


Date: December 7, 2010
To: Human Resources Directors
Payroll Managers
From: Evelyn Nazario 
Assistant Vice Chancellor
Human Resources Management
Code: TECHNICAL LETTER
HR/Salary 2010-24
Reference: HR 2003-28
Reply by: February 25, 2011
Subject: REMINDER: 2010 "Table of Workdays" Reconciliation Requirements

Overview

Audience: Campus Payroll Managers or designees responsible for deficit hour reconciliation reporting

Action Item: Provide annual deficit hours reconciliation report to Vice Chancellor of Human Resources by February 25, 2011

Affected Employee Groups/Units: Non-exempt employees on alternative/compressed work schedules

Summary

This Technical Letter provides information regarding the annual December review requirement for reconciling deficit hours for non-exempt employees whose work schedules differ from the State's standard shift (Monday through Friday, eight hours per day).

The campus payroll manager, or designee responsible for deficit hour reconciliation reporting, should review the remainder of this technical letter for background information, reconciliation requirements, and sample reports.

Background

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

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
Employee Relations Designees

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 must reconcile employees' deficit hours at least once each calendar year in December and provide an annual report to the Vice Chancellor of Human Resources.

December 2010 Reconciliation Requirements

December 2010 Reconciliation: The December 2010 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 2010 and to furnish the required report to the Vice Chancellor of Human Resources by February 25, 2011.

2009/2010 Furlough Program Considerations

Table of Workdays reconciliation requirements must consider CSU's 2009/2010 Furlough Program that ended June 30, 2010, to ensure that furlough days observed by an affected employee were not denoted as deficit hours for this purpose. When calculating excess/deficit hours in pay periods that furlough time was taken, such hours must be subtracted from the standard state pay period (168/176) hours. CSU's position is to regard the excess/deficit hour reconciliation process in the context of the state pay period for employees in exempt classifications who become temporarily non-exempt during their furlough week. If there is no need for correction over the course of the state pay period, a reconciliation issue is not warranted. Requiring a reconciliation of deficit hours would not be applicable to exempt-classified employees who were temporarily non-exempt for only a portion of the state pay period. With respect to excess hours, if the exempt employee worked more hours than 32 in their furlough week, they should be paid via earnings ID "SZ" for hours 33-40 (excluding any call-back provision), and overtime via "OT" codes for hours worked in excess of 40 in that workweek. As a result, the excess/deficit hour process should not be invoked on exempt-classified employees during the furlough, unless a need for correction is warranted. Effective July 1, 2010, the traditional Table of Workdays reconciliation requirements were resumed.

Action Item

Report deficit hours to the attention of Valerie Kerbs via e-mail at vkerbs@calstate.edu by Friday, February 25, 2011. Please report the deficit hours in the reporting format provided in Attachment A, 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."

Questions may be directed to Human Resources Management at (562) 951-4411. This Technical Letter is also available on the Human Resources Management's web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

Attachment
EN/vk

SAMPLE
2010 Deficit Hours Reconciliation Report

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

Return completed report to Valerie Kerbs via e-mail at: vkerbs@calstate.edu by February 25, 2011.

(A)	(B)	(C)	(D)	(E)	(F)
Unit	Employee Name (Last, First Initial)	Class/Job Code	Total Deficit Hours	Leave Hours Used to Offset ²	Accounts Receivable Amount Due ³
<i>Sample Format:</i>					
Unit 5	Custodian, L	2015	16	n/a	\$xxx.xx
Unit 7	Parking, O	8810	20	20	n/a

^[2] 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.

^[3] Refer to SCO PPM Section I for processing instructions.

