

CHAPTER 3.

PAYROLL/LABOR COSTS

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3-01 PURPOSE.

NOAA payroll is processed by two external organizations. The U.S. Department of Agriculture National Finance Center (NFC) in New Orleans, Louisiana, processes the payroll for NOAA civilian employees and Bureau of Industry and Security (BIS). The U.S. Coast Guard Pay and Personnel Center (PPC) in Topeka, Kansas, processes the payroll for the NOAA Officer Corps (NOAA Corps).

After the payroll is processed, data from both the NFC and PPC is sent via electronic files to NOAA Production Control for input into the Labor Cost System, a subsidiary system of the Commerce Business System (CBS). The Labor Cost System distributes and charges payroll labor cost to NOAA and BIS organizations, projects, task codes, and object classes.

The purpose of this chapter is to prescribe policy for the processing of the CBS Labor Cost System.

3-02 SCOPE.

This chapter is applicable to all components of NOAA/cross-serviced agencies that have payroll services furnished by the NFC or the PPC.

3-03 AUTHORITY.

The policies and procedures in this chapter are issued pursuant to:

[Department Organizational Order 10-05](http://www.osec.doc.gov/opog/dmp/doos/doo10_5.html) (available online at http://www.osec.doc.gov/opog/dmp/doos/doo10_5.html).

[Department of Commerce Accounting Principles and Standards Handbook Chapter 12 MANAGERIAL COST ACCOUNTING](http://www.osec.doc.gov/ofm/Accounting/Final_Chapter_12_Acctg_Hdbk_9-21-11.pdf) (available online at http://www.osec.doc.gov/ofm/Accounting/Final_Chapter_12_Acctg_Hdbk_9-21-11.pdf).

[Department of Commerce Accounting Principles and Standards Handbook Chapter 14 PAYROLL, BENEFITS, AND ALLOWANCES](http://www.osec.doc.gov/ofm/Accounting/Final_Chapter_14_Acctg_Hdbk_9-21-11.pdf) (available online at http://www.osec.doc.gov/ofm/Accounting/Final_Chapter_14_Acctg_Hdbk_9-21-11.pdf).

3-04 POLICY.

The following payroll policies at NOAA are established:

- Prompt payment in the proper amount to all personnel entitled to be paid.
- Prompt accounting for and disposition of all authorized deductions from gross pay.
- Adequate control over, retention, and disposition of all payroll related documents.
- Prompt preparation of adequate and reliable payroll records to support:
 - management purposes;
 - planning, preparation, execution, and review of the budget, and
 - internal and external requirements.
- Supervisors are required to review, and certify time and attendance reports. In addition, no personnel are permitted to certify their own time.
- Operating units shall maintain a separation of functions between timekeeping and the distribution of pay.
- All NOAA personnel handling sensitive payroll information should rigorously safeguard records, particularly those records containing personally identifiable information (PII) data, and maintain adequate controls over retention and disposition of sensitive data. More information on PII can be found at:
http://ocio.os.doc.gov/ITPolicyandPrograms/IT_Privacy/PROD01_008240 .

3-05 RESPONSIBILITIES.

3.05.1 NATIONAL FINANCE CENTER (CIVILIAN PAY)

Personnel Actions

The Client Services Division/Workforce Management Office (WFMO) is responsible for processing most NOAA/BIS personnel actions and uploading employee information to NFC. The Executive Resources Division is responsible for processing personnel actions for SES employees, ST/SL employees, and Schedule C employees. The Office of Marine and Aviation Operations (OMAO) Commissioned Personnel Center (CPC) handles personnel actions for all NOAA Corps officers. Personnel actions arise when there are changes in an employee's records to include hiring, discharges, retirements, promotions, reassignments, benefit elections, etc.

Time and Attendance Reporting

Although the NFC is responsible for the processing of Time and Attendance Reports (T&A) and issuing paychecks to employees, the processing of T&A's begins with the designated timekeeper liaisons at each office level.

The delivery of time and attendance services is centrally provided by the staff of the Time and Attendance Team within the Payroll, Record, Time and Attendance of the WFMO. The Time and Attendance Team reports to the Director, Payroll, Record, Time and Attendance. The Time & Attendance Team serves as the liaison between NOAA's designated timekeeper liaisons and NFC. It is the responsibility of the Time & Attendance Team to download all the edit reports from the NFC system and to follow up on edits, errors and omissions with the timekeeping liaisons throughout NOAA.

WebTA is NOAA's web-based timekeeping system that is designed for data entry by either the Timekeeper or by individual employees. Timekeepers and/or individual employees log into the secure WebTA website to enter and validate data regarding hours worked and leave taken during the pay period.

The employee is responsible for affirming that hours of work and leave taken are valid. Once validated, it is the responsibility of the supervisors to log into the same WebTA and certify/approve the records prior to the payroll deadline of the first Tuesday of each pay period to assure prompt payment to employees.

