

CHAPTER 16

PAYROLL ACCOUNTING

1. INTRODUCTION.

- a. **Purpose.** This chapter outlines the principles, responsibilities, operating procedures, and other general information for preparing payrolls and maintaining pay and leave records for civilian employees of the Department of Energy (DOE).
- b. **Applicability.** This chapter applies to all Departmental elements that have payroll services furnished by the Department of Defense's Defense Finance and Accounting Service (DFAS). This chapter does not apply to DOE's contractors.
- c. **Background.** Consolidation of payroll operations was effected by the Office of Personnel Management's (OPM) selection of four providers to furnish payroll services for the Executive Branch of government. DOE was successfully migrated to DFAS under the E-Payroll Initiative. The E-Payroll Initiative was established to standardize and consolidate Government-wide Federal civilian payroll services and processes by simplifying and standardizing HR/payroll policies and procedures and better integrating payroll, human resources, and finance functions.
- d. **Responsibilities.** DFAS is responsible for establishing the necessary systems, policies, and procedures for payroll preparation as directed by any departmental or service level agreement.

DFAS and DOE are responsible for maintaining system requirements in compliance with all applicable laws and regulations governed by regulations issued by OPM, Federal and other taxing authorities, the Department of the Treasury, the Department of State, the Office of Management and Budget (OMB), and the Department of Labor.

2. PAYROLL OPERATIONS.

- a. **Payroll System.** DFAS is responsible for the recording of payroll data, including adjustments and supplements, into the Defense Civilian Payroll System in accordance with laws and regulations as applicable. DFAS shall at a minimum:
 - (1) Pay the net pay due, biweekly, by electronic funds transfer (direct deposit) to the employee's financial institutions;
 - (2) Promptly make payment in the proper amount to all persons entitled to be paid, in compliance with applicable laws, regulations, DOE Policies, and legal decisions;

Chapter 16 Payroll Accounting

- (3) Prepare adequate and reliable payroll records;
 - (4) Promptly record accounting entries for the disposition of all authorized deductions from gross pay;
 - (5) Maintain adequate control over, and provide adequate retention and disposition of, all payroll related documents;
 - (6) Maintain individual pay records to show gross compensation (including allowances) by type and amount, deductions (including allotments) by type and account, and net pay for each period; and,
 - (7) Review payroll operations continually and adjust them to be as efficient, effective, and economical as possible, and ensure that payroll systems are in accordance with all legal requirements.
- b. **Internal Controls.** An effective system of internal control requires the separation of duties between the payroll and human resource offices. The human resource office shall furnish the DFAS payroll office with authorization for each addition to or deletion from the payroll or change in rate of pay. All changes in payroll must be supported by authorized change documents.
- (1) For employee initiated adjustments, such as thrift savings plan and address changes, the employee shall furnish authorization in writing or through the Employee Self Service/myPay website. The human resource office shall maintain a record of the employee's authorization for benefit adjustments submitted in writing in the employee's electronic Official Personnel File. The Employee Self Service and myPay systems shall retain records of transactions submitted electronically. The Energy Finance and Accounting Service Center (EFASC) shall maintain a record of the employee's authorization for deduction adjustments submitted in writing.
 - (2) Personnel performing the payroll accounting activity do not certify time and attendance records.
 - (3) Earnings and leave statements are made available to employees via the myPay website.
 - (4) EFASC ensures that payroll data is processed accurately: that time and attendance records are certified by appropriate DOE officials, and that hardcopy changes received in writing from the human resource office or the employee are reviewed sufficiently to ensure their accuracy and acceptability before submitting to DFAS.
 - (5) The Office of Corporate Information Systems provides summary reports of each employee's records to the certifier of the employee's time and attendance records for appropriate review and verification via Employee Self Service.

