# VI Department of Finance

## **Payroll Policies and Procedures**

**October 1, 2025** 

SOPP 500 – Payroll – Time and Attendance Entry / Approval

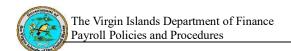
### **SOPP SECTION ORDER**

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**SOPP NO. / Title:** 

SOPP 500 – Payroll, Time & Attendance Entry / Approval

**Effective Date:** 

Effective 10/01/2025

**Approved Date:** 

Approved 10/23/25

**Approved By:** 

Commissioner of Finance

### Section 1. PURPOSE:

The purpose of this procedure is to provide coordination and validation of payroll operations to ensure employees are correctly paid in a timely manner. This SOPP shall be reviewed and revised, if necessary, at a minimum of every two years from its effective date to ensure its continued relevance and accuracy.

#### Section 2. SCOPE:

This Payroll, Time & Attendance Entry/Approval procedure outlines a multi-step process to ensure all elements of time-related payroll activity are completed. This procedure applies to all GVI departments and agencies.

### Section 3. ROLES AND RESPONSIBILITIES:

### Department and Agency Heads, Payroll Personnel, Approvers and Certifying Officers:

Maintain appropriate time and attendance records for their employees, validate and approve
time and attendance data, ensure batches and timecards are properly approved and released
to the Department of Finance by the established payroll deadline, and review and verify
payroll registers.

### Department of Finance:

• Start the payroll cycle process, generate earnings and deductions file, assist departments and agencies to resolve payroll issues, generate and proof payroll reports, transmit all direct deposit files to the bank clearinghouse, print and distribute direct deposit advices and payroll checks to the appropriate agency.

### Section 4. DEFINITIONS / ABBREVIATIONS:

SOPP Acronyms				
EDFM - ERP Payroll Module				

### Section 5. REGULATIONS / REFERENCES:

In addition to local territory regulations, all departments and agencies receiving federal grants and utilizing federal grant funds for program expenditures must incorporate fiscal controls and accounting procedures in accordance with the Code of Federal regulations Title 2 Part 200. For those D & A's utilizing federal grant funds, the following regulations are applicable.

- 2 CFR § 200.430 Compensation—personal services (a) General. Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits addressed in § 200.431. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part and that the total compensation for individual employees. See the appendix for more details.
- § 200.431 Compensation—fringe benefits (a) *General*. Fringe benefits are allowances and services employers provide to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefits. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, an organization-employee agreement, or an established policy of the recipient or subrecipient. *See the appendix for more details*.

### **Section 6. POLICY:**

Implement and maintain appropriate processes and procedures to ensure government employees are accurately and timely paid for work performed.

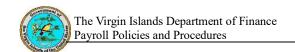
Department and Agency Heads, payroll personnel, approvers and certifying officers must perform the following. See **Appendix A** for the detailed list of requirements.

- Identify a supervisory level key point of contact responsible for handling all payroll related matters.
- Maintain an accurate bi-weekly internal listing of employees entitled to compensation for each scheduled pay cycle.
- Verify and validate all employees scheduled for payment to ensure that they are properly included in each pay cycle.
- Validate that each employee's hours are correctly apportioned by pay type.
- Enter and approve Time and Attendance data into the ERP/STATS Payroll Module.
- Administer workflow approval additions, changes, or deletions.
- Print appropriate payroll reports from the ERP/Payroll Module and STATS reports menu.

The Department of Finance's Payroll Division will complete the payroll processing requirements and provide bi-annual training sessions to support D&As to maintain accurate and timely payroll transactions.

### **Section 7. PROCEDURES:**

To ensure employees are paid, Payroll Managers must submit accurate timecards and timekeeping records to the Department of Finance.

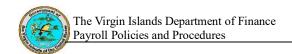


For specific procedures and further information please see the *GVI Time and Attendance Desk Procedures* and *STATS Resources* on the Department of Finance website, respectively at:

- http://www.usvifinance.info/html/Central%20payroll%20downloads.html
- <a href="http://www.172.20.2.15/html/Stats.html">http://www.172.20.2.15/html/Stats.html</a>

