

**BLUE WATER DEVELOPMENTAL HOUSING, INC.  
POLICIES AND PROCEDURES: EMPLOYEE INFORMATION**

<b>SUBMITTED BY:</b> Michelle Dineen-Gramer	<b>DATE SUBMITTED:</b> 07/18/12	<b>SECTION:</b> Human Resources	
<b>BOARD APPROVED ON:</b> 07/18/12	<b>DATE REVISED:</b> 11/18/15, 09/19/18, 10/18/2023	<b>SUBJECT:</b> Payroll	
<b>ANNUAL REVIEW BY EXECUTIVE DIRECTOR:</b> 02/15/17, 09/19/18, 09/09/2020, 9/9/2022, 10/18/2023		<b>POLICY #:</b> ED-027	<b>PAGE #:</b> 1 of 7

**I. APPLICATION**

The provisions stated herein shall apply to all employees of Blue Water Developmental Housing, Inc. (BWDH).

**II. POLICY**

It is the policy of the organization to ensure employees are paid correctly and timely. Payroll entries must be done in accordance with generally accepted accounting principles.

**III. DEFINITIONS**

**Bi-Weekly Work Schedule:** Begins on Friday at 12:00A.M. and runs fourteen (14) consecutive days ending on Thursday at 11:59 P.M.

**Direct Deposit (DD):** Method of transferring a wage or salary payment electronically, directly from the payer's bank account into the payee's account.

**Full-Time Status:** Regularly works a minimum of 40 hours per week or 80 hours bi-weekly. The employee is eligible for benefits provided by the employer.

**Part-Time Status:** Regularly works less than 40 hours a week.

**Hourly Employee:** An hourly employee is paid by the hour and is calculated by the employee's regular hourly pay. Hourly employees (non-exempt) are entitled to overtime compensation. Employees are eligible for overtime according to Fair Labor Standards Act if they work over 40 hours in the defined work week.

**Mandatory Payroll Deductions:** Typically, an amount withheld by the employer from the employee's earnings. Mandated payroll deductions include taxes: Federal, Social Security, Medicare, State and City, as applicable. Other mandated deductions include court ordered wage garnishments and court ordered child support.

**Voluntary Payroll Deductions:** Deductions are made by choice by the employee and are done without a legal mandate. These include fringe benefits such as health insurance and life insurance. The employee is required to authorize in writing all voluntary payroll deductions.

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**Exempt Employee:** An employee who is paid on a salary basis and is exempt from overtime rather than an hourly wage. Salaried employees are paid their fixed salary regardless of how many hours they work during a work period.

**IV. STANDARDS**

**Minimum Wage:** The Fair Labor Standards Act (“FLSA”), §§ U.S.C. 201 et seq requires that employees who are covered by the act (“nonexempt employees”) be paid the minimum wage and overtime for all hours worked in excess of 40 hours in a single work period. Overtime must be calculated at a rate of at least one and one-half times the employee’s regular pay rate. The FLSA’s requirements generally apply to public and private employees engaged in commerce or in the production of goods for commerce or who are employed in an enterprise engaged in commerce or in the production of goods for commerce. §§29 U. S. C. 206 and 207. The term “commerce” is defined to mean trade, commerce, transportation, transmission, or communication among several states or between any state and any place outside the state. §§29 U. S. C. 201 (b). Thus, the FLSA applies to most employees. However, the minimum wage and overtime provisions of the ACT do not apply to certain employees specifically exempted from its coverage, including employees in bona fide executive, administrative, or professional capacities; some outside salesman; certain highly skilled computer professionals; and certain highly compensated employees. §§29 U. S

C. 213(a) and (b); and 29 C. F. R. 541.100-606.

Many states also have minimum wage regulations. While some states require the same minimum wage as the FLSA over half impose a minimum wage higher than the federal rate. Therefore, employers should check state law to determine whether the minimum wage is higher than the federal rate. A list of the minimum wage requirements in effect for each of the 50 states and U.S. territories is available from the Department of Labor’s Web site at 66.

**Overtime:** Unless specifically exempt, employees covered by the Fair Labor Standards Act (FLSA) must receive overtime pay for hours worked in excess of 40 hours in a workweek at a rate not less than time and one-half their regular rate of pay. There is no limit in the FLSA on the number of hours employees aged 16 and older may work in any workweek. The FLSA does not require overtime pay for work on Saturdays, Sundays, or regular days of rest, as such.

