

**Missouri Department of  
Natural Resources  
Administrative Policies and Procedures**

**Chapter 7 Financial Management and Purchasing**

<b>Payroll Payment Policy</b>	<b>Effective date</b>	<b>Revised</b>
<b>Number: 7.02</b>	<b>April 30, 2007</b>	<b>December 19, 2008</b>

The department seeks to provide for the security, distribution and release of accurate paychecks and pay stubs to employees. The most effective means to accomplish this is by direct deposit of paychecks.

Because the State Constitution does not allow appropriated monies be used for personal loans, the department must recover an overpayment made to an employee as soon as it is identified.

**REFERENCES**

Direct Deposit of Payroll Requirements 1 CSR 10-8.010

To access the payroll direct deposit form click on  
<http://content.oa.mo.gov/sites/default/files/DirectDepositApplication.pdf>

State Financial Information - RSMo 33.103

Limitation on use of state funds and credit Article III, Section 38 (a) Missouri State Constitution

*Related DNR policies*

- Timekeeping 3.05
- Overtime and Overtime Compensation 3.06
- Expense Accounts 7.01

**DEFINITIONS**

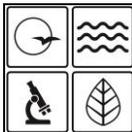
*Direct deposit:* The automatic deposit of net earnings into an employee’s checking or savings account at the financial institution designated by the employee.

*Lag payroll:* Payment for work occurs a period of time after the work is completed. In other words, the payroll lags behind the actual time worked.

*Paycard:* A bankcard that has been set up by the employee to receive automatic deposits for employee’s net earnings.

*Pay cycle:* The specific time period for which pay is processed. This term is used to describe the technical process used to generate checks.

*Pay period:* The period of time an employee is compensated for through their paycheck.



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*Prenote:* Proof that \$0.00 was routed to the bank account at the financial institution designated on an employee’s payroll direct deposit form. The purpose is to test the accuracy of the electronic funds transfer prior to the direct deposit.

**GENERAL PROVISIONS**

**Pay periods and pay days**

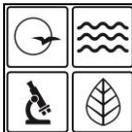
The State has semi-monthly pay periods and employees normally receive their paychecks on the last workday of each pay period. The pay periods are the first through the fifteenth and the sixteenth through the last day of a month. The State is on a lag payroll, meaning employees are paid for work for the preceding pay period. For example, compensation for work from the first through the fifteenth is paid at the end of the month. The following chart depicts the pay period, payday, and when the check is received.

<b>Pay period</b>	<b>Payday</b>	<b>Paycheck received</b>
16 <sup>th</sup> -end of month	15 <sup>th</sup> is a Saturday	Friday, 14 <sup>th</sup>
16 <sup>th</sup> -end of month	15 <sup>th</sup> is a Sunday	Monday, 16 <sup>th</sup>
1-15 <sup>th</sup>	Last working day of the month	Last working day of the month

**Verifying the accuracy of payroll**

With a lag payroll, errors in employee pay should be minimal. Divisions and programs are responsible for reviewing employees’ pay for accuracy. Errors requiring check replacement or a supplemental check must be reported to Human Resources Program (HR) via the Lotus Notes Help Desk using the HR-Timekeeping option, by the deadline set by HR. This deadline is established to meet OA deadlines for replacing checks.

A supervisor or the program’s HR contact must notify HR when an employee is going to be on leave without pay for any time that encompasses an entire pay period. If an employee is not going to be receiving pay HR may be required to place the employee on a leave of absence without pay until the employee is able to return. HR will also fill out required forms for MOSERS/MCHCP as to why there is not a payroll for that employee. Leave without pay can affect an employee’s benefits such as health insurance, retirement or cafeteria plan. If the employee will not receive a payroll, the employee will need to contact MCHCP to make payment arrangements for any missed insurance premiums. HR plays an important role continuing these benefits and working with the providers and the employee.



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**Direct deposit**

All DNR employees, full time or part time, must use direct deposit into a checking or savings account or pay cards for their pay. Temporary employees must use direct deposit or a pay card if their employment duration is more than three months. Direct deposit/pay cards is a condition of employment and failure to participate will result in disciplinary action up to and including dismissal.

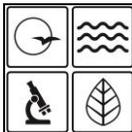
New employees have 15 days from their first day of employment, to submit an application for direct deposit or pay card to HR.

When an employee changes bank accounts or banks, for whatever reason, they have 31 days to complete a new application indicating the new account and submit the required documentation. It is highly encouraged for staff to maintain both the new account and old account until the first check is successfully deposited in the new account. Failure to submit the required forms/documentation may delay the receipt of funds.

The Payroll Direct Deposit/Pay card Application form contains information necessary to participate. Complete the employee portion of the form and submit the application to HR. Payroll deposits will start approximately 15 to 31 days after a properly completed application is received. If the employee has signed up for direct deposit a prenote will be received once or twice as needed to verify the account information is correct and that future deposits will be deposited into the correct account without problem. There is no prenote with pay cards.

