

Resolving Unique Oracle Payroll Issues in the Public Sector



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Agenda

- Presenters
- About AST Corporation
- About the City of Burbank
- Overtime Policies, Examples and Issues
- Need for Customization
- Gap
- Design Constraints
- Solution Design
- Questions & Answers

Presenters

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City of Burbank
 - Deputy Financial Services Director
 - Payroll Lead
- **Sudhakar Lakkoju**
AST Corporation
 - Senior Principal Consultant
 - Technical Lead

About AST Corporation

- Oracle Certified Advantage Partner
- System integrator of choice for Corporations and Public Sector Organizations
- 100% success rate of Oracle E-Business projects that range from:
 - Planning
 - Assessment
 - Migration
 - Implementation
 - Training & Support
- www.astcorporation.com

About the City of Burbank

- City background
- Approximately 2000 full-time, part-time and temporary employees
- Ten different employee groups
- Five organized bargaining groups
- Financials Implementation
- HRMS Implementation

Dynamic Base Pay Concept

- Unique to the City of Burbank
- Calculated during run time
- Based on Base Pay + Working Out of Class + Fringes + Differentials
- Bi-Weekly Pay Periods

Overtime Policies

- Policies exceed FLSA standards
- FLSA: Any hours exceeding 40 hours per week
- City: Any hours exceeding daily scheduled shift

Overtime Example 1

Employee Salary per pay period \$2000

Based on Work, eligible for Diff 5% + \$ 100
(Worked 80 hours per schedule)

Total Pay \$2100

Hourly Rate (80 Hours) $\$2100/80$ = \$26.25

Any Pay-outs and Cash-outs to be at the rate of
\$25.25/Hour

Overtime Example 2

Consider employee worked **40** hours the first week during the bi-weekly pay period

Worked **12** hours day 1 of the second week:

Regular hours = 8

OT Hours = 4

Was on leave without pay the remainder of the second week (**32** hours)

Total Time Card Hours = 84

Employee Salary this pay period \$1200

Based on Work, eligible for Diff 5%
(Worked 48 hours out of 80 scheduled hours) + \$ 60

Total Pay \$1260

Hourly Rate (80 Hours) $1260/80 = \$15.75/\text{Hour}$

Per Policy 4 hours OT to be paid at \$26.25/Hour

Per FLSA, no overtime is owed to employee

Need for Customization

Employees full rate of pay is used to compute all the following, when the employee did not work the full pay period:

- Overtime
- Leave Pay-outs
- Leave Cash-outs

Need for Customization

Issues arise when any of the following occurred during the bi-weekly pay period:

- Employees starting mid-pay period
- Employees terminated mid-pay period
- Employees claiming 'Leave Without Pay'

