I. PURPOSE

This operating procedure establishes the areas of responsibility for the Payroll Office, Human Resources Unit, Fiscal Officers, and Organizational Unit Heads for the receipt and distribution of paychecks throughout the Department of Corrections. The procedure also defines the process for the adjustment or withholding of a paycheck to ensure that overpayments are not made to employees in accordance with the Commonwealth Integrated Payroll and Personnel System (CIPPS), DOC Payroll procedures, and Department of Human Resource Management policies.

II. COMPLIANCE

This operating procedure applies to all units operated by the Department of Corrections (DOC). Practices and procedures shall comply with applicable State and Federal laws and regulations, Board of Corrections policies and regulations, ACA standards, PREA standards, and DOC directives and operating procedures.

III. DEFINITIONS

**Agency Fiscal Officer** - The Business Manager at major institutions (including assigned field units), Support Services Manager at regional offices (including field units not assigned to major institutions), Business Manager at VCE, Operations Manager at the Academy for Staff Development and the Chief Financial Officer for Central Office organizational units; the Director of Financial Services serves as the Community Corrections fiscal officer.

**Human Resource Officer (HRO)** - The person in charge of the Human Resource Office for each unit of the Department of Corrections

**Organizational Unit Head** - The person occupying the highest position in a DOC operating unit, such as a correctional facility, regional office, probation and parole office, Virginia Correctional Enterprises (VCE), Academy for Staff Development, Corrections Construction Unit, Agribusiness Unit, or other separate operational unit.

**Paycheck** - The actual paycheck due the employee

**Payroll Manager** - The DOC Payroll Manager

**Payroll Office** - The DOC Payroll Office

**Unearned Pay** - The amount included in an employee's paycheck for time which the employee did not work or otherwise use accumulated leave

IV. PROCEDURE

A. The Department of Corrections participates in the Department of Accounts Paperless Payroll process.
   1. The Department of Corrections mandates direct deposit for all employee paychecks. Paper paychecks are issued only when direct deposit is not possible, generally only for new employees and when the employee is changing bank accounts.
2. Employees may access earnings statements and W-2 statements through the Department of Accounts Payline service.

B. Receipt of Payroll Checks from the Department of the Treasury - The Payroll Manager has primary responsibility for the proper receipt, logging, secure storage, and release of all paychecks and payroll related checks.
   1. Receipt of paychecks from the Department of the Treasury, generally delivered via DOC General Services runner, is to be made by the Payroll Office.
   2. The DOC General Services runners and Payroll Office staff are to be instructed in the delivery procedures to ensure that all paycheck deliveries are properly receipted at the point of delivery. At no time, prior to proper receipt by the Payroll Office, are paycheck deliveries from the Department of the Treasury to remain unattended or unsecured.
   3. The Payroll Manager will issue to the Department of the Treasury a Letter of Authorization listing the designated runner and any alternate. The letter will be on file at the Payroll office and updated as changes occur.
   4. Following the receipt of paychecks from the Department of the Treasury, all checks are compared to CIPPS Report 15 (Check issued Register).
   5. On any Special Pay paychecks received, the name of the payee will be listed on the log sheet under “comments”. Each semimonthly log must be centrally filed and maintained for audit purposes.

C. Paycheck Distribution
   1. Normally, paychecks will be mailed to the employee’s address on file in the payroll system.
   2. If a paycheck is to be picked up, the DOC Payroll Office is required to obtain authorization from Organizational Unit Head (Atmore), unit Fiscal Officer, or designee sent by electronic message to the Payroll Manager to designate the employee who will pick up the check to be delivered to the unit.
      a. The designated individual must present valid identification to receive the check.
      b. No paycheck will be released without proper authorization.

D. Undistributed Paychecks
   1. Within 5 working days of receipt, the primary person responsible for distributing paychecks shall return any undistributed paychecks to the DOC Payroll Manager.
      a. The unit Business Office should consult the unit Human Resource Office prior to returning the checks to ensure there is no documented reason for holding such checks.
      b. For units without a Business Office, the Unit Head or designee should consult the Human Resource contact prior to returning the checks to ensure there is no documented reason for holding such checks.
   2. Included shall be a letter of transmittal, listing all paychecks being returned. An electronic message or FAX must be transmitted or a telephone call made to the Payroll Office, alerting the office to the pending transmittal.

E. Void Paychecks - If it is believed that an employee's paycheck may be in error, the Unit Head (or designee), Human Resource Officer or Fiscal Officer must notify the Payroll Office upon discovery. (see Paycheck Adjustment Actions Affecting Disbursement to Employees section of this operating procedure).
   1. Such notification may allow the Payroll Office to correct an employee's paycheck prior to its receipt and distribution.
   2. If an error is discovered on a paycheck after receipt by the Unit Head (or designee), but prior to distribution of the paycheck to the employee, the Payroll Office must be notified immediately and the paycheck must be returned to the Payroll Office by the Unit Head (or designee) within one day of discovery.
F. Receipt of Returned Payroll Related Checks - All returned, undistributed, and voided payroll related checks are to be logged at the Payroll Office front desk at time of receipt.

1. The log will indicate the date and time received, agency number, printed name of the payee as shown on the payroll related check, and who logged in the check.

2. This log shall be reviewed periodically by the Payroll Manager (or designee), to ensure that each returned check has been properly handled.

