



# Department of Veterans Affairs

## Financial Policy

### Volume XV

#### Payroll

### Chapter 1A

#### Overview

Approved:

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**0101 Overview**

This chapter establishes the Department of Veterans Affairs (VA) financial policies for payroll processing and administration. Key items addressed are roles and responsibilities of employees, timekeepers, supervisors, and VA servicing payroll offices regarding recording, certifying, and maintaining timekeeping and payroll records.

Additional chapters in Volume XV address the following:

- Chapter 2A Payments
- Chapter 3A Leave and Work Schedules
- Chapter 4A Deductions

Detailed payroll procedures are available at the VA intranet accessible SharePoint site, <https://vaww.portal.fsc.va.gov/FPS/SitePages/Home.aspx>.

**0102 Revisions**

Section	Revision	Office	Reason for Change	Effective Date
Various	Reformatted to new policy format and completed five-year review; moved daylight savings time coverage to Vol XV, Chapter 2; added clarity to high-level requirements	OFP (047G)	Reorganized chapter layout	March 2019
Procedures and Appendices	Removed procedures and appendices allowing detailed procedures content to move under Financial Services Center (FSC) Payroll Support Division (PSD) responsibility.	OFP (047G)	Assignment reorganization	March 2019
010503C	Removed allowance for exception to prohibiting a timekeeper posting their own timesheet.	OFP (047G)	Improved remote access in VATAS; opportunity to automate control	March 2019

Section	Revision	Office	Reason for Change	Effective Date
010501D	1) Allow supervisors to control Time and Leave Unit (TL) access, and 2) allow the same supervisor to enter both system approvals (Supervisor and TL Approver).	OFP (047G)	Changes support VATAS process enhancement.	January 2018
010502	Added control that supervisors may not certify their own timecard or that of a family member, close relative, or other individual whose relationship may create the appearance of a conflict of interest.	OFP (047G)	OIG recommendation	July 2017
010501D	Clarified segregation of duties requirements	OFP (047G)	Reduced restriction on supervisor TL role assignment	July 2014
0104 Roles and Responsibilities	Updated section	OFP (047G)	To match other chapters	July 2014

### 0103 Definitions

**Defense Civilian Pay System (DCPS)** – A payroll system operated by Defense Finance and Accounting Service (DFAS).

**Defense Finance and Accounting Service (DFAS)** – Entity within the Department of Defense (DoD) that provides finance and accounting services for DoD and other Federal agencies. DFAS is the payroll service provider for VA.

**Fee Basis Earnings Data** – Fee Basis timesheets show the dollar amount earned for each day worked per an annual appointment contract. See VAH 5007, Pt II, App F for pay policy.

**Fund Control Point (FCP)** – A financial accounting element that helps divide monies into a specified service, activity or purpose from an appropriation.

**HR Smart** – VA’s Human Resources information system.

**Master Record** – An individual employee record in HR and payroll systems containing pay rate, leave, and other data required for payroll processing. The individual employee record in DCPS is known as the Master Employee Record (MER).

**MyPay** – A web-based DFAS system which allows VA employees to update address and deductions data, and permits viewing the Leave and Earnings Statement (LES) and W-2 (website: <https://mypay.dfas.mil/mypay.aspx>).

**Payroll Operations** – The entire process necessary to issue an employee’s paycheck, including entering employee data, recording and certifying Time and Attendance (T&A) information, establishing pay entitlement, making appropriate deductions, disbursing payments, charging the appropriation, making necessary adjustments, and reporting expenses.

**Personnel and Accounting Integrated Data (PAID) System** – VA’s mainframe application that supports VA HR, payroll, benefits, and accounting processes. PAID integrates payroll and HR data for reporting applications.

**Remedy** and customer relationship management (**CRM**) **Tickets** – Communications that exchange information and track discussion of individual employee records and adjustment information between field payroll and HR staff and the DCPS, VATAS, and HR Smart support offices.

**Subsidiary Timesheet** – Timekeeping system record used by a part-time physician on an adjustable work schedule to document their own work and leave hours for each workday.

**VATAS** – VA’s web-based time and attendance system.

## 0104 Roles and Responsibilities

**Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chiefs of Finance Activities, Chief Accountants, and other key officials** are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

**Agent Cashiers** are responsible for following established VA policy and procedures for payroll related collections not made through payroll deduction. Agent Cashiers receive and distribute employee salary checks issued by DFAS and follow VA policy and procedures for returning any unclaimed salary checks in accordance with VA Volume VIII, Chapter 3, Agent Cashier Accountability Policy.

The **Assistant Secretary for Human Resources and Administration** is responsible (through the Deputy Assistant Secretary for Human Resources Management) for advising Under Secretaries, Assistant Secretaries, other key officials, and field station

managers and supervisors of legal and policy requirements and authorities relating to employee pay, leave, allowances, and deductions, excluding taxes.

