



**NASA**  
**Procedural**  
**Requirements**

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**COMPLIANCE IS MANDATORY**

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## **Payroll**

**Responsible Office: Office of the Chief Financial Officer**

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# Preface

## P.1. Purpose

This NASA Procedural Requirements (NPR) document provides general principles, standards, policies, and procedures to assure compliance with statutory and regulatory requirements for the pay, leave, and allowances of National Aeronautics and Space Administration (NASA) employees. Subjects cover supplement existing regulations by complementing Office of Management and Budget (OMB), Office of Personnel Management (OPM), Government Accountability Office (GAO), Treasury regulation, and other authorities as cited in the Authorities Section.

## P.2. Applicability

This NPR is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to JPL, other contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

## P.3. Authority

- a. 5 U.S.C. Chapter 55, Pay Administration
- b. 5 U.S.C. § 552a, The Privacy Act of 1974
- c. 5 U.S.C. § 5304, Locality-based Comparability Payments
- d. 5 U.S.C. § 5343, Prevailing Rate Determinations
- e. 5 U.S.C. § 5504, Biweekly Pay Periods; Computation Of Pay
- f. 5 U.S.C. § 5514, Installment Deduction for Indebtedness to the United States
- g. 5 U.S.C. § 5516, Withholding District of Columbia Income Taxes
- h. 5 U.S.C. § 5517, Withholding State Income Taxes
- i. 5 U.S.C. § 5520, Withholding of City or County Income or Employment Taxes
- j. 5 U.S.C. § 5545, Night, Standby, Irregular, and Hazardous Duty Differential.
- k. 5 U.S.C. § 5551, Lump-Sum Payment for Accumulated and Accrued Leave on Separation
- l. 5 U.S.C. § 5552, Lump-Sum Payment for Accumulated and Accrued Leave on Entering Active Duty; Election.
- m. 5 U.S.C. § 5595, Severance Pay.
- n. 5 U.S.C. § 5596, Back Pay Due to Unjustified Personnel Action
- o. 5 U.S.C. § 5753, Recruitment and Relocation Bonuses
- p. 5 U.S.C. § 5754, Retention Allowances

- q. 5 USC § 5901, Uniform Allowances
- r. 5 USC § 5902, Increase in Maximum Uniform Allowance
- s. 5 USC § 6304, Annual Leave, Accumulation
- t. 5 USC Chapter 71, Labor Management Relations
- u. 5 USC Chapter 81, The Federal Employees' Compensation Act (FECA), as amended
- v. 5 USC §§ 83-84, Federal Employees Retirement System
- w. 5 USC § 8432, Contributions
- x. 5 USC Chapter 85, Employees General
- y. 5 USC Chapter 87, Life Insurance
- z. 5 USC Chapter 89, Health Insurance
- aa. 11 USC Appendix A, Bankruptcy Rules
- bb. 26 USC Chapter 21, Federal Insurance Contributions Act (FICA)
- cc. 26 U.S.C. § 3102, Deduction of Tax from Wages
- dd. 26 USC § 6331, Levy and Distraint and Property Exempt from Levy
- ee. 26 USC § 6334, Property Exempt From Levy
- ff. 42 USC § 659, Consent By United States To Income Withholding, Garnishment, And Similar Proceedings For Enforcement Of Child Support And Alimony Obligations
- gg. Overseas Differentials and Allowances Act, Public Law 86-707 (5 U.S.C. Chapter 59, Subchapter III).
- hh. Allotments and Assignments from Federal Employees, 5 Code of Federal Regulations (CFR) §§ 550 (Subpart C) and 550.341
- ii. Claims for Compensation under the Federal Employees' Compensation Act, as amended, 20 CFR § 10
- jj. Criteria for Establishing Appropriated Fund Wage Areas, 5 CFR § 32.211
- kk. The Debt Collection Improvement Act of 1996 and 31 CFR 208
- ll. Federal Employees Retirement System--General Administration, 5 CFR § 841
- mm. Order of Precedence When There is Insufficient Pay to Cover All Deductions, 5 CFR § 550.313
- nn. National Archives and Records Administration, 36 CFR §§ 1200 through 1290
- oo. Pay Administration, 5 CFR § 550
- pp. Pay administration under the Fair Labor Standards Act , 5 CFR § 551
- qq. Relationship to additional pay payable under other statutes, 5 CFR § 550.907
- rr. Retirement, 5 CFR § 831
- ss. Time Limit for Use of Restored Annual Leave, 5 CFR § 630.306

- tt. Unemployment Compensation for Federal Civilian Employees, 20 CFR Part 609
- uu. OMB Circular No A-11, Preparation, Submission and Execution of the Budget
- vv. OMB Circular No A-94, Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs
- ww. OMB Circular No A-123, Management's Accountability and Control
- xx. OMB Circular No A-127, Financial Management Systems
- yy. Allotments and Assignments for Pay, I TFM Part 3, Chapter 7000
- zz. Purchasing US Savings Bonds, Series EE and I, Through the Voluntary Payroll Savings Plan (T/L 613), I Treasury Financial Manual (TFM) Part 3, Chapter 6000
- aaa. Government Auditing Standards (2003 Revision), GAO-03-673G
- bbb. Joint Financial Management Improvement Program, Human Resources & Payroll Systems
- ccc. National Archives and Records Administration (NARA) General Records Schedule (GRS) -Transmittal 10 transmits GRS 2
- ddd. Statement on Auditing Standards 70 (SAS 70), Service Organizations
- eee. NASA Policy Directive (NPD) 9010.2, "Financial Management"

## **P.4. Applicable Documents**

- a. NPD 8730.5, "NASA Quality Assurance Program Policy"
- b. NASA Procedural Requirement (NPR) 3530.1, "Pay Policy and Allowances"

## **P.5. Measurement/Verification**

Quality control reviews and analysis of financial and budgetary reports and data submitted through the continuous monitoring program will be used to measure compliance with this NPR.

## **P.6. Cancellation**

None.

/S/

Terry Bowie

NASA Deputy Chief Financial Officer

# Chapter 1. General Overview

## 1.1 Overview

1.1.1 This NPR sets forth general principles, standards, policies, and procedures to assure compliance with statutory and regulatory requirements for the pay, leave, and allowances of National Aeronautics and Space Administration (NASA) employees. Subjects cover supplement existing regulations by complementing Office of Management and Budget (OMB), Office of Personnel Management (OPM), Government Accountability Office (GAO), Treasury regulation, and other authorities as cited in the Authorities and References Section.

## 1.2 Roles and Responsibilities

1.2.1 Agency Deputy Chief Financial Officer (DCFO) shall:

- a. Approve the use of any payroll processing and related system to assure it will perform the payroll functions consistent with and as needed for the financial process of NASA. Responsibility of the Center DCFO is to ensuring the financial integrity of NASA payroll information for uses by the NASA Core Financial System so that agency financial reporting fairly represents the financial position of NASA.
- b. Ensure any outsourcing arrangement for payroll processing includes provision for an annual audit consistent with SAS 70.
- c. Ensure funds certifications are required before payroll processing to check for the availability of funds for payroll disbursements.
- d. Ensure the payroll process is designed to meet the financial objectives of payroll including timely updates in form and content consistent with NASA financial accounting and financial information needs including full cost management.
- e. Ensure appropriate reconciliation processes are designed so that updates to NASA financial systems are consistent with source data.
- f. Be apprised of the results of audits and reviews of payroll processing and assure corrective action is appropriately taken.
- g. Ensure the payroll process is designed to meet the management objectives of payroll
- h. Require employees to use Electronic Funds Transfer (EFT) for net pay deposits in their bank or seek a waiver from the servicing HR organization.

1.2.2 The Quality Assurance Office shall:

- a. Implement a process to assure internal reviews of time and attendance accuracy have been conducted.
- b. Implement a process to assure appropriate audit views have been conducted by a party independent of the payroll processing systems. Including the reviews of the accuracy of data interfaced to and from payroll processing system to other systems within NASA and data supplied directly from the payroll system outside of NASA.

c. Implement a process to assure appropriate reviews, reconciliations, and adherences to internal control have been observed.

