daily hours worked and absences on the timecard.

The following are common types of appointments currently designated as Exception Pay:

- Exempt career and contract staff appointments
- Non-exempt career staff appointments
- Exempt academic appointments
- Exempt student academic appointments (e.g., GSRs)

## **Timecard Roles and Responsibilities**

### **Employee**

- Employees are expected to submit their timecard by pay period end
- By submitting, the employee affirms, to the best of their knowledge, that the entries made are complete and a true representation of the reported hours and/or leave taken
- Best practice is for employees to enter hours worked and/or leave taken on a daily or weekly basis to ensure accuracy
- Non-exempt employees record hours worked and/or leave taken to the nearest quarter hour increment
- Exempt employees record all absences with and without pay in full-day increments, or in increments that are equivalent to a part-time, standard or alternate work schedule
- Exempt employees will be expected to submit their timecard even when no leave has been taken

### **Manager/Supervisor**

- Review and approve employee hours worked and/or leave taken
  - If necessary, work with the employee and/or departmental payroll staff/payroll manager to correct errors
- Approve timecards on a biweekly and/or monthly basis
- By approving, the manager/supervisor affirms, to the best of their knowledge, that the hours recorded are a true representation of the employee's hours worked and/or leave taken
- If circumstances dictate, manager/supervisor approval may be delegated to an appropriate individual with "first hand" knowledge of the employee's responsibilities and schedule.

Manager/supervisor delegation should be clearly documented, and may be either physical or electronic.

## **Departmental Payroll Staff/Payroll Manager**

- Review timecards to ensure approvals are complete prior to payroll upload deadline
- For incomplete timecards or errors, work with the individuals to finalize timecards prior to payroll upload deadline
- For shared employees, coordinate as necessary with other departmental payroll staff/payroll managers
- Complete final review prior to the payroll upload deadline
- Review post-audit reports to ensure hours were reported as expected to payroll system
- Initiate corrections as necessary

## **Relevant Policies, Contract Articles and References\***

- Personnel Policies for Staff Members (PPSM) – employees not covered by representation:
  - PPSM 30 – Compensation
  - PPSM 2.210 – Absence of Work
- Academic Personnel Manual (APM) – Academic employees
  - Section V – Benefits and Privileges
    - ✓ APM 700 through AMP 760
- Red Binder – Academic employees
  - Section VI – Leaves and Additional Compensation
    - ✓ VI-1 through VI-9
- UC Business and Finance Bulletin IA-101, Internal Control Standards: Departmental Payrolls
- UC System-wide and UCSB Local Bargaining Unit Contract Articles (Bargaining Unit Agreements)

## **Policies and References Specific to Federal Funding**

- Office of Management and Budget (OMB) Uniform Guidance: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, section 200.430 Compensation – personal services

*\*Note: If terms and conditions are included in a contract/grant containing more restrictive language, the terms and conditions of the contract or grant supersede these guidelines.*

# APPENDIX – Supplemental Reference Information Related to the UCSB Timekeeping Guidelines

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## **Funding Distribution Documentation**

Funding distribution additions and changes in the payroll system must be authorized and documented. Funding documentation may be physical or electronic, and shall include at least the following:

- Employee name
- Payroll title
- Step (if applicable)
- Percent time or approximate hours per week
- Monthly or hourly pay rate
- Funding distribution start date
- Funding distribution end date
- Campus fund accounting unit

Award Principal Investigator (PI), or other individual with financial authority, shall approve all hiring/funding changes (via positive affirmation – physical or electronic). Authorization must be obtained regardless of whether or not the employee is required to maintain a timecard. The PI or other individual with financial authority may delegate hiring authority on their fund sources to another individual, such as a business officer or lab manager, if properly documented within funding department.

The funding distribution documentation is considered a reasonable estimate of the time/percent the employee will be working on the designated fund source for the designated term. The funding distribution documentation initiates the personnel funding action in the payroll system, and shall be retained in the funding department per the terms specified in University retention policy.

## **Retroactive Payroll Reporting, Changes, or Corrections**

While every effort is made to report time/leave by the payroll deadlines, there are circumstances when work hours and/or leave will need to be reported to the payroll system after the payroll deadlines. These circumstances include:

- Employee is unable (due to extenuating circumstances) to complete/submit their timecard by payroll deadline
- Error is determined after the payroll upload and needs to be corrected
- Employee's status needs to reflect retroactive changes (e.g., title reclassification resulting in change of accrual level, pay cycle change, etc.)

Documentation substantiating these changes may be physical or electronic.