Time and attendance is to be recorded accurately to ensure that the presence and absence of employees are accurately recorded and reported for purposes of computing payroll, leave, and allowances.

Certified records are sent to the NFC for processing by way of automatic builds by the Department of Commerce.

Time and attendance records must be safeguarded together with any Office of Personnel Management (OPM) Form 71s, Request for Leave or Approved Absence, and overtime approvals to preclude unauthorized changes to approved documents. These functions are primarily recorded and stored in WebTA; therefore no paperwork may be present. The time and attendance report shall show that each employee is entitled to his or her normal pay or to a greater or lesser amount by showing the number of hours the employee worked and the nature and lengths of absences. The payroll cycle begins on Sunday and terminates on the second Saturday, following the Department of Commerce employee schedule for a two-week payroll.

Production Control

Production Control telecommunicates the T&A data (except for NOAA Corp) to the NFC for processing by the Tuesday evening after the end of the pay period. Production Control is responsible for contacting any transmitter whose file has not been received and provides assistance as needed to ensure data is received by the NFC deadline.

Once the weekly NFC payroll file is made available by NFC, Production Control transfers the file to the CBS server and notifies the Funds Management Branch (FMB)/NOAA Finance Office. The NOAA Corps payroll file is made available to Production Control on a monthly basis, by the CPC, via the PPC, and Production Control uploads to the CBS server and notifies the Funds Management Branch (FMB)/NOAA Finance Office.

Processing, Review and Reconciliation of NFC Data

The FMB is responsible for processing the NFC and NOAA Corp data using a series of CBS screens to load and “validate” all transactions in CBS prior to them being posted to the General Ledger.

Once the surcharge/overhead process has posted and the Data Warehouse has refreshed, an e-mail is sent notifying labor payroll users that the current payroll data is available for viewing and downloading.

Individuals at the Financial Management Center (FMC) level are responsible for routinely reviewing the NFC payroll reports to make sure that the labor charges are posted correctly to their projects

The following labor reports are available through the Data Warehouse to assist in this review process: (see section 3-06 DEFINITIONS)

- LAB710 - Labor Cost Detail Report by Employee
- LAB720 - Year-to-date Summary Labor Cost Report by Organization, Fund, Project, and Task
- LAB730 - Year-to-date Summary Labor Cost Report by Organization, Program & Project
- LAB740 - Labor Cost Detail for Individual Employee
- LAB750 - NFC Labor Data Defaulted Project & Task Code

- LAB760 - Accepted Detail Labor Cost Adjustment Report
- LAB770 - Labor Expense Summary Report

The FMB is also responsible for performing a monthly reconciliation of the data from the NFC payroll files processed in CBS with the data from the NFC Abstract of Transactions (SF-224). The FMB accesses and prints the NFC Abstract of Transactions which contains NFC disbursements and receipts/collections by appropriation and schedule number. The FMB compares the payroll data processed in CBS within a General Ledger month with the NFC data reported for that month.

3.05.02 NOAA CORPS.

CPC is responsible for processing personnel actions for NOAA Corps officers. Personnel actions include but are not limited to processing appointments of individuals accepted into the Corps, changes in a member's rank or compensation, and the separation of a member from the NOAA Corps.

The NOAA Corps utilizes the U.S. Coast Guard Pay and Personnel Center (PPC) in Topeka, KS to process payroll transactions. The NOAA Corps Payroll Unit is responsible for gathering and distributing monthly disbursement report data to NOAA Finance Office, accounting, and budgeting recipients. Primary among the data is that of the NOAA Corps Labor Cost detail, which is fed into CBS. This process applies to the pay of NOAA Corps officers, and is separate from the NFC labor data, which applies to civilian payroll. FMB processes and posts the NOAA Corps labor file monthly.

3.05.03 PENSION AND OTHER RETIREMENT BENEFITS.

The Financial Statements Branch (FSB)/NOAA Finance Office is responsible for reporting the imputed costs for pension and post-retirement benefits as part of the payroll costs. A report is received from DOC which provides data regarding pensions and other retirement benefits every quarter for NOAA and BIS. From that report, the FSB will adjust the report to reflect the cost factors as reflected in the most recent OPM benefit administration letter. These costs are known as imputed costs. In addition, the figures may or may not need to be adjusted with a conversion factor based on timing of the pay period. From this information, a journal entry is prepared to adjust the imputed financing sources account in the master trial balance.

The U.S. Coast Guard Retiree & Annuitant Services (RAS) Branch provides the NOAA Corps Payroll Unit reports of monthly payments to NOAA Corps retirees and annuitants. The FSB is responsible for adjusting the NOAA Corps retirement and retiree health benefit liabilities in the CBS general ledger using the data from an actuarial report. The actuary factors adjustments for permanent (not temporary) offsets when calculating the estimated accrued pension liability.

3-06 DEFINITIONS.