1.2.3 NASA Human Resources (HR) shall:

a. Approve the use of any payroll processing system to assure it will perform the payroll function consistent with rules, regulations, record retention, and processes needed for the pay, benefit, and tax administration of the NASA workforce.

b. Maintain employee personnel and other payroll document as necessary.

c. Ensure provisions are made for the process, use and maintenance of workforce data for information on NASA's workforce.

d. Enter, process, and update Standard Forms SF 50 and SF 52.

e. Be responsible for HR specific systems such as the Workforce Integrated Management System (WIMS) including operation of interfaces to and from the payroll processing system to HR specific systems.

f. Ensure availability of queries and inquiries of personnel and payroll data for NASA employees.

g. Ensure effective reporting of personnel data concerning workforce functions, staff planning, and staff budgeting.

h. Manage the new hire accession processes.

i. Perform benefits administration and update responsibility for benefits not handled through Employee Express.

j. Ensure a process is available for tax changes, address changes and direct deposit functions for new employees and for those not handled in Employee Express.

k. Ensure the processing of benefit administration and other actions handled through Employee Express are correct.

1.2.4 Organizations in this section shall work closely together to assure an accurate and effective payroll operation. Individual roles and responsibilities may change between organizations due to operational considerations including reorganizations.

1.2.4.1 NASA Center, NASA Shared Services Center (NSSC), and Headquarters Payroll Offices shall:

a. Process Center, NSSC, or Headquarters bi-weekly payroll data in coordination with the NASA Shared Services Payroll Office (NPO).

b. Perform the payroll combined Federal campaign and Center-level (detail employee level) Web-based Time and Attendance Distribution System (Web TADS) function.

c. Ensure Labor Distribution Codes are included and being updated by employees in the Time and Attendance (T&A) process.

d. Analyze, sort and segregate documents to facilitate data entry through input terminals.

e. Correct errors or contact submitting office or employee to obtain information necessary to correct errors detected.

f. Maintain payroll files and documents specific to bi-weekly payroll.

g. Arrange queries and inquiries of personnel and payroll data access for Center, NSSC, and Headquarters employees.

h. Process tax changes, address changes and direct deposit functions for new employees and for those not handled in Employee Express as needed

#### 1.2.4.2 NASA NPO shall:

a. Maintain the liaison with each NASA payroll office including the collection of the inputs from T&A processing.

b. Correct errors or contact submitting office or employee to obtain information necessary to correct errors detected.

c. Provide technical support and direction for payroll electronic processing related systems and activities.

d. Maintain employee and payroll report files and other payroll document files as necessary.

e. Resolve processing problems with Department of Interior (DOI) and throughout NASA.

f. Examine all T&A data and all other documents or data input affecting an employee's pay and deductions for completeness, certification, and approval.

g. Examine the results of payroll processing for consistency with the policies and procedures in this NPR.

h. Oversee data processing through Web TADS and DOI Federal Personnel and Payment System (FPPS).

i. Coordinate with Centers, the Competency Center, and DOI for payroll processing related activities.

#### 1.2.4.3 NASA Competency Center shall:

a. Be responsible for accuracy of update and operation of WebTADS for Time and Attendance Processing.

b. Transfer payroll files to and from DOI FPPS and to Centers.

c. Maintain employee and payroll report files and other payroll document files as necessary.

d. Be responsible for operation, scheduling updates, and insuring accuracy of interfaces with the Labor Distribution System and the Core Financial System.

e. Ensure the payroll as processed is accurately updated into the Core Financial System and in agreement with the payroll processing system data.

f. Review reconciliations between the payroll processing system, WebTADS, the Agency Labor Distribution System (ALDS), Core Financial System, Centers and assure corrections are made as appropriate.

g. Maintain liaison with the DOI payroll processing office for NASA including the provision for handling NASA's payroll data.

h. Provide agency wide technical payroll support.

i. Import the payroll labor cost file into the Agency's labor system for Centers review reconciliation

of labor cost distribution.

j. Be responsible for accuracy of update and operation of the Labor Distribution System.

1.2.4.4 Center Labor Analysts shall:

a. Maintain end and start dates for valid charge codes within WebTADS.

b. Process payroll data into the NASA's ALDS.

c. Post payroll data into NASA's Core Financial System.

d. Coordinate operation, scheduling updates, and efforts to ensure the accuracy of interfaces with the Labor Distribution System and the Core Financial System with the NASA Competency Center.

e. Review and conduct reconciliations between the payroll processing system, WebTADS, the ALDS, and Core Financial System to ensure corrections are made as appropriate.

f. Coordinate with the NASA Competency Center to ensure the payroll as processed is accurately updated into the Core Financial System and in agreement with the payroll processing system data.

g. Coordinate with the NASA Competency Center and Resource Office to resolve funds certification issues during ALDS processing.

h. Coordinate with the NASA Competency Center to run data diagnosis for payroll data to ensure appropriate update in the payroll processing system.

i. Work with the NASA Competency Center for payroll balancing issues.

j. Review reconciliations between the payroll processing system, WebTADS, ALDS, and Core Financial System (SAP) and assure corrections are made as appropriate.

1.2.5 NASA Employees shall:

a. Use Employee Express updates for most deductions and benefits.

b. Request employee verification through The Work Number system.

c. Record T&A accurately through WebTADS.

d. If supervisory employees:

(1) Certify employee's T&A usage through WebTADS.

(2) Certify the consistent use and accuracy of labor distribution codes.

1.2.6 Department of Interior (DOI). Through a cross-servicing arrangement DOI serves as the payroll provider for NASA, as well as, for system creation of SF 52/SF 50 personnel actions. DOI provides substantially all the payroll services including: pay and benefit calculation, electronic deposits, external reporting requirements, and meeting disbursing requirements through Treasury for NASA by performing the following detail roles and responsibilities:

a. Maintaining adequate records to satisfy NASA's needs and assure compliance with Federal statutory and regulatory requirements.

b. Providing correct data to Treasury regional disbursing offices and the Federal Reserve for issuing and delivering checks and bonds.

c. Identifying to Treasury regional disbursing officers, in writing, Designated Agents responsible for

receipt and delivery of checks and bonds.

- d. Instituting adequate controls and facilities for safekeeping of checks and bonds.
- e. Ensuring all payroll related data is promptly processed in accordance with established schedules.
- f. Correcting errors or contacting submitting office or employee to obtain information necessary to correct errors detected.
- g. Maintaining controls over automated payroll processes.
- h. Maintaining employee and payroll report files and other payroll document files as necessary to support all pay actions.
- i. Making supplemental payments when necessary by preparing a separate SF 1166, Voucher and Schedule of Payments.
- j. Providing documentation to OPM to support retirement actions.
- k. Reconciling total of net pay, deductions, and employer's contributions with the grand total charged to the appropriation on SF 1166.
- l. Submitting tax reports to Federal, State, and local authorities.
- m. Accounting for and reporting to employee organizations the amount of dues deducted by employee and the total amount remitted.
- n. Verifying the SF 1166 is certified by an authorized certifying officer before transmission to the Department of the Treasury Disbursing Officer.
- o. Accounting for U.S. Savings Bonds, Series EE and I, deductions and arrangements for Federal Reserve issuance of bonds.
- p. Determining based on SF 1150, Record of Leave Data, the amount of leave an employee has to his or her credit. See NASA Financial Procedural Requirements (NPR), 9620.1, Chapter 4, "Leave."
- q. Maintaining individual retirement records of service history and fiscal record for Civil Service Retirement System (CSRS) and Federal Employees Retirement System (FERS) employees and quarterly reconcile retirement accounts.
- r. Preparing annual Summary Retirement Fund Transactions for CSRS and FERS.
- s. Processing and calculating all payroll transactions including:
  - (1) Transmission of payments by Electronic Funds Transfer (EFT) to the extent possible.
  - (2) Transmission and receipt of the payroll data through electronic interfaces to and from NASA systems including financial, accounting, and personnel systems.
  - (3) Performing all debt management functions involving NASA personnel payroll administration including cross-servicing arrangements with Treasury, salary overpayment, debt collection, and reporting, and garnishments and legal actions.
- t. Providing a system for entering and processing SF 52/SF 50 personnel actions and interfacing the data for payroll processing and pass back to NASA financial, accounting, and personnel systems.
- u. Performing the payroll account maintenance and accounting function through T&A collection and editing, Labor Distribution processing as defined by NASA, leave and pay processing and

maintaining auditing and research capabilities for payroll data.