Chapter 16 Payroll Accounting

- (6) At the request of DOE programs, EFASC may establish Task Codes within the Automated Time Attendance and Production System (ATAAPS) that allow individuals to charge their time to an organization other than their own. Organizations that request the establishment of these Task Codes must pay close attention to their payroll expenditures to ensure that they are only paying for appropriate payroll expenses. These organizations must also request that EFASC delete codes that are no longer necessary.
- c. **Handling Personal Information.** The Privacy Act of 1974 (Public Law 93-759) and DOE Order 206.1, Department of Energy Privacy Program, establish certain minimum standards for handling and processing personal information maintained in the data banks and systems of the executive branch, for preserving the security of the computerized or manual system, and for safeguarding the confidentiality of the information.
- d. **Accounting.**
- (1) EFASC establishes ATAAPS Work Center, Task, and Job Order codes to allow the payroll system to charge costs to the appropriate budgetary funding source. EFASC is responsible for maintaining accounting codes in ATAAPS and the related table in DOEInfo. EFASC payroll accountants enter adjustments in DOEInfo and run the STARS Labor Distribution System Interface to record entries in STARS.
- (2) Departmental elements are responsible for managing and monitoring their salary and benefit expenses as a part of the budget execution process in accordance with DOE Order 135.1A, *Budget Execution Funds Distribution and Control*, and DOE Manual 135.1-1A, *Department of Energy Budget Execution Funds Distribution and Control Manual*. Each office is responsible for establishing adequate processes for monitoring its payroll expenditures, both in aggregate and for individual employees. Payroll expenditure information is available from the following sources:
- a) STARS: The STARS system provides obligation, cost, and payment reports in aggregate for the office. STARS data may be accessed directly or through the business intelligence tools available on the CFO iPortal.
 - b) DOEInfo. .
 - DOEInfo reports show various levels of employee information for a given organization. These reports are run by employee organization, not funding source. This allows an organization to see payroll expenses for its employees, but will not show any payroll expenses it is incurring for employees of other organization.
 - DOEInfo may be accessed from the Management Information Systems (MIS) Application Gateway at <https://mis.doe.gov>.

Chapter 16 Payroll Accounting

c) Payroll Labor & Distribution System (PLDS).

- PLDS reports may be generated by Appropriation or Fund Type. PLDS reports show all charges to a particular Appropriation or Fund Type regardless of the employee's organization. This allows the organization to monitor any payroll expenses it is incurring for employees assigned to another organization. If the program had previously established ATAAPS Task codes that allow other programs to charge hours worked to their program, they would need to generate PLDS reports to review all their salary and benefit charges.
- PLDS access is available to authorized program office employees by sending a request to the Payroll Help Desk at PayrollCSRHelpDesk@hq.doe.gov.
- Technical information on DOEInfo and PLDS is available from CF-40, Office of Corporate Information Systems.

e. **Non-cash Fringe Benefits.** Internal Revenue Service (IRS) regulations require certain non-cash fringe benefits to be included in employee taxable wages. The EFASC Payroll Team will issue additional guidance providing specific information on required reporting for these benefits as determined by the most recent IRS guidance. Departmental elements must provide the EFASC Payroll Team with information on non-cash fringe benefits for inclusion in the taxable wages of effected employees as specified in the guidance.

3. **OTHER GENERAL PAYROLL INFORMATION.** More information can be found on Basic Pay, Payroll Earnings, Payroll Deductions, Payroll Records, Employee Benefits, Garnishments, Insurances, and other general payroll questions at:

- a. The Department of Defense's Defense Finance and Accounting Service (DFAS) website (<http://www.dfas.mil>);
- b. The Department of Energy Office of the Chief Human Capital Officer website (<http://humancapital.doe.gov>);
- c. The Department of Energy Directives, Regulations, and Standards website (<https://www.directives.doe.gov/directives/current-directives>), referenced to DOE Order 323.1, "Garnishment of Federal Employee's Pay," DOE Order 322.1C, "Pay and Leave Administration and Hours of Duty," and DOE Order 533.1, "Collection from Current and Former Employees for Indebtedness to the United States,";
- d. The Department of State Standardized Regulations website (<http://www.state.gov/www/perdiems/dssr/regs000.html>, and <http://aoprals.state.gov>);

Chapter 16 Payroll Accounting

- e. The Employee Self Service website (<https://mis.doe.gov/ess>);
- f. The Thrift Savings Plan website (<http://www.tsp.gov>); and,
- g. The Office of Personnel Management website (<http://www.opm.gov>).