

Chapter Seven:

Compensation and Payroll

Cumberland University, like most other employers, is subject to federal laws that govern salary and wage activity. The Fair Labor Standards Act (FLSA) is federal legislation that, among other things, sets the minimum wage rate and defines the extent to which employees are entitled to overtime compensation.

- Fair Labor Standards Act
- Enforcement (Time Sheets)
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FAIR LABOR STANDARDS ACT (FLSA)

The major law affecting compensation is the Fair Labor Standard Act (FLSA). The act has three major objectives: (1) to establish a minimum wage floor, (2) to encourage limits on the number of weekly hours by covered employees work through overtime provisions, and (3) to discourage oppressive use of child labor.

ENFORCEMENT

To meet requirements enforced by the Wage and Hour Division of the U.S. Department of Labor, employees of Cumberland University must keep accurate time records and maintain these records for three years. Non-exempt hourly employees should submit a time sheet on a weekly basis to ensure the correct computation, to the Payroll Office. Time sheets are available in the Payroll Office, located in the Business Office.

For purposes of payroll administration, the official workweek begins at 12:00 midnight on Sunday morning and ends at 11:59 on Saturday night regardless of an individuals' work schedule.

EMPLOYMENT FORMS

All employees, faculty and staff, of Cumberland University must complete the post employment forms and any other related forms, prior to the issue of their first paycheck. The required forms are available in the office of the Director of Human Resources. Failure to do so will result in the delay of the employee's paycheck process. Certain forms must be completed prior to the employee's first day of employment.

EXEMPT AND NONEXEMPT STATUS

Under the FLSA, employees of Cumberland University are classified as exempt or nonexempt. Exempt employees are those who hold position, classified as *executive, administrative, professional, or outside sales*, for whom employers are not required to pay overtime. Nonexempt employees are those who are required to be paid overtime under the FLSA. All Faculty are exempt through the Professional exemption category. Administrative Officers of the University are exempt through the Executive exemption category. For a listing of all other staff positions and their status, please contact the Director of Human Resources.

OVERTIME PROVISIONS

The FLSA contains overtime pay requirements. Non-exempt employees must receive overtime pay of one and one-half the employee's regular pay for all hours worked in excess of 40 per week.

Sometimes projects and priorities may require extra work beyond the normal schedule. Supervisors can rearrange work schedules and can require overtime when necessary to meet the operating needs of the department. Budgetary information and approval must be taken into consideration when scheduling overtime.

PAYMENT OF OVERTIME

Hourly and salaried non-exempt employees receive 1 ½ times their regular rate of pay for all hours over 40 worked in a single work week. Non-exempt salaried employees receive payment for 40 hours, although the normal workweek consists of 37 ½ working hours. Non-exempt salaried employees who work between 35 ½ and 40 hours will not receive additional pay.

All overtime must be pre-authorized in writing by the employee's immediate supervisor and approved by the Vice President in charge of the employee's area. While an employee who works unauthorized overtime will be paid for the time worked at the applicable overtime rate, the employee may be subject to discipline for failing to receive written approval for the overtime. Because it is a violation of federal law, employees may not request nor receive compensatory time in lieu of overtime.

Exempt faculty and salaried staff members are excluded from the overtime provisions of the Fair Labor Standards Act (FLSA).

PAYROLL PROCEDURES

DISTRIBUTION OF PAYCHECKS

Employees of Cumberland University receive their paychecks by Direct Deposit, whereby the employee's paycheck is directly deposited into the employee's personal checking account. A

pay stub is issued to the employee on payday that itemizes deductions and the amount deposited to the employee's checking account. Direct questions to the Payroll Clerk, located in the Business Office, Memorial Hall.

PAYROLL DEDUCTIONS

Federal income taxes are normally deducted from employee paychecks along with the required withholding of FICA taxes, for Social Security, and Medicare taxes.

In addition, the employees may elect to have deductions taken from their paychecks for things, such as health care premiums, retirement contributions, credit union savings and loan programs, contributions to University authorized campaigns such as United Way and other giving campaigns, pledges and/or gifts to Cumberland University, dental insurance, cancer insurance, disability insurance and life insurance. Some deductions may qualify to be elected on a pre-tax basis. For additional information contact the Payroll Office.

Cumberland University may deduct money from employee's paychecks for obligations owed to the University such as returned checks and legally imposed levies and garnishments made against an employee's wages. Questions about levies and garnishments should be directed to the Director of Human Resources.

