

**BLUE WATER DEVELOPMENTAL HOUSING, INC.
POLICIES AND PROCEDURES: EMPLOYEE INFORMATION**

SUBMITTED BY: Michelle Dineen-Gramer	DATE SUBMITTED: 07/18/12	SECTION: Human Resources	
BOARD APPROVED ON: 07/18/12	DATE REVISED: 11/18/15, 09/19/18, 10/18/2023, 09/09/2026	SUBJECT: Payroll	
ANNUAL REVIEW BY EXECUTIVE DIRECTOR: 02/15/17, 09/19/18, 09/09/2020, 9/9/2022, 10/18/2023, 09/09/2026		POLICY #: ED-027	PAGE #: 1 of 5

I. APPLICATION

The provisions stated herein shall apply to all employees of Blue Water Developmental Housing, Inc. (BWDH).

II. POLICY

It is the policy of the organization to ensure employees are paid correctly and timely. Payroll entries must be done in accordance with generally accepted accounting principles.

III. DEFINITIONS

Bi-Weekly Work Schedule: Begins on Friday at 12:00A.M. and runs fourteen (14) consecutive days ending on Thursday at 11:59 P.M.

Direct Deposit (DD): Method of transferring a wage or salary payment electronically, directly from the payer's bank account into the payee's account.

Full-Time Status: Regularly works a minimum of 40 hours per week or 80 hours bi-weekly. The employee is eligible for benefits provided by the employer.

Part-Time Status: Regularly works less than 40 hours a week.

Hourly Employee: An hourly employee is paid by the hour and is calculated by the employee's regular hourly pay. Hourly employees (non-exempt) are entitled to overtime compensation. Employees are eligible for overtime according to Fair Labor Standards Act if they work over 40 hours in the defined work week.

Mandatory Payroll Deductions: Typically, an amount withheld by the employer from the employee's earnings. Mandated payroll deductions include taxes: Federal, Social Security, Medicare, State and City, as applicable. Other mandated deductions include court ordered wage garnishments and court ordered child support.

Voluntary Payroll Deductions: Deductions are made by choice by the employee and are done without a legal mandate. These include fringe benefits such as health insurance and life insurance. The employee is required to authorize in writing all voluntary payroll deductions.

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Exempt Employee: An employee who is paid on a salary basis and is exempt from overtime rather than an hourly wage. Salaried employees are paid their fixed salary regardless of how many hours they work during a work period.

IV. STANDARDS

Minimum Wage: The Fair Labor Standards Act ("FLSA"), §§ U.S.C. 201 et seq requires that employees who are covered by the act ("nonexempt employees") be paid the minimum wage and overtime for all hours worked in excess of 40 hours in a single work period. Overtime must be calculated at a rate of at least one and one-half times the employee's regular pay rate. The FLSA's requirements generally apply to public and private employees engaged in commerce or in the production of goods for commerce or who are employed in an enterprise engaged in commerce or in the production of goods for commerce. §§29 U. S. C. 206 and 207. The term "commerce" is defined to mean trade, commerce, transportation, transmission, or communication among several states or between any state and any place outside the state. §§29 U. S. C. 201 (b). Thus, the FLSA applies to most employees. However, the minimum wage and overtime provisions of the ACT do not apply to certain employees specifically exempted from its coverage, including employees in bona fide executive, administrative, or professional capacities; some outside salesman; certain highly skilled computer professionals; and certain highly compensated employees. §§29 U. S

C. 213(a) and (b); and 29 C. F. R. 541.100-606.

Many states also have minimum wage regulations. While some states require the same minimum wage as the FLSA over half impose a minimum wage higher than the federal rate. Therefore, employers should check state law to determine whether the minimum wage is higher than the federal rate. A list of the minimum wage requirements in effect for each of the 50 states and U.S. territories is available from the Department of Labor's Web site at 66.

Overtime: Unless specifically exempt, employees covered by the Fair Labor Standards Act (FLSA) must receive overtime pay for hours worked in excess of 40 hours in a workweek at a rate not less than time and one-half their regular rate of pay. There is no limit in the FLSA on the number of hours employees aged 16 and older may work in any workweek. The FLSA does not require overtime pay for work on Saturdays, Sundays, or regular days of rest, as such.

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III. NOTIFICATION/PROCEDURE

WHO	DOES WHAT
Employee	1. Record time worked and request sick, vacation, etc., in the electronic timekeeping system on a daily basis. 2. Overtime must be approved in advance by the employee's program supervisor and reflected on the electronic time record. 3. The employee should carefully review all entries for accuracy and notify the supervisor if there is a discrepancy.
Program Supervisor/Designee	4. Responsible to review and approve all electronic designee entries ensuring that they represent an accurate statement of hours to be paid. Electronically approve each employee time record for payment and submit to the senior account clerk no later than 10 a.m. on the day after the end of the pay period.
Senior Account Clerk	5. Prints out Labor Distribution Report for Residential and Labor Costing Summary Report for Assisted Living Program through electronic time keeping service provider.
Executive Director	6. Reviews and signs off on the check register.

PAY: DELIVERY OPTIONS: DIRECT DEPOSIT

WHO	DOES WHAT
Employee	1. If an employee requests direct deposit, they will complete the electronic direct deposit form electronically in payroll system.

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2. In the event an employee closes their designated account without prior written notice to BWDH by the end of that pay period a service fee of a minimum of fifty dollars (\$50.00) will be charged to the employee. Check will not be processed until after funds are returned.

PAY: DELIVERY OPTION: PAPERCHECK

WHO

DOES WHAT

Employee

1. Employee requests paper checks electronically in the payroll system. Then arrange with senior account clerk the pick up or mailing of the check.

BWDH

2. Responsible for mailing paper checks via first-class mail to individuals no longer employed by BWDH bi-weekly on Thursday by 5:00 p.m.

MAILED CHECKS: Lost or Stolen

WHO

DOES WHAT

Employee

1. If an employee requests a new check within a week of the payday, the stop payment fee will be assessed by the financial institution and the employee will be responsible for the fee.

BWDH

2. If an employee requests a new check more than a week after payday, BWDH will re-issue the check without a stop payment fee.

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PAYROLL ERRORS: PAYCHECK MISTAKES: UNDERPAYMENTS

WHO	DOES WHAT
Employee	1. Responsible to immediately notify their program supervisor/designee in the event of an underpayment.
Program Supervisor/Designee	2. Notifies the appropriate division director immediately regarding the underpayment.
Division Director	3. Consults with the senior account clerk to determine and correct the mistake.
Senior Account Clerk	4. No later than the next scheduled payday, reimburse the employee his/her owed wages.

PAYROLL ERRORS: PAYCHECK MISTAKES: OVERPAYMENTS

WHO	DOES WHAT
Employee	1. Responsible to immediately notify their program supervisor/designee in the event of an overpayment.
Supervisor/Designee	2. Notifies the appropriate division director immediately regarding the overpayment.
Division Director	3. Consults with the senior account clerk to determine and correct the mistake.
BWDH	4. Regarding overpayments, BWDH will comply with Michigan's Payment of Wage and Fringe Benefits Act 390 of 1978 (Section 408.477) and its amendments.

V. REFERENCES

- A. Payment of Wages and Fringe Benefits Act 390 of 1978 (Section 408.477)