

Office Memorandum


Date: March 9, 2017
To: Agency Payroll, HR, and Accounting Staff
From: Dori H. Leland, Classification and Compensation
Mary Muellner, Director, Statewide Payroll Services
Subject: Additions and Improvements to Fair Labor Standards Act (FLSA) Reconciliation Report

Approximately six months ago, Minnesota Management and Budget (MMB) began its rollout of the FLSA Reconciliation Report to select agencies each payroll cycle. The report, which normally runs 4 times each payroll cycle, is delivered online in SEMA4, and in Document Direct (HP5020). The FLSA Reconciliation Report audits payroll transactions from the perspective of the FLSA, and identifies situations where federal law may require additional forms of payment, over and above what is provided for in contract or plan.

Since we initiated our rollout, we have received very helpful feedback from agencies as they implemented this report into their own payroll auditing practices. Based upon the feedback we have received, we have made some improvements to the usability to the report that we wanted to specifically call to your attention. These changes will be effective for the reports that run during the pay period ending **March 7, 2017**.

Link to Earn Code data

Agencies asked us to include a link to the earn codes that were considered in reaching the “Regular Rate” and

“Difference” amounts shown on the report. We have made this improvement. Click the  button to see the specific list of earn codes that contributed to the calculations that appear on the report. Note: this feature is included in the on-line version of the FLSA Reconciliation Report only.

Work out of Class [WOC] Information

We received a few questions related to employees assigned to a WOC. Although the report does not have sufficient data do know whether WOC duties are exempt or nonexempt, we have added a column that will at least alert you when an employee is in a WOC assignment. If you find the WOC duties are Nonexempt, use the report’s calculated Difference amount as you otherwise would. If the WOC duties are Exempt, you may disregard the calculated Difference amount from the report, as the FLSA does not require any payment of overtime to exempt employees.

New Comments functionality



The SEMA4 FLSA Reconciliation Report includes a Comments link that allows you to record notes for any row on the current report. When you enter and save a comment, a check box will mark which rows have a comment saved. Click the Comments link next to the check box to view or edit the comment. Keep in mind that the report runs 4 times each pay period. The system **does not** copy forward comments to subsequent runs of the report. Starting with the Pay Period Ending March 7, we are adding a new feature to help you find comments that have been saved in previous versions each pay period. When a comment has been saved on a prior version in the pay



period, the button will appear for that item on the Current version of the report. Click the button to view the latest comment saved for that item. Click Cancel to return to the version of the report you were viewing.

Guidance Documents / FAQs

We have nearly completed an FLSA Reconciliation Report User Guide and a Most Frequently Used Earn Code guide. We have also established an FAQ document. We anticipate that these documents will become available in the Temporary HR Toolbox on the MMB extranet in late March, 2017. We will reach out to you with updates once we have a precise rollout date.

Contact Information

For questions related to job duties in a work out of class assignment, and whether these duties are exempt or non-exempt, contact agency HR or your MMB [Agency and Applicant Services](#) representative.

For questions related to earn codes, including the earn code data link, contact [Statewide Payroll Services](#). For other questions, contact Dori Leland, Acting Enterprise Director for Employee Classification and Compensation, at Dorilee.leland@state.mn.us or 651-259-3835.