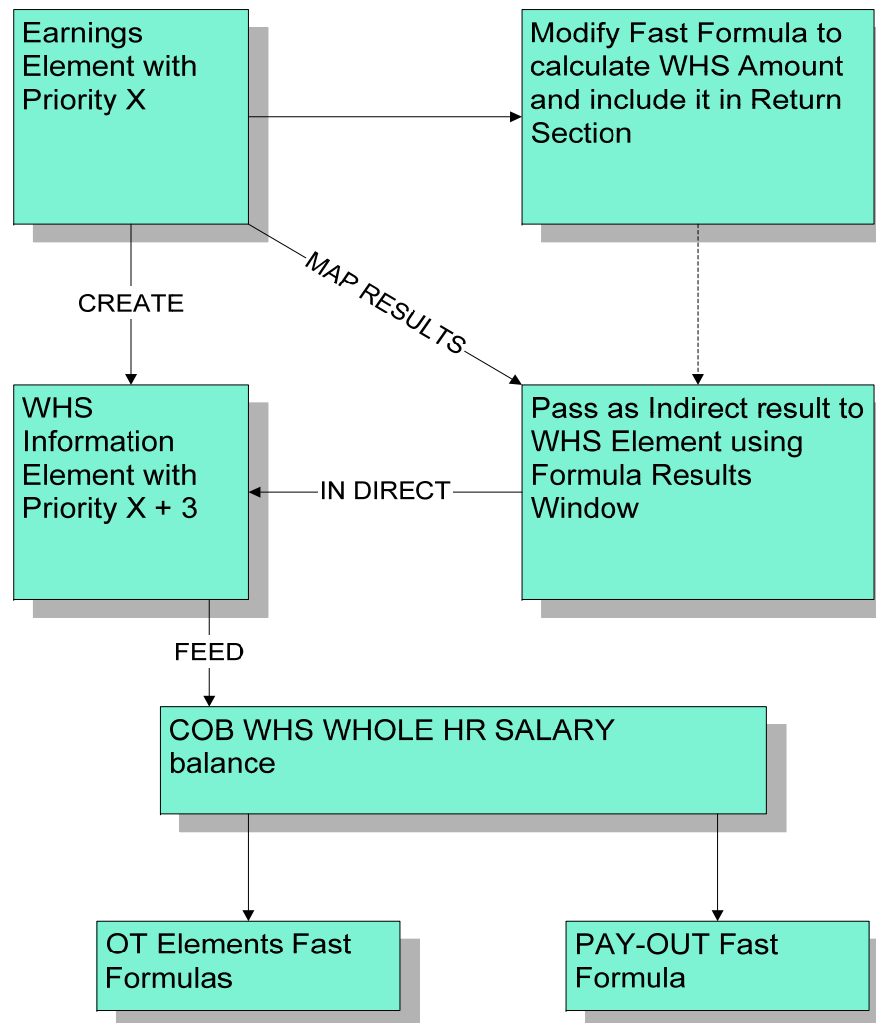
Gap

- Standard Payroll formulas cannot compute Overtime, Cash-outs and Pay-outs accurately per policies
- Employee's full rate of pay is not available for reporting purpose

Design Constraints

- Should compute Overtime, Leave Pay-outs and Leave Cash-outs accurately
- Should be transparent
- Minimum or no maintenance
- Full rate of pay to be available for reporting and/or reference purposes
- Should work with standard functionalities like Quick Pay and Retro

WHS Implementation High-level Diagram



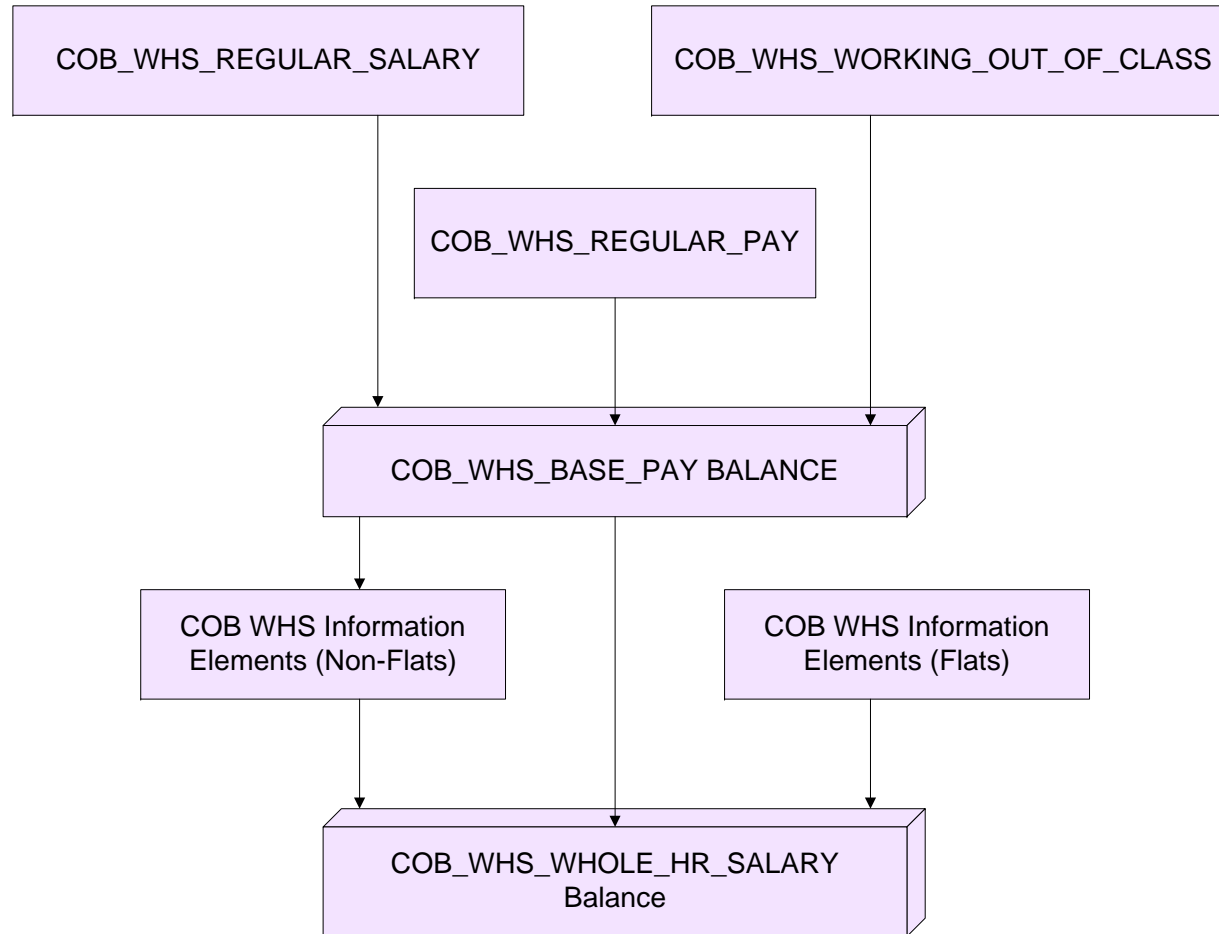
Solution Design

- Create elements of type information for all the corresponding differentials and fringe elements
- Prioritize elements to make it logical
- Edit Fast Formulas to compute Whole HR Salary
- Pass as indirect result to corresponding information element