The Commissioner of Administration or his/her designee may grant exceptions to the direct deposit/pay card requirement on a case by case basis, based upon an undue hardship or for other situations as specified in 1 CSR 10-8.010. If an employee wishes to request an exception, they must do so in writing through the department's appointing authority. Once the request is received it will be forwarded to the Office of Administration for determination. The employee will be notified by the Commissioner's Office once a determination has been made.

The department expects that direct deposit and pay cards will continue indefinitely once an employee is enrolled. The department may, in unusual circumstances, cancel an employee's enrollment in the direct deposit program. If an employee terminates with the state their direct deposit and pay card will be cancelled in the SAM II system after all payouts have been processed; however the pay card will remain active with the issuing bank. Employees may still use their pay card as long as they have money on their account. If the employee wishes to cancel their pay card when they terminate, they will need to contact the bank directly to cancel.



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**Reviewing paychecks online**

Employee's paychecks may be reviewed on-line, via MOSERS' secured web site. This is only available for full-time or part-time benefit eligible employees. Retirees and temporary seasonal employees will continue to receive paper stubs.

An instructional pamphlet for obtaining a password and access to the online system is available .

To review paychecks online, go to the "Member Login" portion of MOSERS website at <https://ess.mo.gov/>.

**Underpayment/overpayment**

Underpayment

Underpayments will be corrected as soon as possible. If an improper reduction has been made from an employee's salary, report it immediately to the supervisor or to HR. Reports of improper reduction will be promptly investigated. If it is determined that an improper reduction has occurred, the employee will be reimbursed for any improper reduction during the next pay cycle or as soon as practicable. A reduction in pay does not affect the overtime status of the position.

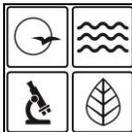
Overpayment

When a program discovers an error has been made with employees' pay and an overpayment has occurred over several pay periods or a one-time incident, the employee is typically liable for the amount overpaid. Under RSMo 33.103, the employee is entitled to due process to determine if an overpayment has occurred. Due process does not give the employee negotiation rights concerning the amount and timing of the payback.

Overpayment will be corrected as soon as possible following these options in the order given:

1. Offset the full amount of the overpayment in the next pay cycle.
2. The employee may repay the full amount immediately from personal funds. The amount must be coordinated with Office of Administration's Division of Accounting due to tax implications.
3. Offset payment in the same number of pay cycles that the overpayment was made.

HR will contact Office of Administration's Division of Accounting before proposing the reimbursement process to the employee. Each situation must be handled on a case-by-case basis.



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The Office of Administration's Division of Accounting must provide final approval for the repayment process to maintain statewide consistency.

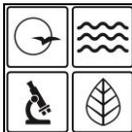
If an employee is on leave without pay, and an incorrect or no timesheet is submitted, the amount on the paycheck or pay stub will exceed the amount due. (Refer to the department's Timekeeping policy [3.05] for information on appropriate timesheet submittal in these circumstances.) To remedy the overpayment, the paycheck will be cancelled and re-issued unless the employee worked a sufficient number of hours during the following pay period to deduct the overpayment from the next paycheck.

**Payroll deductions of debts owed to the State**

The Office of Administration has provided a mechanism in the state payroll system to deduct from employee pay for debts owed the state. These are typically situations where state property has not been returned or an employee has purchased items with state funds for personal use or have delinquent state taxes owed.

The HR Program will coordinate all payroll deductions for debts owed with the Office of Administration. The following guidelines should be followed to recover the monies:

- 1.) Notify the employee of the claim, with supporting documentation to prove the individual owes the amount due or has state property in his/her possession.
- 2.) Give the employee sufficient time, given the circumstances of the situation, to appeal the claim and present any evidence to support his/her position.
- 3.) Request that the employee pay the amount due or return any state property in their control. Inform the employee that if not done by a specific date, then specify the payroll check date when the specific amount will be withheld.
- 4.) When sufficient time has been given and the employee has not provided proof that they do not owe the state the amount in dispute, a request should be made to the Office of Administration, Division of Accounting Central Payroll Unit to withhold the amount from the employee's next paycheck. The request must include documentation of the previous due process steps.
- 5.) If the repayment is from regular wages, the employee is legally entitled to be paid minimum wage for the hours worked in the pay period being paid. The entire paycheck cannot be withheld in this instance for debts owed the state.
- 6.) If the repayment is withheld as part of annual or compensatory leave payouts, then the entire check, less payroll taxes, may be withheld to offset the amount owed the state. These withholdings are considered after tax deductions.



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**Security and release of paychecks and pay stubs**

Issuing a paycheck or a pay stub will be the exception, not the rule. Any paychecks and pay stubs will be mailed or distributed by HR to the programs on or before the end of the pay period. Directors or their designees must assure that:

- Paychecks are kept in a secure place and not released until the date on the paycheck. The same is true for the pay stub.
- Paychecks and/or pay stubs are released directly to the employee or other designated office personnel for distribution.
- Paychecks and/or pay stubs are not released to another individual without prior written authorization from the employee.
- Paychecks and/or pay stubs are provided directly to the employee. If an employee is not at his/her desk at the time of distribution, the paycheck or pay stub is secured until it can be given to the employee.

If a check is cashed prior to payday, the employee and supervisor may be subject to disciplinary action.