Timekeeping Process Flow
(high-level for systems that are not integrated)

**Hours Worked**

- All Employees Complete/Approve Timesheet for **All** Hours Worked

  **Supervisor**
  - Review timesheet for accuracy and approve/reject timesheet

  **Employee**
  - Correct/approve timesheet

  **Rejected Timesheet**

  **Corrected Timesheet**

  **Final approved timesheet**

  **To Payroll Processing**
  - Approved Timesheet
  - Rejected Timesheet
  - Corrected Timesheet

  **Payroll Register**
  - Pay Employee

  **General Ledger**

  **Labor Distribution Report (job cost labor)**

**Monthly Labor Reconciliation** – The payroll register, LDR, and GL must tie out. The difference between LDR and Payroll Paid = Payroll Variance (see Uncompensated Overtime Process Flow)
Uncompensated Overtime/Payroll Variance Process Flow

Scenario: Salaried employee works 45 hours in a 40 hour work week

Post Timesheets

Labor Distribution Report (Job Cost)
45 hours worked

General Ledger
35 hours direct (debit labor)
10 hours indirect (debit labor)
45 hours (credit payroll variance)

Pay Employee

Payroll Register
40 hours paid

General Ledger
40 hours (debit payroll variance)
40 hours (credit cash)
*leaving a credit in payroll variance of 5 hours = uncompensated overtime
Comp Time/Payroll Variance Process Flow

Scenario: Salaried employee works 45 hours week #1 of a 40 hour work week and 35 hours week #2 of a 40 hour work week

Post Timesheets Week #1

- Labor Distribution Report (Job Cost)
  - 45 hours worked

Pay Employee Week #1

- Payroll Register
  - 40 hours paid

Post Timesheets Week #2

- Labor Distribution Report (Job Cost)
  - 35 hours worked

Pay Employee Week #2

- Payroll Register
  - 40 hours paid

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**General Ledger**

- 35 hours direct (debit labor)
- 10 hours indirect (debit labor)
- 45 hours (credit payroll variance)

- 40 hours (debit payroll variance)
- 40 hours (credit cash)

*leaving a credit in payroll variance of 5 hours = uncompensated overtime

- 30 hours direct (debit labor)
- 5 hours indirect (debit labor)
- 35 hours (credit payroll variance)

- 40 hours (debit payroll variance)
- 40 hours (credit cash)

*clears out 5 hour credit from week #1 and 35 hour credit from week #2. Result 0 in payroll variance account
Timesheet Hours Correction or Labor Transfer
(high-level for system that is not automated)

Scenario: Correction after timesheet posting & payroll processing resulting in a change of pay to employee and job cost

Error identified

Employee note correction on timesheet initial and date (include purpose/reason for change)

Supervisor review timesheet for accuracy and approve corrected timesheet

Approved Timesheet Correction

Final corrected timesheet

If Pay Correction To Payroll Processing

Payroll Register

Post Correction

Pay or Deduct Employee

Update/correct billing to WSDOT

Labor Distribution Report (job cost project or pay correction)

General Ledger

**Labor Distribution & Payroll Correction should tie.**