- v. Processing payroll for NASA consistent with rules, regulations, and parameters set by OPM.
- w. Establishing an annual requirement for an independent party to conduct an audit consistent with SAS 70 to provide assurance of the processing and maintenance of NASA payroll data.
- x. Working with NASA employees and the NASA Shared Services Center NPO to correct errors and perform necessary related functions for payroll and human resources.

#### 1.2.7 Office of Personnel Management (OPM).

- a. Develops and maintains Government wide regulations and policies on pay administration for NASA and other agencies.
- b. Maintains policies and records with all the details needed for pay administration including: basic pay setting, locality pay, special salary rates, back pay, pay limitations, premium pay, grade and pay retention, severance pay, recruitment and relocation bonuses, retention allowances, and cost-of-living allowances (COLA).
- c. Provides Governmentwide leadership on the administration of Federal leave policies and programs including the Family and Medical Leave Act, family-friendly leave policies, Federal leave sharing programs, annual leave, sick leave, and time off for special circumstances.
- d. Provides Governmentwide leadership on the administration of Federal benefit programs including retirement, health, life insurance, long term care insurance, and flexible spending accounts.
- e. Provides policy leadership and expertise on all NASA pay programs for Federal employees, including the General Schedule (GS).
- f. Issues and maintains the Guide to Processing Personnel Actions

## 1.3 Internal Control

1.3.1 Internal control procedures (see NPR 9010.3, Internal Management Controls) will be under constant surveillance by the Agency DCFO, NSSC Payroll Office, Competency Center, Office of Quality Assurance, and others with payroll-related responsibilities to ensure they are effective. Internal controls over payroll operations include, but are not limited to, the following:

a. Separation of duties is required in performance of the activities listed below. Where the size of the organization does not permit separation of these duties, the most effective separation feasible under the circumstances must be provided. In any case, item (A) must always be separate from the other duties:

- (1) Authorization of pay and entitlements;
- (2) Certification of payments;
- (3) Payroll computation;
- (4) Recording of payroll data in accounts;
- (5) Distribution of pay;
- (6) Review of payroll transactions;
- (7) Automated system development;

(8) System testing;

(9) System implementation; and,

(10) System maintenance.

b. The following must be restricted to authorized personnel:

(1) Access to personnel, payroll, and disbursement records or data files;

(2) Access to forms used in authorizing special entitlements, allowances, and pay rates; and,

(3) Payroll processing equipment and related software.

c. Wherever feasible, employees engaged in payroll activities must not maintain or provide service for their own payroll and personnel records. Where the size of an office is so small that this is not feasible, employees may only maintain and provide service for their own routine deductions through Employee Express, such as withholding exemptions for Federal, State and local tax purposes, and voluntary allotments.

d. To detect inappropriate data at the earliest time and to the extent practical, data entered into automated payroll systems must be subjected to computerized edits when entered. Data elements not susceptible to such edits must be edited at the earliest practical time. Inappropriate data detected must be promptly investigated, corrected, and, if appropriate, reprocessed. A record of such data, its originator, and its disposition must be maintained.

e. To ensure that source documents processed are accurate, complete, and properly authorized, corrections and other adjustments to official documents must be approved in writing or utilize the automated system adjustment processes.

f. Internal management reviews must be performed to ensure that payroll operations are efficient, effective, and in accordance with laws, regulations, and legal decisions.

g. In the case of service providers performing payroll services, audits consistent with the requirements of Statement on Auditing Standards (SAS) No. 70, Service Organizations must be performed to ensure that payroll operations are efficient, effective, and in accordance with laws, regulations, and legal decisions.

# Chapter 2. Payroll Electronic Processing

## 2.1 Agency Requirements

2.1.1 It is the National Aeronautics and Space Administration (NASA) policy to effectively use electronic processing to the extent possible to accomplish payroll objectives (see NASA Financial Requirements (NPR 9620 Section 2.3, Management Objectives). The electronic processing of NASA payroll transactions, distribution of payroll costs, and update of NASA accounting systems and information systems requires coordination of management efforts and system processing within NASA and among other agencies and financial institutions. All of the following must work together for an effective payroll process:

- a. Collection and processing of personnel data from human resource actions to calculate pay consistently with grade, position classification, and other individual entitlements.
- b. A payroll processing mechanism to receive all the data and do the electronic calculations.
- c. Interaction with the Office of Personnel Management (OPM) to ascertain the rates for pay, benefits, and other personnel information.
- d. Receipt of time and attendance data each pay period to be used to calculate base pay and pay for leave categories.
- e. Information on employee benefit and other deductions to calculate deductions from pay and contributions from NASA to pay for these items.
- f. Import of the payroll labor cost file into the Agency's labor system for Centers' review reconciliation of labor cost distribution.
- g. Electronic interfaces from and to other systems for receiving payroll data, and processing output for accounting and information needs and electronic banking.
- h. Record keeping, reconciliation of data, and reporting.

2.1.2 Policies and procedures for NASA's payroll processing align with the goals of e-payroll to promote simple, easy to use, cost effective, standardized, integrated e-Human Resources (HR)/Payroll services and systems. The Joint Financial Management Improvement Program now under the Financial Systems Integration Office (FSIO) identified functional requirements that must be performed by agencies by Human and Resources & Payroll Systems. This chapter covers the effect of the eight functions required for payroll systems on NASA's payroll requirements from a financial policy standpoint. (See NASA Financial Management Requirements (NPR 9620.1, Payroll, Section 2.4, Functions for Payroll Processing).

## 2.2 Management Objective

2.2.1 Any system or systems used in NASA shall meet the objectives of NASA payroll management which are:

- a. Prompt payment in the proper amount to all entitled persons in compliance with laws, regulations, and legal decisions.
- b. Payment by Electronic Funds Transfer (EFT) in accordance with the Debt Collection

Improvement Act of 1996 and 31 CFR 208, except where a waiver has been granted in accordance with 31 CFR 208.4.

- c. Proper accounting for and disposition of all authorized deductions from gross pay.
- d. Adequate control over retention and disposition of all payroll-related documents.
- e. Preparation of adequate and reliable payroll records. Individual pay records for all personnel must be maintained to show gross compensation (including allowances by type and amount), deductions (including allotments) by type and amount, and net pay for each pay period. As a part of NASA's financial management system, these records must be maintained by calendar year, leave year, tax year, or fiscal year, as appropriate, to support:
  - (1) Management information needs.
  - (2) Planning, preparation, execution, and review of the budget.
  - (3) Internal and external reporting requirements.
- f. Effective communication with employees on payroll matters.
- g. Adequate control over all phases of pay, leave, and allowances.
- h. Effective interaction of the payroll with the general ledger, personnel, cost accounting functions, and other work efforts in NASA requiring payroll information.
- i. Adherence to Internal Control Methods (NPR 9010.3, Internal Management Controls).
- j. Collection and processing of payroll data consistent with a standard of accuracy, timeliness, complete reliability, and consistency.
- k. Provision of an audit trail is to facilitate audits and reconcile and validate data.

## **2.3 Functions for Payroll Processing**

2.3.1 NASA's policy promotes efficiency of automation and electronic banking through the following eight functions, needed to process payroll. NASA uses an integration system for the payroll processing to provide the data necessary for NASA systems and reporting. Discussion of policies, procedures, and systems related to payroll follow.

### **2.3.2 Position Management and Classification Function.**

2.3.2.1 Policy. Needed for the administration of payroll and system of Position Management and Classification performs the initial and subsequent classification of jobs and matches individuals to a job class. NASA Human Relations Specialists shall ensure employee compensation consistency with grade, position classification and other individual entitlements.

2.3.2.2 NASA System. NASA uses an internally developed and managed Position Management and Classification system called the NASA Supplemental Classification System (NSCS) to support the distinctive aspects of NASA's work, particularly aerospace work, rather than the more broadly defined categories of work and occupations defined within the Government-wide position classification system.

