



# Virginia Department of Corrections

## Financial Management and Procurement

### Operating Procedure 250.1

#### *Paycheck Receipt, Distribution, and Withholding*

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Directive 250, Payroll

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### REVIEW

The Content Owner will review this operating procedure annually and re-write it no later than three years after the effective date.

*The content owner reviewed this operating procedure in April 2023 and necessary changes are being drafted.*

*The content owner reviewed this operating procedure in April 2024 and necessary changes are being drafted.*

### COMPLIANCE

This operating procedure applies to all units operated by the Virginia Department of Corrections. Practices and procedures must comply with applicable State and Federal laws and regulations, ACA standards, PREA standards, and DOC directives and operating procedures.

## Table of Contents

DEFINITIONS .....	3
PURPOSE .....	4
PROCEDURE.....	4
I.    Payroll Process .....	4
II.   Paycheck Adjustment Actions Affecting Disbursement To Employees .....	5
III.  Organizational and Employee Responsibilities.....	6
REFERENCES.....	7
ATTACHMENTS .....	7
FORM CITATIONS .....	7



## **DEFINITIONS**

**Agency Fiscal Officer** - The Business Manager at major institutions, including assigned field units, Support Services Manager at regional offices, including field units not assigned to major institutions, Business Manager at Virginia Correctional Enterprises (VCE), Operations Manager at the Academy for Staff Development, and the Chief Financial Officer for Central Office Organizational Units and the Community Corrections units.

**Human Resource Officer (HRO)** - The person in charge of the Human Resource Office for each unit of the Department of Corrections

**Organizational Unit Head** - The person occupying the highest position in a DOC unit, such as a correctional facility, regional office, probation and parole office, Virginia Correctional Enterprises, Academy for Staff Development, Corrections Construction Unit, Agribusiness Unit, and individual headquarters unit e.g., Human Resources, Offender Management, Internal Audit.

**Paycheck** - The actual pay due the employee

**Unearned Pay** - The amount included in an employee's paycheck for time that the employee did not work or otherwise use of accumulated leave



## PURPOSE

This operating procedure establishes the areas of responsibility for the Department of Corrections (DOC) Payroll Office, Human Resources Unit, Fiscal Officers, and Organizational Unit Heads for the receipt and distribution of paychecks throughout the DOC. The procedure also defines the process for the adjustment or withholding of a payroll check to ensure that overpayments are not made to employees in accordance with the *Commonwealth Integrated Payroll and Personnel System* (CIPPS), DOC Payroll procedures, and Department of Human Resource Management policies.

## PROCEDURE

### I. Payroll Process

#### A. The Department of Corrections (DOC) participates in the Department of Accounts *Paperless Payroll Process*.

1. The DOC mandates direct deposit for all employee paychecks. Paper paychecks are issued only when direct deposit is not possible, generally only for new employees and when the employee is changing bank accounts.
2. Employees may access earnings statements and W-2 statements through the Department of Accounts *Payline* system.

#### B. Receipt of Payroll Checks from the Department of the Treasury

1. The DOC Payroll Director has primary responsibility for the proper receipt, logging, secure storage, and release of all paychecks and payroll related checks.
2. Paychecks from the Department of the Treasury are delivered to the Payroll Office by a DOC General Services' runner.
3. The DOC General Services' runners and DOC Payroll Office staff are trained in the delivery procedures to ensure all paycheck deliveries are properly receipted at the point of delivery. At no time, prior to proper receipt by the Payroll Office, are paycheck deliveries from the Department of the Treasury to remain unattended or unsecured.
4. The Accounts Payable Office will issue to the Department of the Treasury a *Letter of Authorization* listing the designated runner and any alternate. The letter will be on file at the Accounts Payable office and updated as changes occur.
5. Following the receipt of paychecks from the Department of the Treasury, all checks are compared to CIPPS Report 15, *Check Issued Register*.
6. When Special Pay or non-payroll checks, i.e. wage attachments, association dues, etc., are received, the name of the payee will be listed on the log sheet under "comments". The Special Check Log must be centrally filed and maintained for audit purposes.

#### C. Paycheck Distribution

1. Normally, paychecks will be mailed to the employee's address on file in the payroll system.
2. If a paycheck is to be picked up, the DOC Payroll Office is required to obtain authorization from the Organizational Unit Head (Atmore), unit Fiscal Officer, Human Resource Officer or designee sent by electronic message to the Payroll Director to designate the employee who will pick up the checks to be delivered to the unit.
  - a. The designated individual must present valid identification to receive the paychecks.
  - b. Paychecks will not be released without proper authorization.

#### D. Undistributed Paychecks

1. Within five working days of receipt, the primary person responsible for distributing paychecks must



return any undistributed paychecks to the DOC Payroll Director.

- a. The unit Business Office should consult the unit Human Resource Office prior to returning the paychecks to ensure a reason is not documented for holding these checks.
- b. For units without a Business Office, the Organizational Unit Head or designee should consult the Human Resource contact prior to returning the paychecks to ensure a reason is not documented for holding these checks.

2. A letter of transmittal listing all paychecks being returned to the Payroll Office must accompany the returned paychecks. An electronic message or a telephone call made to the Payroll Director, providing advance notice of the pending transmittal.

E. Void Paychecks - If it is believed that an employee's paycheck may be in error, the Organizational Unit Head or designee, Human Resource Officer, or Fiscal Officer must notify the Payroll Office upon discovery; see the *Paycheck Adjustment Actions Affecting Disbursement to Employees* section of this operating procedure.

1. Such notification may allow the Payroll Office to correct an employee's paycheck prior to its receipt by the unit and distribution or to reverse a direct deposit.

F. Organizational Receipt of Returned Payroll Related Checks - All returned, undistributed, and voided payroll related checks are to be logged at the Payroll Office front desk at time of receipt.

