


THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
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Date: November 27, 2006 **Code:** TECHNICAL LETTER
HR/Salary 2006-22

To: Human Resource Directors **Reference:** HR 2003-28
Payroll Managers **Reply by:** February 26, 2007

From: Gail Brooks 
Associate Vice Chancellor
Human Resources

Subject: **REMINDER: 2006 "Table of Workdays" Reconciliation Requirements**

Coded memo HR 2003-28 advised campuses of certain recordkeeping and payment requirements for non-exempt employees subject to Fair Labor Standards Act (FLSA) regulations who are assigned to work week schedules that do not conform to the standard pay periods prescribed by the Department of Finance. Specific guidelines and instructions were provided to ensure FLSA compliance, including administration of the "table of workdays" method (also referred to as "plus/minus" or "excess/minus"). This method is used to maintain an accounting of deficits (debits) or excess hours (credits), as appropriate, for employees whose work schedules differ from the State's standard shift (Monday through Friday, eight hours per day).¹

The FLSA provides certain record-keeping requirements for employees subject to FLSA, including the prompt payment of wages and payment of an employee's minimum wages for all work actually performed in a given pay period. As a result, HR 2003-28 instructed campuses to review their current practices to ensure that requirements specific to recordkeeping and the administration of "excess" and/or "deficit" hour balances were satisfied.

As a reminder, all campuses shall reconcile employees' deficit hours at least once each calendar year in December and provide an annual report to the Vice Chancellor of Human Resources.

¹ "Credits/excess hours" are regularly scheduled hours worked in excess of standard hours within a given pay period. "Debits/deficit hours" are regularly scheduled hours not worked by the employee within a given pay period that were paid by the employer.

Distribution:

CSU Presidents
Vice Chancellor, Human Resources
Vice Presidents, Administration

Employee Relations Designees
Director, SOSS

December 2006 Reconciliation Requirements:

December 2006 Reconciliation: The December 2006 reconciliation timeline is the standard timeline. In consideration of campus leave posting practices, campuses are requested to reconcile deficit balances incurred from January through December 2006 and to furnish the required report to the Vice Chancellor of Human Resources by February 26, 2007.

State University Police Association (SUPA): Pursuant to an agreement with SUPA (Unit 8), the reconciliation process for deficit hours will be implemented. Attachment A is provided as a sample notice to affected Unit 8 employees. The December 2006 reconciliation requirement will consist of two timelines as noted below:

- The first timeline. If an employee has an existing deficit hour balance, it may not be reasonable to reconcile this outstanding deficit by the December 2006 pay period. Therefore, this one-time-only arrangement permits campuses to work with employees to reconcile deficit balances incurred through December 2006 by December 31, 2007. This one-time-only arrangement is separate and apart from the general requirement that deficit hours be reconciled each December for the respective calendar year. Further, the general requirement remains that deficit hours must be offset by any excess number of hours [credits] worked in subsequent pay periods. Employees cannot be paid for excess hours worked in a pay period when an equal or greater deficit hour balance exists.
- The standard timeline. Campuses are required to reconcile any deficits incurred from January through December each December. In this specific instance, campuses are required to reconcile deficits incurred for SUPA employees from January through December 2007 by December 2007.

Academic Professionals of California (APC): As noted in Technical Letter HR/SA 2005-25, deficit hour balances incurred under the “first” (for 2005) and “standard” (for 2006) timelines must be included in the December 2006 reconciliation.

Report deficit hours to the attention of Theresa Hines via e-mail at thines@calstate.edu by February 26, 2007. Please report the deficit hours in the reporting format provided in Attachment B, which includes a sample on how to complete the report. If there are no deficit hours to report for your campus, please submit the report and indicate “NONE TO REPORT.” Thank you.

Questions may be directed to Systemwide Human Resources at (562) 951-4411. This technical letter is available on Human Resources Administration’s Web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

GB/dth

TECHNICAL LETTER
HR/Salary 2006-22
ATTACHMENT A

**Sample Notice to State University Police Association (Unit 8) Employees
Assigned to “Alternate” Work Schedules With Deficit Hour Balances**

You are receiving this notice because our records indicate that you have a DEFICIT balance of _____ hours as of December 2006 pay period.

Pursuant to an agreement with SUPA, the reconciliation process for deficit hours will be implemented. As a result, the December 2006 reconciliation requirement will consist of two timelines as noted below:

- The first timeline. This one-time-only arrangement permits campuses to work with employees to reconcile deficit balances incurred through December 2006 by December 31, 2007. This one-time-only arrangement is separate and apart from the general requirement that deficit hours be reconciled each December for the respective calendar year.
- The standard timeline. Campuses are required to reconcile any deficit hours incurred from January through December each December. In this specific instance, campuses are required to reconcile deficit hours incurred from January through December 2007 by December 2007.

As a reminder, if a non-exempt employee has deficit hours in a given pay period, those hours may be carried forward and will be offset by any excess number of hours (credits) worked in a subsequent pay period, as appropriate. The employee will not be paid for excess hours worked in a pay period when an equal or greater deficit balance exists. Going forward, post December 2006, campuses are required to reconcile employees' deficit hours at least once each calendar year in December. If an employee has deficit hours, the employee may use leave balances (vacation, compensatory time off [CTO], holiday credit or personal holiday leave), be docked for deficits incurred in the current pay period, or the campus will establish an accounts receivable for prior pay period deficits if leave credits are not available to offset the deficit.

Please contact your campus Payroll Office to receive additional information on how your deficit hours will be reconciled and, if applicable, to discuss options available for offsetting deficit hours. Thank you.

SAMPLE

2006 Deficit Hours Reconciliation Report

CAMPUS: _____
 CONTACT NAME: _____
 CONTACT PHONE: _____
 CONTACT E-MAIL: _____

Return completed report to Theresa Hines via e-mail at: thines@calstate.edu by February 26, 2007.

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Unit	Employee Name (Last, First Initial)	Class/Job Code	2005 Deficit Hours (if applicable)	2006 Deficit Hours	Total Deficit Hours	Hourly Rate ²	Leave Hours Used to Offset ³	Accounts Receivable Amount Due
<i>Sample Format:</i>								
Unit 4	Library, A	2895	10	10	20	17.31	20	n/a
Unit 5	Custodian, L	2015	n/a	16	16	14.42	n/a	\$230.72
Unit 7	Parking, O	8810	n/a	20	20	17.31	20	n/a
Unit 8	Officer, P	8350	10	24	34	23.94	defer to 2007	n/a
Unit 8	Sergeant, M	8354	n/a	48	48	30.32	defer to 2007	n/a
Unit 9	Special, O	0450	n/a	30	30	19.62	18	\$235.44

^[2] Hourly Rate Equivalent = (Full Time Equivalent) Base Salary /173.33 hours, rounded two decimals. For example, the monthly base salary for \$14.42/hr. = \$2,500, for \$17.31/hr. = \$3,000, for \$19.62/hr. = \$3,400, for \$23.94/hr. = \$4,150, and for \$30.32/hr. = \$5,255.

^[3] Pursuant to HR 2003-28, leave balances used to offset deficit hours may include vacation and compensatory time off (CTO) hours. "Holiday Credit" leave balances acquired under prior collective bargaining contract provisions or CSU policy also may be used. Sick leave hours are not eligible for supplementation for regular work hours unless the employee is sick. As a reminder, the minimum increment for Personal Holiday hours is "one unit" which equates to one day of an employee's regular work schedule.