### **2.3.3 Personnel Action Administration.**

2.3.3.1 Policy. The Standard Form (SF) 50 Notification of Personnel Action documents employee

information needed to determine compensation and serves as a source document for payroll processing providing the employee name, address, position, occupation, grade, step, benefits, financial codes and other information. SF 52 Request for Personnel Action often starts the execution of a SF 50. It is NASA's policy to:

a. Use an automated system to generate the SF 50 and SF 52 through a Personnel Action Administration system that shall:

- (1) Be a data source for maintaining a personnel data base.
- (2) Be a single entry point for the SF 50 and SF 52 data and production.
- (3) Interface electronically data to the Payroll Processing System for pay calculation and to other systems as needed for such purposes as Financial Information and Management activities.
- (4) Ensure Position Management and Classification system data and the SF 50 and SF 52 data are in agreement.

b. NASA Human Resource Specialists responsibilities for data entry include:

- (1) Ensuring accurate entry processes.
- (2) Ensuring entry agrees with the Position Classification.
- (3) Ensuring SF 50 data agrees with the SF 52 as appropriate.

2.3.3.2 NASA System Provider. The NASA Human Resources Offices oversee the update of personnel actions. The Department of Interior (DOI) Federal Personnel and Payment System (FPPS) in a cross servicing arrangement with NASA handles the Personnel Action Administration function system execution. DOI also handles the automated payroll processing function identified in NPR 9620.1, Payroll. DOI provides assurance of the accuracy of handling the SF 50 and SF 52 data and its use in payroll processing.

#### 2.3.4 Benefits Administration Function.

2.3.4.1 General. This section covers the processing of benefit changes selected through self service systems. If a self-service capability does not exist the function is performed through the DOI FPPS.

2.3.4.2 Policy. As performing changes or selecting benefits requires time-intensive manual work by both the employee and HR, such as delivering a hard copy slip to HR for manual entry, NASA's policy requires:

- a. Use of web-based technology as the single entry point for NASA employees to process these actions whenever feasible.
- b. Use of interfaces to the payroll processing systems and other systems as necessary to avoid duplication of entry.
- c. Adoption of procedures, checks, edits, and on-line verification as necessary to assure the accurate processing as transactions.
- d. Handling Benefit Administration in accordance with NPR 9620.1, Payroll, Chapter 7, "Withholdings and Deductions."

2.3.4.3 NASA System. Employee Express, an electronic system for benefit administration provided to NASA under cross serving arrangements with OPM and DOI, allows employees to manage their own discretionary payroll and personnel transactions. OPM and DOI provide access, update, and

maintenance of Employee Express and interface functionality with the payroll processing system. DOI provides assurance of the accuracy of handling the data from Employee Express for payroll processing. The Work Number system handles employee verification. The transactions NASA employees shall (unless exempted by waiver) make through Employee Express include:

- a. Change of federal and state tax withholding.
- b. Direct Deposit of pay arrangements.
- c. Change of home address.
- d. Set-up of financial allotments.
- e. Enrollment and changes for the Thrift Savings Plan (TSP).
- f. Enrollment and changes to health coverage.
- g. Maintenance of Personnel Identification Number (PIN).
- h. Sign up or changes for saving bond allotments.
- i. Permission for employment and salary verification through The Work Number.
- j. View employee "Leave and Earning Statement."

#### 2.3.5 Time and Attendance (T&A) Processing Function.

2.3.5.1 Policy. A T&A system shall be used to record employees' time in a pay and non pay status for purposes of computing pay, leave, and allowances. NASA's T&A system shall:

- a. Process records so payroll data includes Work Breakdown Structure (WBS), to facilitate the use of NASA's Financial Classification Structure (FCS) when processing payroll labor cost for transmission to NASA's Core Financial System. This is instrumental for management purposes such as Full Cost Reporting.
- b. Meet the objectives of NPR 9620.1, Payroll, Chapter 3, "Time and Attendance."
- c. Use web-based technology as the single entry point for NASA employees to process time and attendance transactions whenever feasible.
- d. Interface data and files to and from the payroll processing systems and other systems whenever feasible to avoid duplication of entry.
- e. Adopt procedures, checks, edits, and on-line verification as necessary to assure the accurate processing as transactions.

2.3.5.2 NASA System. NASA uses the internally managed Web-based Time and Attendance Distribution System function (WebTADS) for Time and Attendance (T&A). OCFO provides oversight and Center CFO Personnel or Human Resource Personnel provide data entry and system operation. The data entered in WebTADS is electronically interfaced through NASA managed middleware:

- a. To the labor distribution system for management of NASA financial codes for labor distribution.
- b. To the DOI payroll system to calculate payroll.
- c. From the DOI payroll system to NASA's labor distribution system to determine amounts for labor distribution financial coding based on the payroll calculations.

d. Finally, from the labor distribution system to the NASA Core Financial System with cost updates complete with financial coding for labor distribution.

### 2.3.6 Leave Processing Function.

2.3.6.1 Recordation of Leave. The recoding of accrued leave taken by an individual is handled through the T&A system.

2.3.6.2 Policy. NASA shall automate leave processing for the following:

a. Calculation and maintenance of all activities associated with determination of proper leave balances for all types of leave advances, accruals, usages, forfeitures, limitations, and transfers.

b. Application of current period leave accruals and leave charges to each employee's available leave balances, leave transfers, donations to leave banks or individuals, and adjustments to leave balances for restored leave, Equal Employment Opportunity (EEO) settlements, and similar after-the-fact situations.

c. Processing of leave forfeitures and carryovers for each employee.

d. Performing all the functions needed for handling leave in NPR 9620.1, Payroll, Chapter 4, "Leave."

e. Updating through a single entry process.

f. Permitting the maintenance of records of leave for each employee.

2.3.6.3 NASA System. WebTADS handles the automated T&A process for leave actually taken by category. Performance of the leave maintenance function resides with DOI FPPS which abides by leave parameters for each employee received through the Personal Action Administrative System to maintain leave balances and calculate pay by leave categories.

### 2.3.7 Pay Processing Function.

2.3.7.1 General. The payroll processing system comprises the central processing system for calculating payroll. It is the repository of all information collected from the systems and functions discussed in this section as needed to process payroll and the supplier of record keeping information and report information.

2.3.7.2 Policy. The payroll system for NASA shall be the only central payroll processing system used by NASA. In case of a service provider a Standard Level User agreement shall be executed to provide payroll processing for all of NASA through a uniform payroll system. The payroll system must:

a. Calculate gross pay, deductions, and net pay, employee, and employer contributions for each employee on an effective pay period basis.

b. Compute gross pay as the sum of each rate of pay times the number of units related to it, minus retirement annuity offsets, if applicable, plus all appropriate allowances and/or other gross pay components, classify and total deductions, subtract total deductions from gross pay, and apply formulas or utilize tables to determine employer contributions required for certain payroll taxes and benefits.

c. Provide data that meets NASA's payroll informational needs. This includes NASA's criteria for accounting records, reporting purposes, and payroll administration at the employee level and aggregate level.

- d. Have the necessary capability to perform the entirety of the functions in this chapter for payroll processing and meet the objectives of payroll in conjunction with other systems and processes in NASA in accordance with NPR 9620.1, Payroll.
- e. Permit the reconciliation between NASA financial systems and other systems that receive the data from payroll processing.
- f. Allow for meeting the Fund Control Objectives of NASA (see NPR 9430.1, Budget Execution) to be met before payments are disbursed.

2.3.7.3 NASA System. DOI FPPS provides full payroll processing services through electronic interfaces, web based connections or manual input and output including most of NASA's payroll processing related external reporting requirements. However, the NASA Labor Distribution System still must provide supplemental processing for cost calculations in the detail needed. Overall, NASA adopted DOI FPPS for the following:

a. Payroll Functions.

(1) Payroll Accounts Maintenance.

(a) Leave and pay processing.

(b) Disbursement of pay.

(c) Back Pay administration.

(d) Error Correction and Adjustment to the DOI FPPS system and through the DOI FPPS system to the extent practical.

(e) Off-Cycle payments.

(f) Audit and Research of payroll data.

b. Debt Management.

(1) Salary Overpayments.

(2) Collection Actions.

(3) Debt Reporting and Tracking.

(4) Garnishment and Legal Actions.

c. Payroll Accounting.

(1) Treasury/Bank Liaison.

(2) Lost/Stolen Checks and Bonds.

(3) Accounting Reconciliations for Disbursements (through Treasury).

(4) Determination of amounts for payroll obligation and accruals for posting into the NASA Core Financial System through the labor distribution system.

d. Taxes and Collections.

(1) Federal

(2) State.

(3) City.

(4) Local.