Concise descriptions of the labor reports are provided below:

1. *LAB710 - Labor Cost Detail Report by Employee:* This report reflects the name of employee, pay period, hours, dollars, object class, project and task, payroll type, employee number etc. It includes current pay period data, adjustments done on the T&A's, and adjustments made by NFC (e.g., the 1% pay increase). This report includes the data as it comes from NFC and does not include any detail labor adjustments. It is used to identify Detail Labor Adjustments that need to be entered and submitted to the Financial Reporting Division (FRD)/NOAA Finance Office for approval. FMCs enter the detail labor adjustments and the report is sent to the FRD for approval of the adjustments.

2. *LAB720 - Year-to-date Summary Labor Cost Report by Organization, Fund, Project, and Task:* This report shows the current pay period, fiscal year YTD, and fund code fiscal year YTD totals for the organization selected from LAB720 screen. The report gives totals by project and task, fund code and organization. The report includes labor data (all object classes from NFC and Coast Guard), detail labor cost adjustments, applied surcharges, transactions generated when running the over/under process and summary level transfer (SLT) data (object classes 11xx, 12xx and 77xx).

3. *LAB730 - Year-to-date Summary Labor Cost Report by Organization, Program & Project:* This report shows the current pay period, fiscal year YTD, and fund code fiscal year (FCFY) YTD totals for the organization selected from LAB730 screen. The report gives totals by project, program code and organization. The report includes labor data (all object classes from NFC and Coast Guard), detail labor cost adjustments, applied surcharges, transactions generated when running the over/under process, and summary level transfer data (object classes 11xx, 12xx and 77xx). The report **does not** include the month-end estimates or estimate reversals and any surcharges applied to those estimates. The totals for the current pay period, fiscal year and fund code fiscal year contain the same information as LAB720 above.

4. *LAB740 - Labor Cost Detail for Individual Employee:* The Labor Cost Detail for Individual Employee includes all transactions for a selected employee within a specified fiscal year. The report can be selected by employee number or social security number (SSN). The report reflects employee number, name, organization, pay period, hours, dollars, object class, project and task, and payroll type. It includes all transactions from NFC, including T&A corrections, NFC corrections, and detail labor adjustments sent to the FRD for input. It includes all transactions processed this fiscal year regardless of the FCFY (e.g., all of pay period 19, the first pay period in the fiscal year, would be included).

5. *LAB750 - NFC Labor Data Defaulted Project & Task Code:* The NFC Labor Data Defaulted Project & Task Code report shows all NFC labor transactions for the selected pay period where the project and/or task were defaulted. When the project is valid and the task is invalid, the task defaults to P00. When the project is invalid, the project and task default to the organization's labor default project and task.

This report should be run each pay period and used for the following:

- inform employees who are using invalid projects/tasks
- inform timekeepers of data entry problems
- inform the budget office to add or update projects and tasks
- inform FRD if the labor default is incorrect
- identify any detail or SLT transactions that need to be completed to move the labor transaction to the correct project and task code.

Note: If the default is acceptable and the transactions should remain there, no adjustment is needed.

6. LAB760 - Accepted Detail Labor Cost Adjustment Report: This report allows the user to get a list of the detailed labor adjustments that have been entered and approved. It allows the user to select a general ledger end date and org code or a range of dates and org codes. The report can also be selected for a specific project or employee and can be sorted either by employee number or project code. Totals are provided by project or employee, organization and overall grand totals.

This report could be run to verify that transactions submitted to FRD have been entered and approved.

Only detail labor-cost adjustments entered on the NFC005 and NFC045 screens are included. Changes made through corrected T&As or SLTs are not included.

Depending on the selection criteria, it is very possible to see only half of the transfer. For example, if selection was by project and an adjustment was done from one project to another, you would only see one side of the adjustment.

7. LAB770 - Labor Expense Summary Report: This report reflects all components of labor charges to the Line Offices. The purpose of this report is to identify all labor-related obligations/expenses for a particular general ledger period. The amount on this report should match current month and cumulative YTD totals on the NOA118 for object classes 11xx, 12xx and 77xx. This report is generated from the NDW_AP_TRANS table.

The report includes labor data (all object classes from NFC and Coast Guard), detail labor cost adjustments, applied surcharges, transactions generated when running the over/under process, month-end estimates, the reversal of prior month-end estimates, and summary level transfer data (object classes 11xx, 12xx and 77xx). As stated above, the report will also include data with this object class from other modules.

The report shows the selected general ledger and fiscal year totals. The FY YTD column should include all transactions that were processed from Oct 1 (beginning of the fiscal year) to the selected general ledger period. For pay period 19, which is split, this column would include the entire amounts for both fund code fiscal years because both components were processed in the new fiscal year.

3-07 EFFECT ON OTHER ISSUANCES.

This chapter supersedes NOAA Finance Handbook Chapter 3, dated April 15, 2005.