**Chiefs, Human Resources Management Service** are responsible for providing appropriate levels of advice and assistance to employees, beneficiaries, supervisors, and fiscal/finance employees regarding laws, regulations, and policy covering HR issues, including interpretation of rules relating to hours of duty, pay, leave, and authorization of deductions from pay. HR Officers will also ensure HR data is accurate and entered timely into automated HR systems that integrate with payroll and timekeeping systems.

**DFAS** is VA's designated payroll provider. DFAS processes payroll, makes all employee deductions and disbursements, generates the LES and W-2 files, charges VA appropriations and cost centers, and reports payroll related financial information to Treasury on behalf of VA.

The **Director, Financial Services Center (FSC)**, or designee specified in writing by name and position, is responsible for ensuring that payroll activity is generated and processed as needed, to include payroll support services.

**Employees** are responsible for prompt submission of leave requests in accordance with HR leave administration policy, reviewing their timesheet and their LES for accuracy, and for promptly notifying:

- Their supervisor and timekeeper of timesheet discrepancies regarding leave charges, telework, and extra work time, and
- HR or payroll representatives of other pay, leave, and deduction discrepancies.

Employees are responsible for informing themselves regarding tax withholding requirements, and for submitting applicable tax withholding election certificates to the servicing payroll office, or updating tax withholding elections in MyPay.

**Service and Division Chiefs** are responsible for designating an adequate number of timekeepers and alternates by memorandum to the Fiscal or Finance Officer indicating names (position is not sufficient for this purpose), status (timekeeper or alternate or removal from timekeeper function), and effective date.

The **Servicing Payroll Office** trains timekeepers and supervisors on timekeeping system functions and works with timekeepers, supervisors, and other employees to resolve pay and leave discrepancies, ensures prompt adjustment processing, deduction input, and maintains accurate and secure timekeeping and payroll records.

**Supervisors** are responsible for accuracy of employee pay and leave status recorded in the time and attendance system. This includes but is not limited to:

- A. Ensuring that timekeepers are promptly notified of information needed to maintain accurate and complete time and leave records;
- B. Managing employee leave and overtime work and ensuring prompt completion of necessary supporting request and approval documentation;
- C. Ensuring that timekeepers have sufficient time for daily maintenance of T&A records, and for completing such records at the end of the pay period to ensure timesheets are certified by the deadline set by the servicing payroll office;
- D. Approving and certifying automated T&A records through electronic signature; approving and certifying paper T&A records as applicable; and
- E. Seeking HR entitlement guidance when unsure, and denying questionable transactions pending resolution of concerns.

**Timekeepers** are responsible for the preparation, maintenance, and timely submission of official T&A records and reports for each employee whose record has been assigned to their Time and Leave Unit (TL).

### **0105 Policies**

VA will pay employee salary promptly and accurately, and will administer leave credit based on:

- Certified T&A data displaying correct hours of work, leave, and pay entitlement, and
- Meeting system input deadlines to support on-time payment processing.

VA will use personnel records along with timesheet record data to calculate gross pay, which is reduced by required tax, benefit, and other authorized deductions. VA systems send information to the Defense Civilian Pay System (DCPS) for payroll processing, distribution of pay and deductions, and return of cost and leave accounting report data.

### **010501 Payroll Tasks**

Servicing payroll office staff will ensure that:

- A. Prompt and proper payment is made to all persons entitled to be paid, in compliance with applicable laws, regulations, and legal decisions. Only those employees entitled to compensation and benefits (e.g., premium pay, military leave) receive them, based on certified T&A information, and other authorized payroll transactions.
- B. Accurate accounting for and disposition of all appropriate pay, leave, allowances, deductions, and other employment-related financial transactions is completed.