(5) Includes processing of all forms for personnel tax administration such as; W2 (Form W2 Wage and Tax Statement) and W4 (Form W4 Employees Withholding Allowance Certificate) actions.

e. Employee Benefit Payment Processing.

(1) Retirement.

(2) Life Insurance

(3) NASA Employee Benefits Association.

(4) Federal Employees Health Benefits.

(5) Thrift Savings Plan and Thrift Loans.

(6) Employee direct deposits including for allotments.

f. The following is handled through DOI through a series of electronic one way interfaces from DOI to the recipient organization with the exception of Employee Express and John Hancock Long Term Health Care where there is a two-way data exchange from and to these entities.

(1) EFT through Treasury to handle most payments.

(2) Non-EFT payments distributed via printed check for disbursement through Treasury.

(3) Retirement and insurance disbursements to OPM.

(4) Central Personnel Data File (CPDF) for update of personnel information to OPM.

(5) Employee self-service Information to and from Employee Express.

(6) Automated group health changes to OPM Electronic Health Benefits system.

(7) Unemployment taxes for Unemployment Compensation.

(8) Data to the Equal Employment Opportunity Report System.

(9) Long term health care information to and from John Hancock Long Term Health Care.

(10) Employee health insurance reconciliation interface with Health Benefit Enrollment Reconciliation.

(11) Saving bond file with the Federal Reserve (Bonds).

(12) Social Security Administration (SSA) files for child support enforcement.

(13) State of California Directory of New Hires and Quarterly Wage Data.

(14) W-2 file with the Internal Revenue Service.

g. The following are Interfaces with DOI FPPS and NASA Systems.

(1) To Travel Manager for employee verification and employee financial institution name and account number.

(2) To and from Identity Management System for cyber security verification of employee data.

- (3) To and from the Technology Transfer System for award actions.
- (4) To the Workforce Information System (WIMS).
- (5) From the Labor Distribution System with pass through codes for financial classification, to the Labor Distribution System with calculated payroll data.
- (6) From WebTADS to receive Time and Attendance Information.

### 2.3.8 Labor Cost Distribution.

2.3.8.1 General. The labor distribution process in summary is distribution of civil servant employee's labor cost plus associated overhead type cost (fringe benefits, paid leave, etc) by financial classification structures. Due to full cost, NASA's labor distribution also must fairly and equitably allocate costs to projects and programs NASA has a standard labor distribution system, the ALDS, used by all Centers, NASA Shared Services Center (NSSC), and Headquarters.

2.3.8.2 Policy. NASA Policy for Labor Distribution is:

- a. To provide one labor distribution process as an integral part of the payroll system.
- b. To accumulate cost information for use in budgeting and controlling costs; performance measurement; determining fees and prices for services; assessing programs; and management decision making. Labor costs are an integral part of determining the cost of doing business.
- c. To accumulate cost to report workforce/labor information for full cost purposes, to understand where people work and the related cost and for full cost accounting and management.
- d. To accumulate work units by cost object (e.g., organization and activity), and responsibility center and be provided to other systems performing cost accounting functions.
- e. To calculate, distribute and update NASA payroll so labor cost is recorded consistent with the benefiting activities as reflected in the NASA's Financial Classification Structure (FCS). This information is needed for NASA full cost management, personnel management, and budget development and management purposes.
- f. To assure the labor distribution process distributes civil servant employees labor cost plus associated overhead type cost (fringe benefits, paid leave, hours associated with travel, etc) by NASA's FCS, which includes the work breakdown structure (WBS), Fund, Internal Order, Cost Center, and Object Class for transmissions to NASA's Core Financial System.
- g. To validate the data against anticipated results and format it for submission to Core Financial System.
- h. To submit the data for posting to other NASA financial systems and HR systems.
- i. To provide the capability of reconciling the data electronically with the payroll processing system and other systems as necessary.
- j. To handle NASA Accruals according to the following policy for Personnel Compensation, Personnel Benefits and Related Payments (Object Class Code (OCC) 11, 12, 13, and 14).

(1) Gross compensation (OCC 11), including overtime, will be accrued through the end of each month. A labor distribution system may be used to distribute actual charges to cost accounts and to credit accounts payable. A month end record cutoff shall be made if practicable. If a record cutoff is not feasible or the labor distribution to cost accounts does not vary significantly from payroll period to payroll period, the cost distribution of a representative preceding payroll or the total annual

payroll to date may be used in determining the current accrual. Labor cost accruals will be distributed to the appropriate benefiting project(s) and functions. Merit bonuses and awards are not included in the accrual.

(2) Benefits (OCC 12 and 14), including NASA contributions to Social Security, retirement funds, the Thrift Savings Plan, and group health and life insurance programs will be accrued in the same manner as gross compensation. Other benefits, such as relocation-related real estate costs and personnel allowances, shall be accrued in the month in which notification of the liability for payment is received. (Reference NPR 9700.1, Travel.)

(3) Payments to the Office of Personnel Management for reemployed annuitants and severance pay for former employees (OCC 13) will be accrued in the same manner as gross compensation.

(4) Recruitment and relocation bonuses and retention allowances shall be accrued in the month in which the financial servicing Center is notified of the requirement for payment.

### 2.3.8.3 NASA System.

2.3.8.3.1 The DOI FPPS does not offer labor distribution functionality fully adequate for NASA purposes. To supplement this, NASA utilizes ALDS:

- a. To receive T&A data from WebTADS and process it to assign project codes associated with gross payroll cost for time and attendance hours, hour types, adjustments, and rollup cost for various additives (e.g., fringe benefits).
- b. To process T&A data so it can be electronically interfaced to DOI FPPS for payroll processing.
- c. To receive the payroll as processed by DOI FPPS and further process the data for cost allocation purposes.
- d. As a source system for updating the Core Financial System for General Ledger Records and Business Warehouse purposes.
- e. As a source for any other NASA system that needs the data.
- f. To check for fund availability to meet the fund control objectives of NASA (see NPR 9430 Budget Execution).

### 2.3.9 Reporting, Reconciliation, and Records Retention Functions.

2.3.9.1 Policy. The system must provide for reporting, reconciling, and retaining records to accommodate a number of requirements.

2.3.9.1.1 Reports shall be automated to:

- a. Be accessible and formatted as required to satisfy regulatory, managerial, and accounting information requirements including full cost requirements.
- b. Be generated at specific time intervals or upon request, including reports that span fiscal years, calendar years, or other time periods to meet user needs and other requirements.
- c. Produce user outputs including all vouchers and reports necessary to recognize payroll expenses and authorize related disbursements.
- d. Include external reports including those required by Treasury, OPM, the Department of Labor, the Federal Retirement Thrift Investment Board, and others.
- e. Include managerial reports including control reports used by human resources/payroll office staff

members, as well as reports used by others such as supervisors.

f. The Payroll system must provide the reports or needed payroll data for all NASA reporting requirements both internal and external (See NPRs 9310 .1-9312.1, External Financial Reporting).

2.3.9.1.2 The systems involved in payroll processing must provide reconciliation functionality to compare data between systems. For ease of reconciliation:

a. All data for the payroll system is to be recorded based on a one time single point of entry. The data may be entered directly into the payroll system or update through an electronic interface with the payroll system.

b. All data from the payroll system to other systems is to be updated through an electronic interface with the payroll system.

c. Data between systems is to be electronically reconciled to flag any differences and procedures developed to make corrections with notification to or through the efforts of the responsible employees.

2.3.9.1.3 For record retention the Payroll function must:

a. Provide for maintaining, storing, and permitting ready retrieval of employment and payroll data for the time period required by law. The system must be nimble enough to handle time frames and record keeping requirements that differ depending on the subject matter. For specific guidance NASA Payroll Administrators should contact:

(1) National Archives and Records Administration (NARA) 7th Street and Pennsylvania Avenue NW Washington, DC 20408 Life Cycle Management Division Phone: (301) 713-7110.

b. Abide by regulations concerning the handling of records created within the Federal government as written by the National Archives and Records Administration (NARA), and codified in 36 CFR 1200 to 1290.

2.3.9.2 NASA Provision for Reports, Reconciliation, and Record Retention.

2.3.9.2.1 DOI FPPS provides;

a. Reporting, reconciliation, and record retention for automated data processed through the payroll system.

b. Processing through electronic interfaces to report payroll data to following key NASA systems receiving payroll data:

(1) NASA Core Financial System, General Ledger, and Business Warehouse for financial reporting and management.