### 7.1 Department and Agency Heads, payroll personnel, approvers and certifying officers perform the following:

- 1. Maintain appropriate time and attendance records for employees under their jurisdiction (timecards, sign-in sheets, etc.).
- 2. Ensure the "Auto Load" box is checked on the batch entry screen under the Preferences button this will ensure Groups load properly.
- 3. Enter time and attendance data in a timely fashion, ensuring hours for each employee is entered accurately.
- 4. Validate and approve time and attendance data in a timely fashion.
- 5. Ensure that each employee's record totals 80 hours before exiting the record and appropriately accounting for all hours by pay type some exceptions to this for less than 80 hours may include contract or part-time employees; some exceptions for greater than 80 hours may include overtime or night/shift differential.
- 6. Ensure that hours entry report totals are balanced and have been reviewed prior to submitting the batch to the Department of Finance.
  - a. Example: Performing a reasonableness test for a batch/hours summary with 14 employees, assuming no overtime, should result in total hours reported of 1,120 total hours [or 14 \* 80 = 1,120]
- 7. Add appropriate pay type codes as necessary.
  - a. See GVI Time and Attendance Desk Reference
- 8. Ensure all employees are accounted for in each payroll adding/removing employees as necessary.
- 9. Ensure batches and timecards are properly approved and released to the Department of Finance by the established payroll deadline.
  - a. **NOTE:** By 5:00 p.m. on Wednesday prior to the upcoming scheduled pay week.
- 10. Resolve issues and obtain approvals by 5:00 p.m. on Wednesday prior to the upcoming scheduled pay week.
- 11. Spool/create/store reports for internal record keeping and auditing purposes.
  - a. **NOTE:** Reports shall be transferred to a Word document or Excel file and saved to a folder.
- 12. Submit miscellaneous vouchers to the Department of Finance on a timely basis with the attached supporting documentation.



- a. **NOTE:** by 5:00 p.m. on the immediate Friday following each pay day for processing in the upcoming pay cycle.
- 13. Advise returning incorrect payroll checks immediately to the Department of Finance, Payroll Division for proper disposition.
- 14. Review and verify payroll registers and leave balance amounts immediately.
- 15. Notify the Department of Finance immediately if any payroll errors exist for correction.
- 16. Manage late payroll payments.
  - a. Department and Agencies requesting payment after the payroll is closed will be subjected to a review process and a fee of \$250.00 (1-50 employees) and \$500.00 (50+ employees).
  - b. Documentation for approved late payments must be delivered to the DOF payroll division by 10:00 a.m.

### 7.2 Department of Finance performs the following:

- 1. Starts the Payroll Process (Cycle).
  - a. **NOTE:** Warrant number = the number of the current cycle plus the last two digits of the current fiscal year.
- 2. Ensures the payroll cycle is current (**correct start/end dates**).
- 3. Generates earnings and deductions file.
- 4. Assists agencies in correcting batch, timecards, approval, or other payroll issues.
- 5. Reviews and/or audits time entry for correctness and conformity with established standards.
  - a. Batch/Stats Verification Report
  - b. Master File
  - c. Job Salary Record
- 6. Moves approved batches into the payroll for processing.
- 7. Provides the final approval of batches submitted by departments and agencies for processing in the ERP.
- 8. Enters miscellaneous vouchers into the ERP Payroll Module (EDFM).
- 9. Performs due diligence in the ERP Payroll Module to identify additional errors requiring correction.
- 10. Generates and proofs internal Payroll Reports (Vendor processing, Earnings/ Deductions Proof, Employee update, Payroll Advices/Register, Direct Deposit File, Payroll checks/Register, Detail distribution report, G/L Distribution Journal, Deductions Report by Type, Accruals Exceeded Report and Deductions Not Taken Report).
- 11. Verifies the total payroll using the Payroll Distribution Journal Fundsumo.

- 12. Provides detailed proof records after the direct deposits, payroll checks, and check registers have been processed. [Federal Draws can be done at this point].
- 13. Conducts final quality assurance tests to ensure employees have been paid.
- 14. Transmits all direct deposit files to the bank clearinghouse.
- 15. Prints and distributes direct deposit advices and payroll checks to the appropriate agency.

