



Waganakising Odawak
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Policy and Procedures for Payroll

- I. **Introduction:** This policy establishes the Payroll Policy and Procedures for the Little Traverse Bay Bands of Odawa Indians Tribal Government (LTBB). Sound policies and internal controls are necessary to:
 - A. Protect the assets of LTBB by reducing the risk of exposure to fraud, loss, theft and misappropriation of funds.
 - B. Ensure LTBB puts forth a good faith effort to disburse all funds due timely and accurately once documentation has been received.
 - C. Ensure anyone requesting compensation is an employee as authorized by Human Resources, an appointed official as authorized by the Chairperson and Tribal Council, or an elected official.
 - D. Ensure employees are legally entitled to funds received; that appropriate funding sources are being charged; and any necessary time sheets, stipend requests, personal activity reports or other documents are on file.
 - E. Ensure adherence to Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB); regulations as outlined in the *Code of Federal Regulations, Title 2; Subtitle A Chapter 2 Part 200 OMB Uniform Guidance: Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200)*; the LTBB Administrative Procedures Statute and any other applicable Federal, Tribal or Granting Agency rules, regulations and procedures.

- II. **Definitions:**
 - A. Allowable Costs: Costs that are necessary, reasonable, allocable to a fund, permitted under a program, and are adequately documented.
 - B. Personnel, Staff or Employee: For purposes of this document, unless otherwise stated, personnel, staff or employee means any person compensated through the payroll office, including but not limited to enterprise employees falling under Executive oversight, Tribal Councilors, Tribal Chairperson, Tribal Vice-Chairperson, Commissioners, Board Members, Election Board Members and regular governmental employees, temporary workers and interns of all branches and divisions.
 - C. Payroll: Division within the Accounting Department with staff designated to carry-out the daily functions of timesheet processing, employee compensation, payroll deductions and other such financial matters.
 - D. Time Sheet: Accounting approved format to track an employee's hours worked, paid leave and appropriate account number to be charged. Time Sheets are submitted electronically under the Employee Web Services (EWS) system.
 - E. Stipend Request: Accounting approved format to request payment for attendance at a commission, committee or board meeting, work session or travel event.

- F. Other Document: Letter of acceptance signed by both the person requesting payment and the appropriate supervisor or other authorized personnel, used on the rare occasion, with the consent of Payroll staff and the Chief Financial Officer, when a regular time sheet may not be appropriate.
 - G. Standard Workday: For purposes of this document the term standard workday for most governmental employees is defined as Monday through Friday, from 8:00 a.m. to 5:00 p.m., with an hour for lunch.
- III. **Applicability:** This document is applicable to all Branches, Divisions and Departments of the Little Traverse Bay Band of Odawa Indians Tribal Government and government-run Enterprises, referred to as LTBB in this document. This document summarizes the Payroll Policies and Procedures but does not address Personnel Policies, benefits or other employment issues.
- IV. **Consistency:** To maintain consistency in standards for effective controls and accountability as required in *2 CFR 200*, this Payroll Policy and Procedures will apply for all compensation disbursed by LTBB regardless of funding source.
- V. **Policy:** All payments made by Payroll must meet the following guidelines:
- A. Payroll records must be accurate so as to give reasonable assurance that charges are allowable and properly allocated. Actual payroll charges shall be reconciled to supporting documentation within a reasonable time period.
 - B. All qualified employees will be legally disbursed their authorized compensation on a scheduled and timely basis. It is the responsibility of the employee to follow documented payroll procedures.
 - C. Deductions:
 - 1. Required Deductions: Any deductions required by Federal and State laws and regulations will be withheld based on information submitted by the employee on their W-4 Form or other governmental issued form.
 - 2. Benefit Deductions: Any deductions resulting from the employee's enrollment in benefit programs offered by LTBB will be withheld based on information submitted by the employee on their Benefit Deduction Authorization Form.
 - 3. Federal, State and Tribal Court Ordered Deductions: Deductions ordered by a Court and recognized by LTBB Tribal Court will be withheld based on the documentation received by LTBB Tribal Court.
 - 4. Other Personal Deductions: LTBB is not able to process personal payroll deductions to pay normal employee expenses such as car payments and mortgages unless ordered by courts or other governing bodies.
 - D. Activity Certifications: Most positions require additional documentation to certify employee activities such as Personal Activity Reports (PAR), Wage Certifications or other items as required by funding agencies or the Office of Indirect Cost Services at the Department of the Interior. Employees required to submit additional documentation must follow the guidelines of the Employee Activity Certification Procedures below. If documentation is not submitted timely the federal funds may not be chargeable and general funds may be required.
 - E. Information Requests: If a current or former employee requires payroll information they must fill out the "Authorization to Release Payroll Information Form". Payroll will provide the requested information within four business days of receiving the completed original form. Requests from outside agencies, other than courts, for employee information will require an employee's authorization to release information to the said agency. These requests will be completed within