(2) NASA WIMS for human resource management, planning and budgeting.

(3) The DOI FPPS data is reconciled electronically with the data updated in NASA systems. DOI is responsible for performing reconciliations to other systems outside of NASA.

c. Record retention and management of payroll data.

2.3.9.2.2 NASA Organizations provide the reporting, reconciliation, and record retention function for:

a. Payroll data processed through their systems.

b. Hard copy documents processed through NASA.

# Chapter 3. Time and Attendance

## 3.1 Agency Requirements

3.1.1 A record of time in pay and non-pay status must be maintained for purposes of computing pay, leave, and allowances. For each employee and each pay period, a certified time and attendance report must be furnished to the appropriate payroll office; this will be the basis for salary payment to the employee. Web-based Time and Attendance (T&A) Distribution System function (WebTADS) data shall serve to supply the attendance report. For detailed instructions on the preparation and submission of the biweekly time and attendance report, refer to the National Aeronautics and Space Administration (NASA) T&A instructions.

## 3.2 Reporting and Approval

3.2.1 T&A data will be recorded in WebTADS (or related supporting documentation, if appropriate). The basis for recording the time and attendance of most employees are:

- a. The employees' input in WebTADS for hours worked;
- b. The employees' supervisors certification of WebTADS' data.

3.2.2 Exceptions. In instances where employees (1) work hours outside the hours of their supervisors, (2) work at remote sites away from their supervisors, or (3) are based primarily at the location of their supervisors, but frequently work elsewhere, the techniques listed below should be followed in order to provide reasonable assurance that employees are working when scheduled.

- a. Arrangements with supervisory personnel to verify the employees' hours worked;
- b. Occasional supervisory telephone calls to the employee during times the employee is scheduled to be on duty. Employee's point-of-contact (in the case of unavailability of employee)
- c. Determining reasonableness of work output for time spent. The employees' supervisor's certification of WebTADS data.
- d. Occasional visits by the supervisor to the employee's work site; or
- e. Sign-out/sign-in sheets indicating employees' destinations and times of departure to and returns from those destinations; or
- f. Other methods as approved in writing by the Center Deputy Chief Financial Officer (DCFO).

## 3.3 Time and Attendance Reports

3.3.1 T&A, supporting documents, or computer files of T&A data must be maintained to show that each employee is entitled to his or her normal pay, or to a greater or lesser amount, by showing the number of hours worked and the nature and length of absences.

3.3.2 All T&A reports and other supporting documents must be reviewed and approved by an authorized official knowledgeable of the employee's number of hours worked and absence. The authorized official acknowledges awareness and understanding of his or her responsibility when he or she signs the document or enters a designated approval code (electronic signature) into an

automated system. Approval of T&A documents must be based on knowledge obtained as provided in Sections 3.2.1 and 3.2.2 above.

3.3.3 T&A reports must:

a. Cover no more than one pay period.

b. Include the following data or supporting documentation, as a minimum, for each employee:

(1) Employee name and identifying number;

(2) Pay period number or dates;

(3) Tour code to identify the tour the employee is assigned to work;

(4) Number of hours worked by day and in total;

(5) Number of hours of premium pay, by type of premium pay, to which the employee is entitled;

(6) Number of credit hours and compensatory time earned and used;

(7) Number of hours of leave taken, by type;

(8) Dates and amount of leave taken (hours);

(9) Any required supporting documentation for absences; and,

(10) Any other information the Centers may require.

c. Include a regular workweek schedule reflecting "first 40" hours, flexible work schedules, or compressed work schedules.

d. Where the time and attendance reporting system is automated, the computer file must contain all the data elements that would appear on a hard copy.

3.3.4 Supervisor WebTADS' certification is an attestation of the following:

a. Any related documentation or data elements, including approvals, are maintained in computer files.

b. Supporting documents or computerized files are reviewed by the supervisor prior to approving T&A data.

c. The employee is or will be informed of supervisor and other official's changes to time.

3.3.5 Safeguards to prevent unauthorized entry and changes must be implemented when using automated signatures for approval of time and attendance reports.

3.3.6. T&A information must be submitted through the Center's payroll office to the NASA Shared Services Payroll Office (NPO) for all employees.

3.3.6.1 Failure to Enter and Approve T&A Data in WebTADS by Deadline: Centers' T&A data must be entered, approved, and submitted to the NSSC for final certification by the bi-weekly deadline currently defined by the Agency. The NSSC will record annual leave for Centers' missing or unapproved time sheets during the final validation and certification process to ensure salary payments are processed. In the rare instance of this occurrence, a time sheet adjustment may be entered and approved in WebTADS the following pay period for corrective action.

3.3.6.2 Manual (Hardcopy) Time Sheet Adjustment Requests: All T&A information must be

entered and approved through WebTADS. This is imperative for maintaining data consistency between systems and applications that utilize WebTADS data for processing and reporting purposes. Missing or unapproved T&A data may not be corrected via manual time sheet adjustments submitted to the NSSC or Department of Interior (DOI). Exceptions are allowed only in conditions where failure to process an intervening (manual) adjustment causes an employee to not receive a salary payment or results in a violation of internal controls.

# Chapter 4. Leave

## 4.1 Agency Requirements

4.1.1 Leave is intended to be used for all non-work absences to accurately account for and properly charge the appropriate leave category or excused leave for the particular situation. All hours of leave are governed by National Aeronautics and Space Administration (NASA) policy and administration as specified by the Office of Personnel Management (OPM) through the Code of Federal Regulations and as interpreted in the decisions of the Comptroller General.

## 4.2 Requirement for Recording Leave

4.2.1 Leave records must be properly maintained for each employee to reflect:

- a. The rate of accrual for each type of leave which may be accrued;
- b. The hours accrued and used by leave type;
- c. The total hours and type of advance leave authorized;
- d. Any leave received or given under an authorized voluntary leave transfer program; and
- e. The numbers of hours for any leave ceilings, by type of leave.

4.2.2 Leave must be accurately accrued:

- a. Leave must be based on the type of appointment for each employee and the leave hours to which the employee is entitled;
- b. The number of hours of each type of leave must be accurately accrued during the leave year; and,
- c. Controls must be implemented to ensure that leave ceilings are not exceeded at the end of a leave year and that any leave in excess of ceilings is either restored or dropped, as appropriate.

4.2.3 Leave taken must be properly authorized and documented:

- a. Leave used must be documented and approved in writing or electronically by a supervisor designated to make such approvals.
- b. Documentation for leave used must show the dates, amounts, and types of leave taken. Documentation must be maintained to support entitlement to certain types of leave, where applicable, such as subpoenas for court attendance as a witness; certificates of attendance in support of court leave granted for jury duty; military orders and certifications of attendance supporting military leave granted; and memorandums of approval to restore unused leave which would otherwise be lost.

4.2.4 Information on leave use and accrual must be accurately determined and promptly provided to ensure certain leave-related collections from employees and for preparation of financial reports.

4.2.5 The payroll system must provide information to the general ledger, accounts receivable, or collections system to ensure prompt and accurate collection, through establishment of accounts receivable, appropriate reports, and follow-up actions, of:

- a. Health and life insurance premiums when gross pay is insufficient to fund the deductions (such as when an employee is on leave without pay and must pay NASA for health insurance premiums in order to keep the insurance in force);
- b. Collectible court juror or witness reimbursements to employees while not in a leave status; and,
- c. Leave taken in excess of leave earned at separation.

## **4.3 Reporting Leave Data, Transfers, and Separations**

4.3.1 Standard Form (SF) 1150, Record of Leave Data, will be prepared in duplicate by the Department of Interior (DOI) at the time of transfer (outside of NASA) or separation. The original of the SF 1150 will be forwarded to the receiving activity, the NASA Shared Services Payroll Office (NPO), or, in cases of separation, to the personnel office for inclusion in the employee's official personnel file. If the SF 1150 is delayed, and the employee must take leave, NASA, as the gaining activity, is responsible for determining the amount of leave an employee has to his or her credit. This can be accomplished by using the leave balance shown on the employee's last leave and earnings Statement, subject to verification upon receipt of the SF 1150.