1. The log will indicate the date and time received, agency number, printed name of the payee as shown on the payroll related check, and who logged in the check.
2. This log must be reviewed periodically by the Payroll Director or designee, to ensure that each returned check has been properly handled.

## II. Paycheck Adjustment Actions Affecting Disbursement To Employees

A. If an employee's paycheck includes payment for unearned pay (due to paperwork not being submitted to payroll, personnel or payroll errors, etc.), and the employee has insufficient leave balances to cover the unearned pay, the paycheck of the employee must be returned for adjustment or withheld by the Organizational Unit Head or designee.

B. The Organizational Unit Head or designee may release the paycheck to the employee upon notifying the Human Resource Officer if an employee's paycheck includes payment for unearned pay, due to paperwork not being submitted to payroll, personnel or payroll errors, etc., and the employee has sufficient leave balances to cover the unearned pay.

C. If a separating or current employee's paycheck includes unearned pay and the employee has annual leave or sick leave balances, which when converted to dollars owed to the employee, are in total, less than the dollar amount of the unearned pay:

1. The Payroll Office must be notified immediately so that the direct deposit can be reversed.
2. The paper check must be voided and returned within one day of discovery by the employee's Organizational Unit Head or designee to the Payroll Office; or
  - a. The employee may choose to pay their Agency Accounts Receivable Office the amount of the unearned pay by cashier check, certified check, or money order.
  - b. The Agency Fiscal Officer must obtain the specific amount of the overpayment to be repaid from the Payroll Office, communicate this information to the employee, and advise the employee that payment must be received prior to release of the paycheck in question.

D. In order to ensure compliance with applicable federal labor statutes, the paycheck of an employee who has received an overpayment, the Organizational Unit Head or designee will handle the paycheck as follows:

1. An employee's pay must be adjusted for the full amount due during the next pay period, or the



appropriate leave balances adjusted to properly account for the unearned pay, or through a repayment agreement as allowed in Operating Procedure 210.3, *Accounts Receivable*.

## 2. Separating Employees

- a. If a separating employee fails to return state-owned property (badges, keys, uniforms, equipment, weapons, etc.) and fails to reimburse the DOC, then the employee's last paycheck must immediately be returned to the Payroll Office by the Organizational Unit Head or designee. A signed authorization by the employee must be attached to the paycheck authorizing the deduction for the value of the property.
- b. If a separating employee has an outstanding travel advance or owes any other money to the DOC as identified by the Organizational Unit Head or designee, and the funds have not been reimbursed by the employee's last working day, the employee's paycheck must immediately be returned to the Payroll Office by the Organizational Unit Head or designee. Attached to the paycheck must be a memorandum authorizing a deduction for the outstanding money due the DOC.
- c. Only if the employee pays full restitution at the time of paycheck pickup, may the employee receive the paycheck. Refunds made by separating employees for outstanding monies due the DOC must be made by cashier's check, certified check, or money order made payable to the *Department of Corrections* or the *Treasurer of Virginia*. Such payments must be made prior to the issuance of the employee's final paycheck.
- d. Upon receipt of a returned paycheck and the proper documentation, the Payroll Office will process the request for a new paycheck to be issued as soon as possible, but no later than the next pay period.
- e. Upon receipt of a returned paycheck and the proper documentation, the Payroll Office will split the paycheck through the Payroll Support Account to recover the value of the unreturned property or the amount of outstanding debt.

## III. Organizational and Employee Responsibilities

A. Organizational Unit Head Responsibilities - In addition to the preceding responsibilities to their employees, the Organizational Unit Head or designee is responsible for the following actions:

1. Ensuring that employees are paid only for the time actually worked and that only eligible employees are receiving paychecks.
2. Verify with the Business Office and DOC General Accounting that no outstanding debts are on file for separating employees.
3. Notifying the Human Resource Officer and Payroll Office, immediately in writing, of any required adjustment to an employee's pay including separation, suspension, leave without pay, termination, Workers' Compensation, and outstanding debts to the DOC.
4. Informing employees that their pay will be delayed and reprocessed if they are absent without leave or suspended for more than three days (24 working hours) and that it may require five to seven workdays for corrected paychecks to be issued.
5. Upon receipt, FAX or scan and email a copy of any garnishment notice received, with the original being mailed to the DOC Payroll Office.

### B. Human Resources Officer Responsibilities

1. The unit Human Resources Officer is responsible for the prompt processing of payroll status changes, forwarding documentation to the Payroll Office and advising the Payroll Director, Payroll Supervisor, or assigned Payroll Technician in writing, of any required adjustment to an employee's pay.
2. The unit Human Resources Officer is responsible for notifying the employee if the employee's direct deposit will be reversed.

### C. DOC Payroll Office Responsibilities



1. The DOC Payroll Office is responsible for computing the correct pay due each employee in accordance with proper documentation received from the Human Resources Unit or Organizational Unit Head or designee, ensuring that such paychecks are delivered on time, and notifying the Human Resources Office of direct deposit reversals. (5-ACI-1B-16; 4-ACRS-7D-27)
  2. The DOC Payroll Office is responsible for DOC compliance with payroll functions in accordance with Commonwealth Accounting Policies and Procedures Manual (CAPP) Section 50000, *Payroll Accounting*.
- D. Employee Responsibilities - Employees are responsible for notifying the Organizational Unit Head or designee by the close of business on payday of any errors noted in their paychecks.

## **REFERENCES**

Commonwealth Accounting Policies and Procedures Manual (CAPP) Section 50000, *Payroll Accounting*  
Operating Procedure 210.3, *Accounts Receivable*

## **ATTACHMENTS**

None

## **FORM CITATIONS**

None