four business days of receiving a completed form. Court requests will be completed within four business days of receipt by payroll staff, or as required by the court document.

VI. Procedures:

- A. Pay Period: With the exception of Law Enforcement, LTBB utilizes a weekly pay period, beginning 12:00 a.m. Sunday and ending 11:59 p.m. Saturday. Law Enforcement has a biweekly pay period, beginning 12:00 a.m. Sunday and ending 14 days later at 11:59 p.m. Saturday, for most shifts. With the exception of Law Enforcement, Regulatory Night Staff, or other staff normally working a shift beginning on a Saturday night and ending on a Sunday morning, any work performed or meetings held during this time-frame are considered work performed during the pay period and pay will be issued accordingly. Law Enforcement, Regulatory Night Staff, or other staff normally working a Saturday afternoon or night shift ending on Sunday will be paid for their whole shift in one pay period.
- B. Issuance of Compensation:
 - 1. Payroll will issue pay the Friday following the end of a pay period, no later than 5 p.m. If the normal pay day would fall on a holiday every reasonable effort will be made to compensate employees by Thursday, but funds accessibility cannot be guaranteed due to policies utilized by the financial institutions employees use for personal banking.
 - 2. All hourly employees must submit a complete timesheet to receive compensation.
 - 3. All Commissioners must submit a stipend request to receive payment.
- C. Document Submission:
 - 1. Time sheets, stipend requests, activity certifications and other documents requesting employee payment are submitted to Payroll. Separate documents shall be submitted for each pay period as defined above.
 - 2. Document Approval:
 - a. Time sheets and activity certifications must be signed by the employee and the Department Director or other authorized supervisor. EWS approval by the supervisor is considered an electronic signature.
 - b. Stipend Requests must be signed by the individual receiving payment and the appropriate approver, as defined below:
 - i. Commission and Board stipends must be approved by the Chairperson or Vice-Chairperson of the Commission and the Executive Office.
 - ii. Election Board stipends must be approved by the Chairperson of the Election Board, and stipends for the Chairperson of the Election Board must be approved by the Vice-Chairperson of the Election Board.
 - c. Other Documents must be signed by the individual receiving payment and the individual with appropriate budget oversight.
 - 3. Submission Deadline:
 - a. Time sheets, stipends, single-week PARs and other documents must be submitted by noon the Monday immediately preceding the pay date with exceptions listed in item b and c. Four-week PARs and Wage Certification forms must be submitted by noon on the 5th of the following month.