Solution Design

- Feed these WHS elements to balance
- Use this balance in the formulas to compute:
 - Overtime
 - Pay-outs
 - Cash-outs

Balances and Feeds



Sample Element Definition

Element

Name: **COB WHS Asbestos** Reporting Name: **WHS Asbestos**

Description: **WHS Asbestos**

Primary Classification: **Information** Benefit Classification:

Effective Dates
From: **01-JAN-1952** To:

Processing

Standard | Advanced | Advance Pay | Recalculation | Proration

Type

Nonrecurring
 Recurring

Termination

Actual Termination
 Final Close
 Last Standard Process

Priority: **1763**

Skip Rule:

Multiple Entries Allowed
 Additional Entry Allowed
 Closed for Entry
 Process in Run
 Once Each Period
 Indirect Results(K)
 Adjustment Only(J)
 Third Party Payment

Currency

Input: **USD**
Output: **USD**

Qualifying Conditions

Age:
Length of Service:
Units:

Standard [**Nc**]

Further Information: .

Input Values | Balance Feeds | Balance Feed Control(z) | Frequency Rules(q)

Exclude Balances | Iterative Rules(O) | Extra Information(g) | Usages

Element Input Values

Input Values(COB WHS Asbestos)

Name	Units	Sequence	Required	User Enterable	Database Item
Hours	Hours in Decin	1	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Amount	Money	2	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other Value	Character	3	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Customizing the Formula

Default variables used in Calculation

```
/*=====DEFAULT CUSTOM CODE =====*/  
DEFAULT FOR ASG_GROUP IS 'NOT ENTERED'  
DEFAULT FOR WHS_AMOUNT IS 0  
DEFAULT FOR COB_BASE_PAY_ASG_GRE_RUN IS 0  
DEFAULT FOR ASG_GROUP IS 'NOT ENTERED'  
DEFAULT FOR COB_IA_LEAVE_PAY_ASG_GRE_RUN IS 0  
DEFAULT FOR RUN_FLAG IS 'N'
```

Calculation & Return Section

```
clear_accrued = (get_accrued_value + template_earning) * -1
)
/* WHS code */
WHS_AMOUNT = ROUNDUP((Percentage * (COB_WHS_REGULAR_SALARY_ASG_GRE_RUN)/
100 ),2)
mesg = mesg||' eof-asbestos '
/*===== RETURN SECTION =====*/
if mesg = ' ' then
RETURN
template_earning ,
clear_accrued ,
STOP_ENTRY,
/*==CUSTOM RETURN START==*/
WHS_AMOUNT ,
RUN_FLAG ,
AMOUNT
/*==CUSTOM RETURN END==*/
```

Mapping Results Using Formula Results Window

Formula Result Rules

Element
Name: Classification:
Description:

Processing Rules

Name	Formula	Effective Dates	
		From	To
<input type="text" value="Standard"/>	<input type="text" value="COB_ASBESTOS_PCT_EARN_N"/>	<input type="text" value="01-JAN-1952"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Formula Results

Name	Type	Element	Input Value	Units	Message Severity
<input type="text" value="RUN_FLAG"/>	<input type="text" value="Indirect result"/>	<input type="text" value="COB Asbestos NT"/>	<input type="text" value="Run Flag"/>	<input type="text" value="Character"/>	<input type="text"/>
<input type="text" value="STOP_ENTRY"/>	<input type="text" value="Stop"/>	<input type="text" value="COB Asbestos"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text" value="TEMPLATE_EARNIN"/>	<input type="text" value="Direct result"/>	<input type="text"/>	<input type="text" value="Pay Value"/>	<input type="text" value="Money"/>	<input type="text"/>
<input type="text" value="WHS_AMOUNT"/>	<input type="text" value="Indirect result"/>	<input type="text" value="COB WHS Asbestos"/>	<input type="text" value="Amount"/>	<input type="text" value="Money"/>	<input type="text"/>

Sample Overtime Formula

```
/* COB Custom Defaults */
  DEFAULT FOR COB_WHS_WHOLE_HR_SALARY_ASG_GRE_RUN IS 0
/* ===== Defaults Section End ===== */
.
.
.
/*=====DECLARATION SECTION END=====*/
/* COB Custom for HR Rate */
  Rate =
    round((COB_WHS_WHOLE_HR_SALARY_ASG_GRE_RUN/(ASG_HOURS *
      2)),2)
/* Custom WHS end */
```

Advantages

- Accurate results
- Easy to maintain
- Transparent to users
- Works with any other standard process
- Result values available for reporting

Questions and Open Discussion

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