

Procedure Title:	Work Charge Codes and Labor Cost Override Codes		
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Signature on file at ASD Central

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Approved By: Deputy Director of Finance

Date Approved

Procedure

The accuracy of payroll related budgetary and accounting transactions being properly recorded in the Statewide Financial Management Application (SFMA) is dependent on using the correct payroll expenditure codes.

- Labor Cost Codes
- Work Charge Codes
- Labor Cost Override Codes

This procedure establishes uniform payroll accountability standards and strengthens internal control over creating, assigning and updating work cost codes and labor cost override codes.

Applicability

All DHS employees shall adhere to this procedure. Failure to comply with this procedure may result in disciplinary action up to and including dismissal.

Step	Responsible Party	Action
1.) Work Charge Code Authorization	Manager, Employee, Timekeeper	<p>The work charge code (WCC) is a three or four alpha-numeric coding reduction tool that automatically generates a twelve-digit labor cost override code to charge some or all of the employee's payroll costs to a specific grant and or project for the amount of time worked.</p> <p>Employees must notify their manager before entering a work charge code in the Oregon State Payroll Application (OSPA) on-line payroll time capture because it impacts the position funding.</p>
2.) Labor Cost Override Code	Manager, Employee, Timekeeper	<p>Directly entering the twelve-digit numeric labor cost override code in the 'Override' field to charge time worked to a specific grant, project and or program area causes substantial errors due to miss-keying the number. These errors cause a misallocation of payroll expenditures recorded in SFMA resulting in extensive adjusting transactions being made to correct the financial records.</p>

		<p>Employees are required to use the Work Charge Code on the time entry screen in OSPA and allow the system to automatically populate the 'Override' field with the correct Labor Cost Override Code. The DHS Controller or designee may approve an exception for documented justifiable reasons submitted by the employee's manager.</p>
<p>3.) Using a valid Work Charge Code</p>	<p>Employee, Timekeeper</p>	<p>A list of valid WCCs are located on the Financial Services website http://inside/directors-office/finance/financial-services/financial-services-home/ofs-categories-a-articles/33/704-accounting-codes.html</p> <p>The employee or timekeeper enters the valid, manager-approved WCC in the 'Work Charge' field on the P004 screen in OSPA. Once the 'Enter' key is pressed, OSPA will automatically return to the P005 screen while simultaneously populating the 'Override' field with the 12-digit labor override code.</p> <p>The employee or timekeeper should return to the timesheet day to confirm the labor cost override code is correct.</p>
<p>4.) Correcting Invalid Work Charge Codes</p>	<p>Employee, Timekeeper, Managers, Financial Services</p>	<p>Using an incorrect but valid WCC may cause OSPA to charge the employee's time to a valid grant, project and or program budget, erroneously.</p> <p>Using an invalid WCC may cause OSPA to default to the labor cost code (LCC) assigned to the employee in the Position Personnel Data Base (PPDB) system.</p> <p>At mid-month, Financial Services Management Reporting unit uploads a list of invalid WCC's used by employees during the prior month. The list is organized alphabetically by employee name and numerically by Report Distribution Code (RDC). http://inside/directors-office/finance/financial-services/financial-services-home/ofs-categories-a-articles/33/704-accounting-codes.html</p> <p>Managers must review the list of invalid WCC's prior to each mid-month to verify if their employee is listed. Managers with employees' names on the invalid WCC list must:</p> <ul style="list-style-type: none"> • Obtain the correct WCC from the list of valid WCC's. • Contact their Financial Services Division Coordinator and provide the correct PCA and or Index for the labor cost override code. • Ensure the employee has been instructed in the use of the valid WCC's list. <p>The Financial Services Division Coordinator will facilitate</p>

		contact with the appropriate staff to initiate actions to correct the employee's payroll costs.
5.) Creating the Work Charge Codes	Managers, Financial Services	<p>To request a new WCC, managers must provide Financial Services Management Reporting unit with the</p> <ul style="list-style-type: none"> • Biennial indicator (i.e., the indicator for the 2007-09 biennium is '09') • Correct PCA and Index <p>The Management Reporting unit will:</p> <ul style="list-style-type: none"> • Update the list of valid WCC's and upload the revised spreadsheet on the Financial Services website within five business days. • Notify the Payroll unit to update OSPA with the new code.
6.) Maintaining Work Charge Codes and Labor Cost Override Codes	Managers, Financial Services	<p>Financial Services performs regular maintenance on the WCC and labor cost override codes through-out the biennium.</p> <p>On or before October 1 of each year, Financial Services updates specific labor cost override codes with a new PCA to reflect the new phase of an active direct-charge grant. The WCC is not changed.</p> <p>On or before July 1 of an odd year, Financial Services confirms and removes from OSPA those WCCs with labor cost override codes containing an inactive PCA and or index. Valid WCCs are assigned a new PCA, entered on the list of valid WCCs and updated in OSPA.</p>

Policy that applies

[DHS-040-007: Payroll Management](#)

Related procedures that apply:

[DHS-040-007-01: Time and Attendance Records](#)

[DHS-040-007-02: Payroll Distribution](#)

[DHS-040-007-03: Labor Cost Codes](#)

[DHS-040-007-05: Payroll Error Correction](#)

Forms that apply

[DHS 0109: Personnel Action](#)

References that apply

"C" Report, DHS Position List by Employee Class

B470C, OSPS Leave Accrual Detail Transaction Register

Routing Distribution Report

<http://inside/directors-office/finance/financial-services/financial-services-home/ofs-categories->

<a-articles/33/704-accounting-codes.html>

DHS Personnel Action Manual

http://www.dhs.state.or.us/admin/hr/tools/publications/pa_manual.pdf

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Procedure History

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