- b. Exceptions during a holiday week for employees working the standard workweek: when a LTBB recognized holiday falls on any weekday during the pay week, time sheets and other documents are due the previous Friday by 12 p.m. or sooner depending on the office schedule.
 - c. Exceptions during a holiday week for employees regularly working Saturdays or meetings held on Saturdays:
 - i. Monday holidays during the pay week: time sheets, stipends and other documents are due Tuesday by 9 a.m.
 - ii. Friday holidays on the regularly scheduled payday: time sheets, stipends and other documents are due the Monday preceding the holiday at 9 a.m.
 - d. Accounting may request time sheets and stipends sooner on occasion due to unforeseen circumstances such as weather related closures or power outages, or employee events resulting in the closure of government offices. These requests will be issued via a staff-wide email and notice will be given at least 72 hours prior to the submission deadline.
4. Non-Submission:
- a. Reminders of non-submission:
 - i. When a known employee fails to submit an acceptable timesheet or activity certification an email will be sent to the employee and their director.
 - ii. The email will give the employee a new deadline issued by payroll staff. If a timesheet is not received by the new deadline the submission cannot be processed until the next scheduled payroll.
 - b. Incorrect submissions will be treated as non-submissions.
- D. Employee, Commissioner or Councilor requested reissues of payment:
- 1. Check payments: If the check is visually destroyed but returned to the payroll department every attempt will be made to reissue the check within four business days. If the check is lost by the employee every attempt will be made to reissue the check within five business days, but the stop payment fee charged to LTBB by the bank will be deducted from the reissued paycheck.
 - 2. ACH/Direct Deposit payments: If an ACH comes back with an "account closed" or if funds are misdirected due to incorrect financial institution information submitted by the employee, payment will be reissued within four business days of the bank returning the funds to LTBB.
- E. Employee Activity Certification Procedures:
- 1. Multiple Funded Grant Employees shall submit a single-week Personal Activity Report (PAR) that reflects actual daily activities completed and accounts for the total time compensated.
 - 2. Single Grant Employees shall submit a four-week PAR that reflects actual weekly activities and accounts for the total time compensated.
 - 3. In-Kind Contributions of staff time to a grant source requires an appropriate PAR that reflects actual activities and accounts for the total time spent on the award.
 - 4. General Fund, Indirect and other Cost Recovery Pool employees who are funded by a single source shall complete a monthly wage certification form. If any employee is partially funded by a cost recovery pool and a grant or general fund weekly PARs may be required.

5. Directors are responsible for ensuring staff terminating employment with the department complete a final PAR upon their departure or the award may not be charged.

F. Internal Controls:

1. Newly hired or transferred governmental employees are entered by the Human Resources Staff into the Human Resources Module of the software.
2. Hourly employee's time is entered by the employee and authorized by their supervisor, prior to being compiled by the payroll technician.
3. The Payroll Check Register is reviewed by the Controller or the CFO prior to the payroll check run.
4. The Tribal Chairperson, Vice-Chairperson or Direct Services Administrator logs in to Abila to authorize the payroll check run.
5. The Labor Distribution Report is reviewed by the Grants Compliance Officer to ensure the appropriate fund is being charged.
6. The Change Log is reviewed by the Controller or the CFO prior to the payroll check run, to ensure any changes to any employee file has appropriate documentation.

VII. **Conflicts of Interest:** When processing compensation payments or entering data, no employee, as defined above, may participate in the process if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, any member of his or her immediate family, his or her partner or an organization that employs any of the above has a financial or other interest, or could appear to receive a tangible personal benefit from the transaction. If a real or perceived conflict of interest is apparent that may impact a Federal grant, the employee must notify the Grants Office and the Grant Writer shall immediately notify the Federal funding agency that would be impacted by the conflict of interest and request written approval to proceed with the activity in question. Failure to adhere to this conflict of interest policy may result in disciplinary action per the employee handbook. Potential conflicts of interest shall be disclosed to funding agencies when required.

VIII. **Internal Control Standards:** To comply with 2 CFR 200.303, Internal Controls, LTBB follows the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States and the "Internal Control Integrated Framework", issued by COSO. This document lists five standards of Internal Control: Control Environment, Risk Assessment, Control Activities, Information and Communications, and Monitoring. To ensure compliance with the Risk Assessment Standard and the related continual changes in regulatory and operating conditions, the CFO will review this policy no less than annually and update as needed.