- C. Adequate segregation of duties exists for authorization of pay and entitlements, certification of payments, payroll computation, recording of payroll data in the accounts, and review of payroll transactions.
- D. No employee posts timekeeping data on an employee T&A record and takes supervisor or TL approver action on the same T&A record. There are no exceptions or waivers to this policy.
- E. Fund Control Points (FCP) are assigned to all new employee accounts and are modified when necessary.
- F. Labor distribution codes are entered and changed as directed.
- G. Records are maintained securely in accordance with the National Archives and Records Administration's General Records Schedule (NARA GRS).
- H. Retain the most recent record of training for timekeepers and supervisors conducted for active individual assignments, and of group timekeeper training events.
- I. Training is conducted as follows:
  - 1. Timekeeper Training. Servicing payroll staff will provide initial timekeeper training for a newly appointed timekeeper within 30 days of their appointment; this training will occur prior to servicing payroll requesting role establishment or menu access. Thereafter, on an annual basis, servicing payroll staff shall conduct refresher training for all timekeepers. Additional training will be provided as needed to support new instructions or procedures relating to time and leave.
  - 2. Supervisor Training. Servicing payroll staff will provide training to a newly appointed supervisor or TL approver prior to requesting role establishment or menu access. This training will include, at a minimum, instruction for the supervisor or TL approver menu and an explanation on how timesheet processing affects pay and leave.
  - 3. Part-time Physician Training for Adjustable Work Schedule. Servicing payroll staff will ensure that new part-time physicians who have been approved for an adjustable work schedule are properly trained on the use of the subsidiary timesheet.
- J. Periodic desk audits of all timekeepers are performed on a semi-annual basis, or more frequently if necessary. Desk audits will ensure proper preparation and maintenance of T&A records, reports, and subsidiary timesheets handled by timekeepers. If a desk audit reveals unsatisfactory timekeeping practices, a report will be prepared and addressed to the timekeeper's supervisor, signed by the Chief

of the servicing Finance Activity and copied to the facility Director. Retain each audit record for 2 years per NARA GRS 2.4, Item 60.

- K. Payroll records and reports are provided promptly in response to inquiries, including inquiries on former employees. If additional records or reports are required, servicing payroll staff should:
- Contact the servicing HR office which has access to the former employee's electronic Official Personnel File (e-OPF) for assistance,
  - Access or request the needed DFAS records, or
  - Contact the FSC nationwide payroll helpdesk for additional assistance regarding payroll transaction history.
- L. Timesheets are certified in VATAS by VA's established deadlines.

### **010502 Supervisor and Other Certifying Official Conflict of Interest**

A supervisor or certifying official does not have the authority to approve or certify their own timekeeping information, that of an immediate family member, other relative, or that of an individual whose relationship may create the appearance of a conflict of interest. To evaluate potential conflict of interest, consider the prospect of personal relationship information being exposed to public scrutiny (see [5 C.F.R. § 2635.501, Impartiality in Performing Official Duties](#)).

### **010503 Timekeeper Tasks**

The timekeeper will:

- A. Establish tours of duty in VATAS for those employees with scheduled hours.
- B. Enter an employee's work, telework, leave, premium pay, and "Env/Haz/Other" codes as needed, or fee basis earnings data, along with required remarks in VATAS pay period timesheet records.

NOTE: Timekeepers enter employee leave requests only per supervisor direction. Part-time physicians on an adjustable work schedule are required to post their own time and leave on a subsidiary timesheet each workday.

- C. A timekeeper or an alternate timekeeper cannot maintain his/her own T&A report. The timekeeper will keep his/her alternate fully informed as to the location of the T&A reports, subsidiary records, manuals, and written instructions, as these items must always be accessible to the alternate timekeeper(s).

- D. Correct employee's T&A errors promptly (e.g., incorrect charge of leave or failure to reflect premium pay due). Once a correction is entered, the timekeeper will advise the employee's supervisor of the correction so the supervisor can approve the change.
- E. Ensure T&A records and reports are securely retained for employees within the timekeeper's assigned TL(s).
- F. Notify supervisors if an employee has not submitted an electronic leave request or provided other acceptable written request for leave.
- G. Advise the servicing HR and payroll office upon confirming that an employee has been or will be in a non-pay status for seven consecutive days or more.
- H. Ensure that **alternate timekeepers** assist in the maintenance of T&A records, and reports often enough that he/she is qualified to keep time independently when required.

#### **0106 Authorities and References**

[5 U.S.C. Chapter 55, Pay Administration](#)

[5 U.S.C. § 552a, The Privacy Act of 1974](#)

[5 U.S.C. Part III, Employees, Subparts A through H](#)

[38 U.S.C. Part V, Boards, Administrations and Services](#)

[5 C.F.R. Part 550, Pay Administration \(General\)](#)

[5 C.F.R. Part 551, Pay Administration Under the Fair Labor Standards Act](#)

[VA Handbook 5007, Pay Administration \(VA intranet access only\)](#)

[VA Office of Financial Policy, Publications Library \(VA intranet access only\)](#)

[VA HR Library](#) (VA intranet access only)

[NARA GRS](#)

#### **0107 Rescissions**

None

**0108 Questions**

Questions concerning these financial policies and procedures should be directed to the specific POC's and formatted as follows using the group email. Do not use proper names.

VHA	VHA 10A3A Accounting Policy (Outlook)
VHA	VAFSC Nationwide Accounting (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
VBA	VAVBAWAS/CO/OPERATIONS (Outlook)
NCA	NCA Financial Policy Group (Outlook)
All Others	Payroll Policy (Outlook)