SCHEDULE OF PAYCHECKS

NINE AND TEN MONTH FACULTY

Nine and Ten month faculty have the option of either being paid over a ten month period or a twelve month period beginning in September of each academic year. Faculty members may indicate their preference at the time they sign their Letters of Appointment for the upcoming academic year. Checks will be direct deposited on the last weekday of each month.

TWELVE MONTH FACULTY, ADMINISTRATIVE OFFICERS AND STAFF

Employees under this category are paid over a twelve month period.. Checks will be direct deposited on the last weekday of each month.

ADJUNCT/OVERLOAD FACULTY

Employees under this category are paid on the last weekday of each month according to the terms of the Agreement of Employment for the given term.

PHYSICAL PLANT OPERATIONS

Employees under this category are paid on a weekly basis. Employees are paid from weekly time sheets indicating the hours worked. Time sheets are to be signed by the employee and authorized by the appropriate supervisor. The employee's signature on the time sheet certifies that the daily time record is accurate. Failure to keep accurate, daily time records may constitute falsification of University records and may subject the employee to disciplinary action, including immediate termination of employment. Supervisors should keep copies of each staff members' time record in his or her department for at least three years.

Paychecks are issued on Friday afternoon for the week prior. Paychecks are distributed to the department supervisor for distribution to individual employees or direct deposited into the employee's personal checking account.

PART-TIME/TEMPORARY STAFF

Employees under this category are paid on a weekly basis in some situations and on a monthly basis in other situations. Supervisors will tell the employee which payday applies to them.

Employees are paid from weekly or monthly time sheets indicating the hours worked. Time sheets are to be signed by the employee and authorized by the appropriate supervisor. The employee's signature on the time sheet certifies that the daily time record is accurate. Failure to keep accurate daily time records may constitute falsification of University records and may subject the employee to disciplinary actions including immediate termination of employment. Supervisors should keep copies of each staff members time record in his or her department for at least two years. Overtime under this category should not be worked except in extremely unusual situations authorized by the supervisor.

Paychecks are issued on Friday afternoon for the week prior or on the last weekday of each month based on the situation.

SALARY IMPROVEMENTS

Cumberland University makes individual decisions each year about salary increases for faculty and staff. These decisions are based in part upon economic, organizational needs, along with other factors. Announcement of salary increase amounts will be made annually after Fall enrollment and prior to September 30.

MERIT BASED SALARY INCREASE PROGRAM

The merit progression provides salary increases based on proficiency or quality of performance, serving as an incentive and reward for performances that meet and/or exceed requirements.

Proposed Salary Improvements will be included in the Original Budget, with the understanding that salary improvements are based on budgetary considerations, are subject to change, and are awarded on an individual basis.

SALARY INCREASES/NON-MERIT

Throughout the year, positions at Cumberland University may be upgraded and responsibilities enhanced. If a Faculty and/or Staff member has been given additional responsibilities adequate to changing the status and job description of the position, he/she can apply for a Salary Increase/Non-Merit.

The procedure to apply for a Salary Increase/Non-Merit is as follows:

- The Faculty or Staff member should submit a written request to his/her immediate supervisor, with a copy sent to the Director of Human Resources.
- The immediate supervisor will forward the written request along with his/her recommendation, to the Director of Human Resources. A copy of the revised Job Description must accompany the request.
- The Director of Human Resources will prepare an analysis for review by the President of the University and the appropriate Vice President, which will include: a copy of the request and recommendation, the revised job description, a salary analysis of the position in review, and a copy of the most current annual Evaluation of the requesting employee. Any faculty and/or staff member not meeting the requirements noted in the evaluation of the position will not be eligible for a salary increase.
- The Director of Human Resources will notify the requesting employee of the final decision.

PRESIDENTIAL SALARY IMPROVEMENTS

Each Fall, after enrollment and salary increases, the President of the University will review a Compensation Analysis of Faculty and Staff, prepared by the Director of Human Resources.

If budgetary funds allow, a faculty and/or staff member may receive a Presidential Salary Improvement if their annual salary is found to be out of range based on factors, including but not limited to, rank, position and responsibilities.

Any faculty and/or staff member in review must have met or exceeded the requirements of the employee's position during the most recent annual Performance Evaluation Process to be eligible for an improvement. Any faculty and/or staff member receiving a Presidential Salary Improvement will be notified via letter from the Director of Human Resources.