

Consent Item Briefing for PWSRCAC Board of Directors – May 2021

ACTION ITEM

Sponsor: Walt Wrede, Gregory Dixon, and the Board Governance Committee

Project number and name or topic: Amend Board Policy 604

1. **Description of agenda item:** Staff and the Board Governance Committee recommends amending Board Policy 604 to change the semi-monthly employee pay dates from the 8th and the 22nd of each month to the 10th and the 24th.

If approved, the new policy would read:

Policy 604 Pay Period: PWSRCAC employees shall be paid semi-monthly on the 10th and 24th of each month. The standard work week is five days, and the standard workday is 8 hours. Alternate and flexible schedules may be allowed with the approval of the Executive Director.

2. **Why is this item important to PWSRCAC:** The Finance Director recommends that the pay dates be changed in order to comply with good accounting practices, to avoid having non-exempt employees estimate their time for the last couple of days of each pay period, and reduce the need for employees to revise timesheets and leave slips after the pay period.

3. **Previous actions taken by the Board on this item:**

<u>Meeting</u>	<u>Date</u>	<u>Action</u>
Board	3/15/1990	Policy 604 Approved

4. **Summary of policy, issues, support or opposition:** Employee pay days are currently on the 8th and 22nd of each month. Pay periods are from the 6th through the 19th and the 20th to the 5th the following month. Non-exempt employees are required to submit timecards and all employees are paid via direct deposit. Payroll information is submitted to the bank two banking days before the actual pay date to allow time for potential errors to be corrected. Timesheets must be submitted to supervisors for review and approval at least one day prior to that. The problem is that there are times when employees must estimate the number of hours worked and the number of hours of leave several days before the end of the pay period. Estimating the number of hours worked in advance is not good accounting practice. Other problems include potential errors in calculating pay and leave and employees having to adjust timesheets and leave slips after the fact. Moving the pay dates addresses these problems. A large majority of employees responded that they had no concerns about this change. Several reported that it would be an inconvenience for them in the short term. Changing the pay periods is problematic because the current Flexible Benefits Plan deductions are based on the existing pay periods. Therefore, changing the pay dates is the action requested.

Amendment to Policy 604 Pertaining to Employee Pay Dates 3-4

5. **Committee Recommendation:** The Board Governance Committee recommends that the full Board approve the proposed amendment to Policy 604.
6. **Relationship to LRP and Budget:** NA
7. **Action Requested of the Board of Directors:** Approve proposed amendments to Board Policy 604 changing the semi-monthly employee pay dates from the 8th and the 22nd of each month to the 10th and the 24th, to take effect the first payroll of June, 2021.
8. **Alternatives:** No change to Policy 604
9. **Attachments:** None.