

MEMORANDUM

TO: Bill Bowes
Vice Chancellor, Office of Fiscal Affairs

FROM: Susan Norton
Director of Human Resources, Medical College of Georgia

DATE: March 9, 2007

SUBJECT: HR/Payroll Taskforce Report

On behalf of the Human Resources/Payroll Taskforce, I am pleased to provide an update to the recommendations our group submitted in January on the possible Kronos implementation.

Restatement of Objective and Revised Focus

The charge of the Taskforce is to “identify and recommend for implementation such system or process enhancements that will create even greater efficiency and effectiveness in our HR/Payroll processes.” The Taskforce was convened in recognition of the fact that there were multiple opportunities to further streamline and consolidate campus human resources, payroll and GaFIRST business processes and procedures in order to improve system wide compliance and efficiency. The implementation of a time and attendance system, PeopleSoft’s expanded self-service features, and future upgrades, create a focus on specific process improvements that can be leveraged via IT implementations.

With regard to Kronos, a preliminary review was conducted by Kronos and highlighted some differences in campus practices. The Taskforce was asked to review those differences and make recommendations towards consistency. Our original recommendation was based on an understanding that the system wide implementation of Kronos was imminent, and thus we approached our conclusions from that aspect. It has since come to light that the details of the implementation are still under review and are open to best practice considerations. It is clear that a lack of consistent practices will have an impact on the implementation of a Time and Attendance solution. In addition, our analysis shows that the ultimate best practice for the GaFIRST schools moves us in the direction of a future (many to one) database consolidation effort.

Implementation Specific Recommendations

The following recommendations focus specifically on the impact of the time management system implementation on the GaFIRST institutions.

Recommendation 1: Features

The Taskforce recommends that the University System identify and implement a software solution that will include the following minimum features:

- Ability to manage paid leave for exempt and non-exempt employees in an efficient and accurate fashion, seamlessly integrated with the PS Payroll functionality
- Ability to record hourly employee time and salaried employee exception time in an accurate, auditable and user friendly fashion that integrates with PS Payroll
- Tools that allow managers to accurately and efficiently review and approve employee time
- Functionality for web-based time entry for punch time, exception time, or elapsed time entry in addition to physical time clocks for areas where computer accessibility is an issue
- Seamless automated and timely integration of employee events including hires, terms and job/position changes within PS HRMS
- Flexibility to assign proxy approval responsibility to other departmental staff as needed
- Ability to track comp time for FLSA non-exempt employees

The following details desirable features of any time management system that will enhance efficiency and improve the audit trail:

- Automated notifications of approval deadlines associated with payroll schedule
- Ability to evaluate employee leave requests by projecting future hours taken
- Ability to process retro active leave entry and bill it to the correct time period/budget on next payroll cycle
- Ability to track/code grant/project hours separately from standard hours
- Tools to allow accurate evaluation of leave balances for both employees and supervisors for past, present and future views
- Facilitate administration of shared leave pools
- Integration with future functionality within PS like Project Costing and Grants and Contracts

Recommendation 2: Defined Users

The Taskforce recommends that all employees for whom time must be tracked be required to use the system that is implemented. PeopleSoft should be designated as the “system of record” for all hours worked and leave reported. Initial implementation will not include Effort Reporting at this time but should not preclude use for Effort Reporting in future.

Recommendation 3: Change Management

In adopting this recommendation, it is recognized that institutions need to anticipate cultural shift. The time collection methods that are traditionally used with automated time and attendance systems include time clocks, kiosks, and personal computers via a login. Employees who have not traditionally “clocked in” will now have to do so and it is very likely that negative reactions will be expressed due to having their time more noticeably controlled. The Taskforce recommends that the University System seek out organizational change management expertise during this transition in an effort to improve the acceptance of the new system.

Recommendation 4: Redesignation of Payroll Resources

The introduction of a time and attendance system will reduce the current manual data entry workload generated at each campus during the payroll cycle, in many cases significantly. It must be recognized however that this will not necessarily result in the downsizing by the same number

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of FTE within Payroll as a result of the implementation. Support roles for time and attendance and functional support of self service will be necessitated and this may require a shift in FTEs from data entry to support, or the creation of new, unique positions to provide this function within Payroll. The Taskforce recommends each institution evaluate the current FTE required for manual data entry support with the purpose of identifying future support resources.

General Policy Recommendations

The following recommendations address policy issues which are unclear and implemented inconsistently across University System institutions. These recommendations would need to be addressed in conjunction with a system-wide time management implementation.

Recommendation 5: Flex Time with Holidays

A Flex Time Policy with Holiday definition is needed to ensure consistency among those campuses with flex time. It is the Taskforce's recommendation that a holiday be defined as 8 hours for a 1.0 FTE employee. A best practice for dealing with holiday hours for a person on a flexible schedule is to not allow any flex schedules during the week of a holiday. Employees would work regular 8-hour days during any week in which a holiday falls. It is our understanding that this method is in place at Georgia Tech and works well. If a campus allows variations, the holiday would still be defined as 8 hours and that is how such 'holiday time' would be recorded.