4.3.2 Leave donations will be handled through NASA Shared Services Center Human Resources Office (HR) and Payroll Office

# Chapter 5. Gross Pay Calculations

## 5.1 Agency Requirements

5.1.1 Pay calculations must be performed at the end of each pay period after processing properly authorized time and attendance reports containing information on time worked and leave taken. Basic pay is defined as the product of a pay rate multiplied by the number of pay units (hours, days, or other appropriate units). Gross pay includes all taxable and nontaxable pay before deductions, including awards of back pay and accumulated interest under 5 U.S.C. 5504. In addition to regular ("base" or "basic") and overtime pay, gross pay also may include the value of allowances, such as foreign post differential, cost of living allowances, awards, and bonuses. The various types of allowances are discussed in Chapter 6 of this NPR.

## 5.2 Gross Payroll Systems Objectives

5.2.1 The following are required to meet payroll system gross pay objectives:

a. Gross pay must be accurately computed.

(1) The payroll system must contain and compute correct dollar values for allowances, entitlements, and awards of back pay and interest, and correctly include them in the determination of gross pay.

(2) Gross pay, including allowances and entitlements where applicable, must be properly adjusted for leave without pay or absence without leave.

b. There must be adequate and accurate documentation.

(1) National Aeronautics and Space Administration (NASA) Shared Services Center (NSSC) staff must review pay, leave, and allowance documentation before releasing it to Department of Interior (DOI) for processing to:

(a) Ensure the information necessary to process and support the transactions are supplied.

(b) Ensure the proper official has approved the data as complete and accurate.

(c) Ensure pay rates and units are current.

(2) Each employee must be provided a leave and earnings statement showing the nature and amount of changes in gross pay from one pay period to the next.

(3) Documentation on pay, leave, and allowances must be stored in accordance with the General Records Schedule (GRS) to support all computations of gross pay.

(4) Documentation for rates and units of pay, time in pay status, and entitlements must be maintained and readily available for operational and audit needs.

5.2.2 Entitlements must be properly authorized.

5.2.2.1 Entitlements to and establishment of rates of pay, leave, and allowances must be approved by individuals who have no responsibility for computing the payroll, entering payroll data into the accounting records, entering hours worked or other units of pay into the payroll system, and distributing pay.

5.2.2.2 Time worked and leave taken, as recorded on time and attendance or absence reports, must be properly authorized.

5.2.2.3 No employee may authorize his or her own entitlement to, or rate of, pay, leave, and allowances.

# Chapter 6. Allowances And Other Special Entitlements

## 6.1 Overview

6.1.1 The Office of Personnel Management (OPM) provides Governmentwide leadership by developing and maintaining regulations and policies on pay administration, including basic pay setting, locality pay, special pay rates, back pay, pay limitations, premium pay, grade and pay retention, severance pay, recruitment and relocation bonuses, retention allowances, and cost-of living allowances. Each Federal agency is responsible for administering appropriate pay policies and programs for its own employees. Payroll allowances or other special entitlements must be properly authorized and documented by an appropriate form signed or electronically approved by a designated official.

## 6.2 Agency Requirements

6.2.1 Payroll system requirements for allowances and other special entitlements are:

a. Each allowance or special entitlement granted must be properly authorized and documented by an appropriate form signed or electronically approved by a designated official.

b. A record of each type of allowance or special entitlement granted must be maintained for each employee to show:

(1) The nature and type of each allowance or special entitlement granted;

(2) Any conditions related to the allowance or special entitlement; and,

(3) The period of time.

c. The dollar value of each allowance or special entitlement must be properly determined and promptly entered into the payroll system.

## 6.3 Examples of Various Types of Allowances and Special Entitlements

6.3.1 Back Pay. Under the provisions of 5 U.S.C. 5596, when an appropriate authority finds that an employee was affected by an unjustified or unwarranted personnel action that resulted in the withdrawal, reduction, or denial of all or part of the pay, allowances, and differentials otherwise due the employee, the payment of back pay, interest, and reasonable attorney fees for the purpose of making the employee financially whole is authorized.

6.3.2 Environmental Differentials. 5 U.S.C. § 5343(c) (4) of Title 5, authorizes payment of an environmental differential, for prevailing rate employees (wage grade) when exposed to a working condition or hazard that falls within one of the categories approved by the Office of Personnel Management.

6.3.3 Hazard Pay Differential. 5 U.S.C. § 5545(d) of Title 5, as amended, authorizes payment of differentials for duty involving unusual physical hardship or hazard to employees. Regulations

governing hazard pay are contained in 5 CFR Part 550, "Pay Administration," (General) Subpart I-Pay for Duty Involving Physical Hardship or Hazard.

6.3.4 Monetary Awards. The payment of monetary awards to NASA employees will be processed only upon receipt of a properly approved authorization. Monetary awards will be included in the employee's regular salary payment. Incentive Contributions Board (ICG) payments are only subject to Federal, State, and local taxes. Regarding the taxability of unpaid amounts for salary and monetary awards due decedents, see Part III, Chapter 4000 of the Treasury Financial Manual (TFM).

6.3.5 Injury, Traumatic (Continuation of Pay). The Federal Employees' Compensation Act (FECA) as amended (5 U.S.C. § 8101) provides compensation and authorized medical care for all civilian employees of the United States for disability due to personal injury sustained while in the performance of duty. Regulations governing injury compensation are contained in 20 CFR, Part 10.

6.3.6 Locality-Based Comparability Payments. The percentage rate for the locality-based comparability adjustment will be paid to General Schedule employees whose official duty stations are listed in 5 U.S.C. § 5304. The duty station of the employee's position of record is as indicated on his or her most recent notification of personnel action.

6.3.7 Lump-sum Annual Leave Payments.

6.3.7.1 In accordance with 5 U.S.C. § 5551, as amended, an employee who is separated from the Federal service or enters on active duty in the Armed Forces, is entitled to receive a lump-sum payment for accumulated and unused current accrued annual leave to which he or she is entitled by statute.

6.3.7.2 In accordance with 5 U.S.C. § 5552, as amended, an employee who enters on active duty in the Armed Forces has the option to elect lump-sum payment for accumulated and unused accrued annual leave or to elect to have the leave remain to his or her credit until their return from active duty. However, any unused leave restored under 5 U.S.C. § 6304(d) (1) may not be retained, but must be liquidated by lump-sum payment immediately, provided it is still available for use within the time limits prescribed by OPM regulations. Overseas Differentials and Allowances; Allowances and differentials for foreign posts of duty are authorized under the provisions of the Overseas Differentials and Allowances Act, Public Law 86-707. The National Aeronautics and Space Administration (NASA) Shared Services Center (NSSC) Payroll Office monitors and updates the Overseas Allowance.

6.3.8 Overtime and Compensatory Time.

6.3.8.1 Requests for overtime work will be ordered or approved by a properly designated official. The authorizing or approving official must be at least one level senior to the official requesting approval. Overtime will be limited to cases of necessity. All requests will state the reason the work cannot be performed during normal working hours. Except in emergencies, overtime will be authorized in advance.

6.3.8.2 Original overtime (OT) and compensatory time (CT) authorizations will be retained by the authorizing office or other control point for three years to substantiate pay. The original OT and CT authorizations are approved in Web-based Time and Attendance Distribution System function (WebTADS) and should be available in the system as required for records retention and audits.

6.3.8.3 In accordance with section 210 of the Federal Employees Pay Comparability Act of 1990 (FEPCA), Public Law 101-509, overtime pay for nonexempt Fair Labor Standards Act (FLSA) employees will always be computed and paid under the FLSA, as provided in 5 CFR Part 551. Under the FLSA provisions, hours in a paid nonworking status shall be deemed to be hours of work.

6.3.8.4 The Agency's newly revised policy on payments of Compensatory Time (NPR 3530, currently in draft form), states that all compensatory time will be paid for exempt and non-exempt employees, if not used in 26 pay periods. NASA will no longer forfeit compensatory time.

6.3.9 Payments During Evacuation. To the extent possible and practicable, during an evacuation, pay, leave, and other significant data will be sent from the evacuated Center to the safe-haven post as soon as possible after the evacuation order has been issued so that they will be available to support further payments. To the extent possible and practical, employees remaining at the evacuated Centers will continue to be paid in accordance with normal fiscal procedures. Where normal procedures cannot be followed, the NASA Shared Services Payroll Office (NPO), in consultation with Center and Headquarters management, will implement emergency processing procedures. This includes utilizing backup NASA Automated Data Processing Consolidation Center (NADPCC) facilities and emergency operating processes to pay personnel at evacuated locations.