### Section 8. COMPLIANCE AND ACCOUNTABILITY:

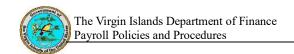
- Payroll Managers & Directors must follow prescribed procedures and policies established by SOPPs, Collective Bargaining Agreements and the Virgin Islands Code
- Payroll Managers & Directors must pull ERP Master File Reports to ensure all active employees are accounted for by comparing to timecards.
- Payroll Managers & Directors must ensure employee records are kept up to date, to include expiration of Job Salary Records.
- Payroll Managers & Directors must submit valid approved timecards for bi-weekly payments.
- Departments and agencies must monitor and enforce compliance with federal regulations and grantors' requirements including any specific conditions, if applicable, such as to maintain standard operating procedures (SOPP) for payroll functions involving salaries paid with federal grant funds. The SOPP must establish and maintain an effective and accurate process for tracking and reporting time and effort spent by all employees whose salaries are paid under such grants.
- To ensure compliance, the Department of Finance Payroll Division will provide bi-annual training sessions and make ready recordings for future references.
- Failure to follow any one of the above could result in additional fines and penalties to the government or foregoing reimbursable costs.

### **Section 9. APPENDICES:**

### Appendix A: Detailed Policy for D&A, Payroll, Approvers and Certifying Officers

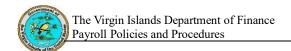
Department and Agency Heads, payroll personnel, approvers and certifying officers must:

- Identify a supervisory level key point of contact responsible for handling all payroll related matters and submit the following information to the Department of Finance, Director of Payroll:
  - First, Last Name and Position Title
  - o Phone & Fax Number, and Government Email Address
- Communicate to employees within department/agency that if their net pay is insufficient for any pay cycle to cover voluntary deductions, the employee is responsible for making the actual payment to the entity or entities expecting timely receipt of funds. Deductions will be taken in the following order:
  - 1) Social Security
  - 2) Medicare
  - 3) Federal Income Tax
  - 4) Involuntary Deductions (required by court order, law or act)
  - 5) GERS Contributions
  - 6) Health, Vision and Dependent Life
  - 7) Supplemental Life
  - 8) GERS Loans
  - 9) Union Deductions
  - 10) Other Voluntary Deductions (loans, car payments, etc.)
    - a. Voluntary deductions will only be taken if the entire amount of the deduction is available. Partial payments on voluntary deductions will not be made.
- Maintain an accurate bi-weekly internal listing of employees entitled to compensation for each scheduled pay cycle.
  - NOTE: Time sheets can be obtained from the Crystal Report List under the GVI HR Menu.
  - Retain bi-weekly internal listing in hard or soft copy as well as supporting timecards for a minimum of seven (7) years from the date of service period within department/agency.
  - Maintain any additional documentation that supports time worked for a minimum of seven (7) years from the date of service period within department/agency.
  - Provide access to bi-weekly internal listing in hard or soft copy as well as supporting timecards when requested by Department of Finance (e.g., internal/external audit requests, financial reporting, internal control and other matters deemed appropriate).



- Verify and validate all employees scheduled for payment to ensure that they are properly included in each pay cycle.
  - o Missing employees.
    - Contact the Division of Personnel Help Desk at 714-5049.
- Identify active employees in ERP Payroll Module that should not have hours entry applied (aka "Temporary Active Employee") because final personnel actions have not been completed (e.g., Retirees, Terminations, Leave without Pay, Summer Students, etc.).
- Immediately apply UPT/UAB pay type code for any missing hours.
- Validate that each employee's hours are correctly apportioned by pay type (e.g., Regular, Overtime, Admin, Sick, Holiday, Jury Duty, etc.).
- Ensure that the granular level data for each employee in the "Employee Master", "Job Salary" and "Position Control" tables, per the ERP Human Resource Module, is accurate and up to date prior to entering and approving Time and Attendance.
  - o General Ledger Accounts (i.e., Org/Object/Project)
    - Contact Department of Finance 774-4750 Ext. 2321.
  - Social Security, Medicare, Federal Income Tax, Union, Involuntary and Voluntary Deductions
    - Contact Department of Finance at 774-4750 Ext. 2252.
  - o Health, Vision, Dental and Supplemental Life Deduction Discrepancies
    - Contact Division of Personnel at 714-5000.
  - Changes to tax deductions or exemptions (using form W-4)
    - Contact Division of Personnel at 714-5049.
  - GERS Contribution Rates and Loan Deductions
    - Contact GERS at 776-7703 and ask for benefits section.
- Enter and approve Time and Attendance data for "Regular Pay" into the ERP/STATS Payroll Module on the Wednesday prior to the upcoming scheduled pay week.
  - Provide a written request to the Commissioner of Finance and signed by the agency/department Commissioner requesting any extensions of time to enter or approve Time and Attendance data.
- Submit "Miscellaneous Vouchers" to the Department of Finance along with the appropriate supporting documentation by the Friday following each pay day for processing in the upcoming pay cycle.
  - NOTE: Miscellaneous Vouchers received after this deadline will be processed in the subsequent pay cycle.