G. Paycheck Adjustment Actions Affecting Disbursement To Employees - The paycheck of an employee shall be returned for adjustment or withheld by the Organizational Unit Head (or designee) under the following circumstances:

1. Employees with sufficient annual and compensatory leave balances to cover unearned pay may have their paycheck released under the following conditions: If an employee's paycheck includes payment for unearned pay (due to paperwork not being submitted to payroll, personnel or payroll errors, etc.) and the employee has sufficient leave balances to cover the unearned pay, the Unit Head (or designee) may release the paycheck to the employee upon notifying the Human Resource Officer.

2. A separating or current employee's paycheck that includes unearned pay and has annual leave/sick leave balances, which when converted to dollars owed to the employee, are (in total) less than the dollar amount of the unearned pay:
   a. Must be voided and returned within one day of discovery by the employee's Unit Head (or designee) to the Payroll Office; or
   b. As an alternative, the employee may choose to pay their Agency Accounts Receivable Office the amount of the unearned pay by cashier check, money order or cash. The Agency Fiscal Officer must obtain the amount to be repaid from the Payroll Office, communicate this information to the employee, and advise the employee that payment must be received prior to release of the paycheck in question.

3. Under other circumstances, in order to ensure compliance with applicable federal labor statutes, the paycheck of an employee who has received an overpayment shall be authorized by the Organizational Unit Head (or designee) through the following procedures:
   a. An employee's pay must be adjusted for the full amount due during the next pay period, or the appropriate leave balances adjusted to properly account for the unearned pay, or through a repayment agreement as allowed in Operating Procedure 210.3, Accounts Receivable.
   b. Upon receipt of the paycheck and the proper documentation, the Payroll Office will process the request for a new paycheck to be issued as soon as possible, but no later than the next pay period.
   c. If a separating employee fails to return State-owned property (badges, keys, uniforms, equipment, weapons, etc.) and fails to reimburse the DOC, then the employee's last paycheck must immediately be returned to the Payroll Office by the Unit Head (or designee). A signed authorization by the employee must be attached to the paycheck authorizing the deduction for the value of the property.
   d. If a separating employee has an outstanding travel advance or owes any other money to the DOC as identified by the Organizational Unit Head (or designee) that has not been reimbursed by the employee's last working day, the employee's paycheck must immediately be returned to the Payroll Office by the Unit Head (or designee). Attached to the paycheck must be a memorandum authorizing a deduction for the outstanding money due the DOC. Only if the employee pays full restitution at the time of paycheck pickup, may the employee receive the paycheck.
   e. Refunds made by separating employees for outstanding monies due the DOC must be made by cash, cashier's check, or money order made payable to the Department of Corrections or the Treasurer of Virginia. Such payments must be made prior to the issuance of the employee's final paycheck.
   f. Upon receipt of the paycheck and the proper documentation, the Payroll Office will split the paycheck through the Payroll Support Account (see Operating Procedure 210.5, Petty Cash) to recover the value of the unreturned property or the amount of outstanding debt.
H. Organizational Unit Head Responsibilities - In addition to the preceding responsibilities to their employees, the Organizational Unit Head (or designee) shall be responsible for the following actions:

1. Ensuring that employees are paid only for the time actually worked and that only eligible employees are receiving paychecks
2. Verify with the Business Office and DOC General Accounting that no outstanding debts are on file for separating employees
3. Notifying the Human Resource Officer and Payroll Office, immediately in writing, of any required adjustment to an employee's pay including separation, suspension, leave without pay, termination, Workers' Compensation, and outstanding debts to the DOC.
4. Informing employees that their pay will be delayed and reprocessed if they are absent without leave or suspended for more than three days (24 working hours) and that it may require 5 to 7 work days for corrected paychecks to be issued.
5. Upon receipt, FAX a copy of any garnishment notice received, with the original being mailed to the DOC Payroll Office.

I. Human Resources Officer Responsibilities

1. The unit Human Resources Officer shall be responsible for the prompt processing of payroll status changes, forwarding documentation to the Payroll Office and advising the Payroll Manager, Payroll Supervisor, or assigned Payroll Technician in writing, of any required adjustment to an employee's pay.
2. The unit Human Resources Officer is responsible to notify the employee if a direct deposited check will be reversed.

J. DOC Payroll Office Responsibilities

1. The DOC Payroll Office shall be responsible for computing the correct pay due each employee in accordance with proper documentation received from the Human Resources Unit or Organizational Unit Head (or designee), ensuring that such paychecks are delivered on time, and notifying the Human Resources Office of direct deposit reversals. (4-4040; 4-ACRS-7D-27)
2. The DOC Payroll Office shall be responsible for DOC compliance with payroll functions in accordance with Commonwealth Accounting Policies and Procedures Manual (CAPP) Section 50000, Payroll Accounting

K. Employee Responsibilities - Employees shall be responsible for notifying the Organizational Unit Head (or designee) by the close of business on payday of any errors noted in their paychecks.

V. REFERENCES

Operating Procedure 210.3, Accounts Receivable
Operating Procedure 210.5, Petty Cash

VI. FORM CITATIONS
None
VII. REVIEW DATE

The office of primary responsibility shall review this operating procedure annually and re-write it no later than three years from the effective date.

*The office of primary responsibility reviewed this operating procedure in June 2017 and no changes are needed at this time.*

*Signature Copy on File*  
4/26/16

N. H. Scott Deputy Director of Administration  
Date