In instances when an employee has entered and submitted their work hours and/or leave, but the manager/supervisor is unable to approve the timecard by the payroll deadline, the employee's reported work hours and/or leave should be included in the payroll upload so long as there are no extenuating reasons the hours should not be paid. The manager/supervisor approval will then be obtained retroactively.

Late reporting and retroactive approvals should be considered the exception, and should occur infrequently to ensure accuracy and timely compensation.

## **Concurrent Appointments to both Exempt and Non-Exempt Titles**

An employee may only be paid on one pay cycle, either biweekly or monthly. Employees who hold concurrent appointments that would otherwise be on different pay cycles must have one of the appointments adjusted so that only one pay cycle exists.

When adding an additional appointment to the payroll system, both appointments must be on the same pay cycle. Consultation between departments may be required and some combinations of employment may also require consultation with Human Resources or Academic Personnel.

- Employees who hold an exempt staff appointment and a non-exempt staff appointment should consult with Human Resources to determine the appropriate pay schedule as the pay schedule may be biweekly or monthly depending on the specific situation
- Employees who hold a non-exempt staff appointment and an academic appointment with duration of less than one year will be paid on the biweekly schedule and departments should consult with Academic Personnel regarding the payment schedule for the academic appointment
- Employees who hold a non-exempt staff appointment and an academic appointment with a duration of one year or more will be paid on the monthly pay cycle
- Students who hold both an academic student appointment and a staff student appointment will be paid on the monthly pay cycle

## **Shared Employees (multiple departments and/or supervisors)**

The electronic timekeeping system enables an employee assigned to more than one job at UCSB to have a single timecard for all their time and/or leave reporting activity. However, when an employee is assigned to jobs in more than one department, with more than one manager/supervisor, it is important that the departmental payroll staff/payroll manager in each employing unit understands the extra oversight and coordination needed to manage these employees' timecards, including:

- Working with the shared employing departments' payroll staff and/or payroll manager to ensure the employee configuration in the electronic timekeeping system is accurate and reflective of all active jobs to which the employee has been assigned
- For positive pay (variable) shared employees, reviewing the timecard each pay period close to help ensure (to the best of the departmental payroll staff/payroll managers' knowledge) that the employees' work hours and/or leave have been reported to the correct job assignment
- Ensuring all applicable manager/supervisor approvals are obtained prior to the payroll upload each pay period

- Being mindful of any changes that may require coordination/communication with the other employing department(s)

## Electronic Timekeeping and Related Campus Systems

The systems listed in this section are the systems being used by UCSB for timekeeping and related functions. They are subject to change as new systems are adopted. This section clarifies how the various systems interrelate in the overall processes of hiring, paying, and certifying employee effort.

### **Kronos**

Definition: Kronos is the electronic timekeeping system for UCSB.

- Employees report/submit hours worked and/or leave taken
- Managers/Supervisors review/approve employee's hours worked and/or leave taken
- System of record for electronic employee timecard submissions and manager approvals
- Uploads positive pay hours and leave taken to PPS

### **Payroll Personnel System (PPS)**

Definition: PPS is the system of record for personnel and payroll actions, including employment details, fund source, positive and exception pay, leave accrual, leave balances, and leave usage. PPS is comprised of databases that maintain current and historical information about University employees. PPS supports the payroll and personnel requirements of the University.

- Receives positive (variable) pay hours and leave hours taken from Kronos
- Allows employees to be set up as positive pay or as exception pay for purposes of generating a payroll check. (Refer to Positive Pay and Exception Pay sections in the Local Guidelines.)
- Calculates leave accruals
- Is the system of record for payroll and leave accrual balances

### **Effort Reporting**

Definition: The Effort Reporting System (ERS) is the system of record for certifying to the federal granting agencies that effort required as a condition of the award has actually been completed.

- Effort on federal/federal flow-through fund sources and related matching funds is certified as a percentage of the total amount of time spent on work-related activities for which the University compensates the individual
- Certified by fund source Principal Investigator (PI) or individual with first-hand knowledge

## **Distribution of Payroll Expense Ledger**

Definition: The Distribution of Payroll Expense (DOPE) ledger is a monthly report of employees' payroll and benefit costs by funding source.

- Certified by designated departmental staff with the appropriate financial authority
- Can be certified by a Principal Investigator (PI) – or other individual with first-hand knowledge – if required for the applicable fund source when effort reports are not generated (e.g., some State-funded research awards)

## **Timekeeping Manager Assignment Application (TMAA)**

Definition: The TMAA is a custom application that allows UCSB Timekeepers/Payroll Managers to “link” an employee to their manager(s)/supervisor(s) in Kronos, based on funding distribution(s) in PPS, to ensure the manager/supervisor can view their employees' timecards.