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POLICY

PAYROLL AND COMPENSATION

6014

Payroll

1. Every wage paid employee must track their time on a daily basis using a time card that must be signed by their supervisor. The designated employee will collect the time sheet for each employee, due the day after the last day of the pay period.
2. The designated employee verifies the accuracy of the time sheets, adds applicable holiday or personal time hours. The designated employee prepares the payroll checks based on the employee's hourly wage. The designated employee records the payroll deductions through the general ledger (FICA, federal tax, state tax, etc.)
3. The deduction amounts are then paid to the appropriate agencies when due.

A. Issuance and Distribution of Paychecks:

1. Pay day occurs at least once a month.

B. Over/Under Payment:

1. In the event the employee has been overpaid, he/she will be required to reimburse BCHC for the amount of the overpayment (s). The amount of the overpayment will be deducted from the following paycheck. It is always the employee's responsibility to report suspected errors in a paycheck to the designated employee.
2. Underpayment will normally be rectified as soon as possible. If there is a question about the way working hours or wages have been calculated, these questions should be discussed with the designated employee. Every effort is made to ensure accurate and timely paychecks.
3. If an error in wages has been made by BCHC, a correction either will be made immediately or on the next paycheck, with the employee's permission. If the error is due to an oversight on the part of the employee, (such as failure to properly report vacation, etc.), the correction will be made on the next paycheck.

C. Omitted Payable Time

Payroll is processed at least once a month. Payroll computation is based upon the information indicated on the time sheet. On occasion, an employee may accidentally omit payable time from the time sheet. In those cases, following proper notification to the designated employee, and appropriate supervisor, the approved omitted time will be computed into and included in the next regular payroll and paycheck.

D. Advance Pay

Under normal circumstances, advances on wages will not be permitted. Requests for advance pay will be evaluated and approved only for dire emergency situations, as the Federal Government has regulations which govern the advancement of wages. All requests for advance pay must be approved by both the Executive Director and the designated employee prior to it being submitted.

Flexible Spending Accounts

BCHC offers employees the opportunity to pay for uninsured medical expenses and costs of dependent day care on a pre-tax basis through flexible spending accounts. In addition, any premiums employees pay for health-related coverage can be taken pre-tax. Deferrals under these plans must be made in advance of the beginning of the plan year (August 1), unless an employee experiences a change in family status. Employees are allowed to defer up to \$2,000. Should an employee spend more than is deferred, he/she is expected to pay the difference before the end of the plan year. Any funds in his/her Flexible Spending Account not used by the end of the plan year (July 31) are forfeited, due to IRS regulations.

Overtime/Premium Pay

Exempt Employees:

Exempt status is based on the duties and responsibilities of an individual position, the required education and experience level for the position, and the base weekly salary paid to those who hold the position. Exempt employees are paid on a salary basis and are required to work the hours necessary to perform the duties of the job. Exempt employees do not receive overtime pay. An exempt employee's base salary is compensation for however many hours the employee works in a particular week, rather than for a fixed number of hours per week.

Exempt employees must track time worked for grant reporting purposes, on timecards provided by HR/Payroll Department. Upon receiving a paycheck, exempt employees should verify immediately that he/she was paid correctly and that any vacation or sick leave accrual was recorded accurately.

Non-Exempt Employees:

BCHC pays its employees for all time worked as required by the Fair Labor Standards Act (FLSA) and applicable state law. Non-exempt employees are paid on an hourly basis and receive Overtime Pay as required by law. All non-exempt (hourly) employees will be paid overtime for hours worked over forty (40) in a work week. All overtime will be paid at one and one-half (1½) times the employee's regular hourly rate.

Non-exempt employees who fail to adhere to work location or departmental procedures for pre-approval of overtime will be subject to discipline.

Non-exempt employees must record time worked each day on timecards provided by HR/Payroll department. Upon receiving a paycheck, non-exempt employees should verify immediately that all time worked was recorded accurately and that he/she was paid correctly for all hours worked.

Non-exempt employees are not permitted to work any time that is not authorized by his/her supervisor or CEO/COO. Non-exempt employees may not start work early, finish work late, work during an unpaid meal break, or perform any other extra or overtime work unless directed to do so by his/her supervisor or CEO/COO.

Non-exempt employees are prohibited from working “off the clock” (i.e. without reporting the time worked).

It is a violation of BCHC policy for anyone to instruct or encourage a non-exempt employee to work “off the clock” or to incorrectly report hours worked.

A non-exempt employee who is directed or encouraged to incorrectly report hours worked should report the incident immediately to a supervisor, HR, or CEO/COO.

Records of Time Worked

All non-exempt employees must record their hours worked, daily, utilizing BCHC’s recordkeeping system. The time record is used to compute earnings and is kept as a permanent record.

Exempt employees are required to record hours worked, for billing and grant requirement purposes only. Exempt employees must turn in a monthly calendar that records (vacation days, sick days, any leave type) taken during the month.

Recording another employee’s time or falsifying any time record is not permitted and is cause for disciplinary action, up to and including discharge. The designated staff member in charge of maintaining payroll and leave records will maintain employee leave benefit balances and report them to each staff member.

Pay Procedures

Wages shall be paid biweekly (every other Friday). If pay-day occurs on a holiday, wages will be paid on the preceding day.


An itemized statement showing your gross wages for the pay period and all statutory and voluntary deductions will be provided. After you review your pay stub and deductions, any mistakes and/or improper deductions should be reported immediately. BCHC will attempt to promptly review the complaint and, if valid, reimbursement will be issued within a reasonable time frame.

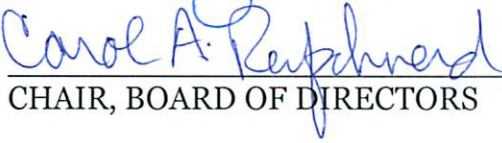
Employees will be paid through direct deposit of funds to either a savings or checking account at their bank of choice, providing the bank has direct deposit capability. To activate direct deposition, you will be required to complete and sign a Direct Deposit Authorization form, and provide it to the Payroll Department. In the event that an employee does not have a bank account, an exception can be made by the Chief Finance Officer.

Final Pay

In compliance with Montana law (Mont. Code Ann. §39-3-205), when you voluntarily terminate or are involuntarily terminated prior to payday, your final pay will be issued on the next regularly scheduled payday, or 15 days from the date of the actual separation, whichever occurs first.

NOTE: All organization property shall be returned to BCHC upon termination.


 _____ Date: 7-10-2017
 CHIEF EXECUTIVE OFFICER


 _____ Date: 7-10-17
 CHAIR, BOARD OF DIRECTORS

Date first adopted	01/15/2008
Date Revised/QI Board approval	06/28/2017,
New date adopted/Board of Directors approval	01/15/2008, 07/11/2016, 07/10/2017