Recommendation 6: Holiday Pay

Holiday pay will only apply to benefits eligible employees. It is the Taskforce's recommendation that a holiday be defined as 8 hours for a 1.0 FTE employee as noted above. The decision on how to compensate employees who work on a holiday is one that generates considerable discussion. The task force recommends the following as the policy:

Ex 1. If an employee is required to work on one of the scheduled holidays, the employee will be paid for actual hours worked on the holiday and also for the 'benefited' holiday time associated with his/her work commitment.

Ex. 2. If an employee's normal work schedule does not include a holiday, that employee's supervisor will schedule an alternate "holiday" to ensure the employee receives the 'benefited' holiday time allowed by the University System of 12 days. (Employee's regular schedule is Wednesday – Sunday, so they would not be scheduled to work on Labor Day and thus would not receive the holiday. The alternate holiday is scheduled to ensure that they do.)

Recommendation 7: Comp Time Only for Non-Exempt Employees

The Taskforce recommends that campuses be reminded and educated regarding the fact that exempt employees are not eligible for compensatory time. This is consistent with the FLSA and allowing exempt employees to accumulate and use "comp time" could jeopardize their exemption. This seems to be an area where we may have some potential issues.

Recommendation 8: Public Safety Officer Workweek Defined

All System institutions need to adhere to a standard seven (7) day workweek as required by the FLSA, including Public Safety Departments. Public Safety officers and other employees can still work longer shifts than other employees; it is simply the overtime that must be consistent. For example, if the workweek begins Saturday at 12:01 a.m. and ends the following Friday at 12:00 midnight, any hours worked over 40 during that workweek must be paid at time and one half

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under the Fair Labor Standards Act. Thus, Public Safety officers will be paid for overtime if they exceed 40 hours worked in the defined workweek. We should not attempt to adopt other work periods that may be perceived to be allowable under the FLSA's provision for emergency workers (i.e. the 28 day period or 14 day period for calculating overtime). Jeff Thompson, Special Assistant Attorney General, who is providing guidance to the University System on FLSA compliance, has provided a summary statement to our task force regarding this issue. It is suggested that the BOR Legal Office review Mr. Thompson's letter and provide a formal opinion (see attached).

Recommendation Regarding a Time and Labor Solution

The Taskforce has reviewed the features of both Kronos and PeopleSoft Time and Labor since the original recommendation. The group concurs that there are significant benefits to the system users to significantly scale back the Kronos implementation to time clock data collection only and to leverage PeopleSoft's integrated functionality to provide time and labor management. Some functional benefits of a PeopleSoft Time and Labor implementation include:

- **“One Stop Shop” Ease of Use for 90% of System Users:** entering, updating and managing time for all employees would be done through the same self service screens already implemented successfully system wide
- **User Familiarity:** the implementation learning curve would be reduced due to familiarity with the self service functionality already in place
- **More Easily Identified and Managed Costs:** licensing costs for Time and Labor are already integrated into the current fee structure, and the reduction of the Kronos implementation to local Time Collection Devices (TCDs) and the associated Data Collection Managers (DCMs) would significantly reduce the OIIT overhead that a full Kronos implementation would necessitate, as well as reduce the inherent and potentially inflationary project costs of a full system implementation of a brand new system; costs associated with an expansion of PS functionality are more readily known and the skill set is already in house
- **Consistent Security:** with the exception of the TCDs transmission of data to PeopleSoft, system security would be folded into the existing PS structure rather than creating a new and separate security hierarchy to be maintained
- **Ease of Implementation:** Kronos identified issues related to the many to one relationship of the full Kronos time management to PeopleSoft implementation model that would be reduced or eliminated by the implementation of Kronos TCDs and DCMs only. The current estimate of the system wide users of physical TCDs is 10% of the total system population.

The University System requirement is to find a way to eliminate or decrease the manual data entry of hours worked by payroll personnel across the system and to replace that manual data entry with a method for capturing time through an automated system. There has been agreement in the University System for several years that it would be more efficient for campuses if we have an automated time and attendance system that can be used by employees to accurately record hours worked, record forms of leave, and then be automatically loaded into the payroll function of PeopleSoft so as to allow for the processing of non-exempt pay. It is also important for the campuses to understand that the proper recording of time and associated record keeping responsibilities are required for compliance with the Fair Labor Standards Act.

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While we are not a software selection body, it should be noted that we all share a common interest in ensuring that the System and our campuses are able to utilize the PeopleSoft Human Resources Management System to its fullest potential. Also, we are all aware of features and functions that we believe, if used, would allow our campuses to operate more efficiently. Thus, we strongly advocate for taking advantage of those features wherever possible.

We thank you for the opportunity to provide input and will be available to discuss any and all of the above with you.

Attachment

c: Task Force Members