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**III. NOTIFICATION/PROCEDURE**

<b>WHO</b>	<b>DOES WHAT</b>
Employee	<ol style="list-style-type: none"> <li>1. Record time worked, sick, vacation, etc. in electronic timekeeping system on a daily basis (upon return from vacation or sick leave).</li> <li>3. Overtime must be approved in advance by the employee's program supervisor and reflected on the electronic time record.</li> <li>4. The employee should carefully review all entries for accuracy, before submitting it electronically to their program supervisor. Time records must be submitted bi-weekly for approval no later than 9 a.m. on the day immediately following the end of the pay period.</li> </ol>
Program Supervisor/Designee	<ol style="list-style-type: none"> <li>5. Responsible to review and approve all electronic designee entries ensuring that they represent an accurate statement of hours to be paid. Electronically approve each employee time record for payment and submit to the account clerk no later than 10 a.m. on the day after the end of the pay period.</li> <li>6. Responsible to complete a separate BWDH payroll cover sheet and submit electronically to the accounts clerk no later than 10 a.m. on the day after the pay period ends.</li> </ol>
Accounts Clerk	<ol style="list-style-type: none"> <li>7. Responsible to ensure BWDH payroll cover sheet matches all hours worked with the submitted electronic time record.</li> </ol>

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|--------------------|--|
| Accounts Clerk     | <ul style="list-style-type: none"> <li>8. Contacts program supervisor(s) to clarify and correct any discrepancies with payroll cover sheet and electronic time record.</li> </ul>  |
| Executive Director | <ul style="list-style-type: none"> <li>9. Prints out Labor Distribution Report for Residential and Labor Costing Summary Report for Assisted Living Program through electronic time keeping service provider.</li> <li>10. Uploads and electronically submits all payroll entries to payroll service provider for processing as required by vendor.</li> <li>11. Reviews and signs off on the check register.</li> </ul> |

**PAY: DELIVERY OPTIONS: DIRECT DEPOSIT**

- | <b>WHO</b> | <b>DOES WHAT</b>  |
|------------|---|
| Employee   | <ul style="list-style-type: none"> <li>1. If an employee requests direct deposit, they will complete the electronic direct deposit form.</li> <li>2. Must provide BWDH seven (7) days written notice prior to closing their bank account.</li> <li>3. In the event an employee closes their Designated account without prior written notice to BWDH at least seven (7) days prior to the end of that pay period a service fee of a minimum of fifty dollars (\$50.00) will be charged to the employee.</li> </ul> |
| BWDH       | <ul style="list-style-type: none"> <li>4. Encourages direct deposit. If a pay day falls on a holiday, the employee's pay becomes available the day before.</li> </ul>   |

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**PAY: DELIVERY OPTION: PAPERCHECK**

<b>WHO</b>	<b>DOES WHAT</b>
Employee	1. If an employee requests paper checks, a paycheck arrangement form indicating paycheck to be mailed via first class must be completed.
BWDH	2. Responsible for mailing paper checks via first class mail to individuals no longer employed by BWDH bi-weekly on Thursday by 5:00 p.m. If a payday falls on a holiday, the employee's paycheck will be mailed the day before by 5:00 p.m.
Program Supervisor/Designee	3. Once notification has been given, that checks are available responsible to pick up pay check vouchers bi-weekly on Thursdays at BWDH Administrative Office and distribute to employees at the group home or program.

**MAILED CHECKS: Lost or Stolen**

<b>WHO</b>	<b>DOES WHAT</b>
Employee	1. If an employee requests a new check within a week of the payday, the stop payment fee will be assessed by the financial institution and the employee will be responsible for the fee.
BWDH	2. If an employee requests a new check more than a week after payday, BWDH will re-issue the check without a stop payment fee.

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**PAYROLL ERRORS: PAYCHECK MISTAKES: UNDERPAYMENTS**

<b>WHO</b>	<b>DOES WHAT</b>
Employee	1. Responsible to immediately notify their program supervisor/designee in the event of an underpayment.
Program Supervisor/Designee	2. Notifies the appropriate division director immediately regarding the underpayment.
Division Director	3. Consults with the account clerk to determine and correct the mistake.
Accounts Clerk	4. No later than the next scheduled payday, reimburses the employee his/her owed wages.

**PAYROLL ERRORS: PAYCHECK MISTAKES: OVERPAYMENTS**

<b>WHO</b>	<b>DOES WHAT</b>
Employee	1. Responsible to immediately notify their program supervisor/designee in the event of an overpayment.
Supervisor/Designee	2. Notifies the appropriate division director immediately regarding the overpayment.
Division Director	3. Consults with the account clerk to determine and correct the mistake.
BWDH	4. Regarding overpayments, BWDH will comply with Michigan's Payment of Wage and Fringe Benefits Act 390 of 1978 (Section 408.477) and its amendments.

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**V. REFERENCES**

- A. Payment of Wages and Fringe Benefits Act 390 of 1978 (Section 408.477)