- Administer workflow approval additions, changes, or deletions by completing the "ERP/STATS System Authorization for Approvals" form located at http://www.usvifinance.info/html/Forms.html and submit the fully executed original to the Department of Finance, MIS Division.
  - <u>NOTE:</u> The "ERP System Authorization for Approvals" must be executed by the respective Department/Agency Head.
- Print appropriate payroll reports from the ERP/Payroll Module and STATS reports menu.
  - o Reports include the following: Detail Proof/Check Register, Activity Report, Hours Summary.
  - o <u>NOTE:</u> Reports will not be provided from Department of Finance, except in extenuating circumstances.

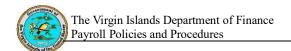


### **Appendix B: 2CFR Regulations**

The Code of Federal regulations Part 200 provides guidance for compensation for federal grant funded employees. To read the full guidance please access the eCFR online at <a href="https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200">https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200</a>.

### § 200.430 Compensation—personal services.

- (a) General. Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits addressed in § 200.431. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part and that the total compensation for individual employees:
  - (1) Is reasonable for the services rendered and conforms to the established written policy of the recipient or subrecipient consistently applied to both Federal and non-Federal activities;
  - (2) Follows an appointment made in accordance with the recipient's or subrecipient's laws, rules, or written policies and meets the requirements of Federal statute, where applicable; and
  - (3) Is determined and supported as provided in <u>paragraph</u> (g) of this section, when applicable.
- (b) Reasonableness. Compensation for employees engaged in work on Federal awards will be reasonable to the extent that it is consistent with that paid for similar work in other activities of the recipient or subrecipient. In cases where the kinds of employees required for Federal awards are not found in the other activities of the recipient or subrecipient, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the recipient or subrecipient competes for the kind of employees involved.
- (c) Professional activities outside the recipient or subrecipient. Unless the Federal agency expressly authorizes an arrangement, a recipient or subrecipient must follow its written policies and procedures concerning the permissible extent of professional services that can be provided outside the recipient or subrecipient for non-organizational compensation. Where the recipient or subrecipient does not have written policies or procedures, or they do not adequately define the permissible extent of consulting or other non-organizational activities undertaken for extra outside pay, the Federal Government may require the recipient or subrecipient to allocate the effort of professional staff working on Federal awards between:
  - (1) Recipient or subrecipient activities, and
  - (2) Non-organizational professional activities. Appropriate arrangements governing compensation must be negotiated on a case-by-case basis if the Federal agency considers the extent of non-organizational professional effort excessive or inconsistent with the conflicts-of-interest terms and conditions of the Federal award.



### (d) *Unallowable costs*.

- (1) Costs unallowable under other sections of these principles must not be allowable under this section solely because they constitute personnel compensation.
- (e) Special considerations. Special considerations in determining the allowability of compensation will be given to any change in a recipient's or subrecipient's compensation policy resulting in a substantial increase in its employees' level of compensation (particularly when the change was concurrent with an increase in the ratio of Federal awards to other activities) or any change in the treatment of allowability of specific types of compensation due to changes in Federal policy.
- (f) *Incentive compensation*. Incentive compensation to employees based on cost reduction, efficient performance, suggestion awards, or safety awards is allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued according to an agreement entered into in good faith between the recipient or subrecipient and the employees before the services were rendered, or according to an established plan followed by the recipient or subrecipient so consistently as to imply, in effect, an agreement to make such payment.

### § 200.431 Compensation—fringe benefits

(a) *General.* Fringe benefits are allowances and services employers provide to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefits. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, an organization-employee agreement, or an established policy of the recipient or subrecipient.

### **Section 10. REVISION HISTORY:**

Revision #	Date Requested	Author (Name/Title)	Description of Changes	Approved By (Name & Title)	Signature	Date Approved
0	12/15/2008	Grace Fahie-	Initial Release	Valdemier	VC	12/06/2009
		Lindo		Collens, Finance		
				Commissioner		
1	10/23/2025	Grace Fahie-	Revisions to	Kevin	KM	10/30/2025
		Lindo	include Federal	McCurdy,		
			2CFR	Finance	Kevin Melurdy	
				Commissioner	1400001	