6.3.10 Recruitment or Relocations Bonuses. In accordance with 5 U.S.C. § 5753, an amount up to 25 percent of an employee's rate of basic pay (excluding any comparability payments under Section 5304) may be paid, in a lump sum, to new appointees to assist in hiring highly qualified employees for difficult-to-fill positions; or to current employees to assist in relocating highly qualified employees to different commuting areas for difficult-to-fill positions.

6.3.11 Retention Allowance. In accordance with 5 U.S.C. § 5754, an amount up to 25 percent of an employee's rate of basic pay (excluding any comparability payments) may be paid, in the same manner and same time as basic pay, to a current employee to assist in retaining the employee for a key position based on the unusually high or unique qualifications of the employee or special needs of NASA for the employee's services. Payment of the allowance will be based on a written determination that in the absence of such allowance the employee would be likely to leave. A retention allowance is not considered a part of an employee's rate of basic pay for computing any additional pay or allowances; or for any other purpose. Retention allowances are subject to income tax and Federal Insurance Contribution Act (FICA) taxes.

6.3.12 Severance Pay. The authority for payment of severance pay is contained in 5 U.S.C. § 5595. Severance pay is authorized for employees who are involuntarily separated from Federal service, not by removal for cause on charges of misconduct, delinquency or inefficiency, and meet other conditions of eligibility. Payment will be made biweekly based on the salary the employee would be paid if still employed.

6.3.13 Unemployment Compensation.

6.3.13.1 5 U.S.C. Ch. 85, as amended, provides for a program of unemployment compensation for unemployed Federal civilian employees. The Secretary of Labor is responsible for the general administration of the Unemployment Compensation for the Federal Employees (UCFE) program. State employment security agencies are responsible for determining entitlement to compensation and the amount of benefits payable to unemployed Federal civilian employees under the provisions of the applicable State unemployment insurance law.

6.3.13.2 In accordance with 20 CFR, Part 609, the NPO and Center payroll offices will furnish appropriate information regarding the employee's rights responsibilities. The Department of Interior will provide State employment security agencies with information concerning Federal service and Federal wages of an employee as necessary. This information will be used for the determination of the entitlement for compensation (e.g. verification of the employee Federal service; the periods of Federal service; the amount of Federal wages; reasons for termination of Federal service) within four workdays after receipt of request from the State employment security agencies.

6.3.14 Uniform Allowance. In accordance with 5 U.S.C. § 5901-5902, as amended, use of

appropriated funds for the purpose of paying uniform allowances is authorized. The cost of uniforms, or the allowance to each eligible employee for acquisition of uniforms, shall not exceed \$400 a year.

# Chapter 7. Withholding of Deductions From Gross Pay

## 7.1 Agency Requirements

7.1.1 The withholding of deductions from gross pay will be performed in accordance with applicable laws and regulations.

## 7.2 Authorization

7.2.1 Payroll withholding of deductions made from an employee's pay must be:

- a. Properly authorized by the employee, or in accordance with applicable regulations.
- b. Adequately documented.
- c. Paid when due to the appropriate recipient in the amount authorized.

## 7.3 Types of Deductions

7.3.1 The two basic types of deductions are those which are:

- a. Required by laws, regulations, or legal decisions, such as: (1) Federal, State, and local income taxes (26 U.S.C. § 3102 and 5 U.S.C. § 5516, 5517, 5520), and FICA (26 U.S.C. Ch. 21);  
(2) Retirement (5 U.S.C. Chapter 83, 84 and 5 CFR 831, 841);  
(3) Garnishments for alimony and child support (42 U.S.C. § 659);  
(4) IRS tax levies (26 U.S.C. § 6331 and 6334);  
(5) Other indebtedness to the U.S. Government;  
(6) Federal Employees Health Benefit (FEHB) program (5 U.S.C. § 8901 through 8913); and,  
(7) Federal Employees Group Life Insurance (FEGLI) (5 U.S.C. Ch. 87).
- b. Voluntary, personal allotments to designated payees, such as:  
(1) Thrift Saving Plan (TSP) (5 U.S.C § 8432);  
(2) U.S. Savings Bonds, Series EE and I (1 Treasury Financial Manual (TFM) 3-6000);  
(3) Savings allotments (1 TFM 3-7000);  
(4) Combined Federal Campaign (5 CFR 550.341 and 1 TFM 3-7000);  
(5) NASA Employees Benefit Association (NEBA) life insurance;  
(6) Dues to authorized employee organizations (5 CFR 550, Subpart C and 1 TFM 3-7000); and,  
(7) Labor Union Dues (5 U.S.C. Ch. 71).

## 7.4 Order of Withholding Preference for Deductions

7.4.1 NASA's order of precedence for withholding of deductions must comply with applicable laws, regulations, or other legal authority. These regulatory requirements including the following regulations in 5 CFR: section 550.301 (dealing with allotments), section 550.805(e) (dealing with back pay awards), section 550.1104 (dealing with debt collection via salary offset), section 581.105 (dealing with garnishments for child support and/or alimony), and section 582.103 (dealing with garnishments for commercial debt). Consistent with 5 CFR 550.311, retirement deductions under the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS) must be made before any other deduction (except in the case of back pay as provided in 5 CFR 550.805(e)). Also, as required by 5 U.S.C. § 5514(d), a levy pursuant to the Internal Revenue Code takes precedence over salary offsets under 5 U.S.C. 5514 (dealing with offsets to recover a debt due the United States Government).

7.4.2 When the gross pay of an employee is not sufficient to permit all deductions required by law to be made, the deductions will be taken in the following order, unless specified otherwise by a bankruptcy court under the bankruptcy laws of title 11 of the United States Code or under the laws of Title 5 of the United States Code. In such instance, the court's order must be followed. NASA shall use the following order of precedence for applying deductions from the gross pay of its civilian employees when gross pay is not sufficient to cover all authorized deductions.

- a. Retirement (CSRS or FERS) (except in the case of back pay use the order of deductions as provided in 5 CFR 550.805(e)).
- b. Federal Insurance Contribution Act (FICA) tax or Medicare tax.
- c. Federal income tax.
- d. Health insurance premiums (current pay period and, if owed by employee, for up to four pay periods immediately preceding the current period).
- e. Basic group life insurance premiums.
- f. State income tax.
- g. Local income tax.
- h. Mandatory repayment of debts to the United States including unpaid advances of pay, travel, etc.
- i. Court-Ordered Garnishment for alimony and child support payments.
- j. Commercial Garnishments.
- k. Voluntary alimony or child support payments.
- l. Court-ordered bankruptcy payments under Title 11 of the United States Code.
- m. Optional life insurance.
- n. Voluntary repayments of indebtedness to the United States.
- o. All other voluntary deductions, including Thrift Savings Plan (TSP) or repayment of TSP loans.
- p. IRS levy for back Federal income taxes (based on net take-home pay).

## 7.5 Other Deductions

7.5.1 Deduction to Collect Erroneous Payment. 5 U.S.C. § 5514 authorizes that deductions may be made from the current pay of employees to satisfy indebtedness incurred as the result of an erroneous payment to or on behalf of the employee. Authorized NASA or DOI officials in accordance with (NASA Policy Directive (NPD) 9645.2\_) shall make determination of indebtedness of the employee. When it is found that an erroneous payment has been made, the employee involved will be notified, in writing, regarding the indebtedness.

7.5.2 Deduction to Collect Delinquent Federal Income Tax. 26 U.S.C. § 6331 permits district directors of the Internal Revenue Service to levy on the accrued salary or wages of any employee of the United States in order to satisfy a tax liability. Before the Internal Revenue Service issues a notice of levy, an employee may arrange with the IRS to liquidate his or her tax liability by voluntary payroll deductions.

7.5.2.1 Settlement through Payroll Deduction. When an employee makes a satisfactory arrangement with the Internal Revenue Service (IRS) to liquidate his or her tax liability by payroll deduction, an original Payroll Deduction Agreement (IRS Form 2159) signed by the employee and the IRS will be delivered to the Center payroll office. The IRS Form 2159 will specify the amount to be deducted each pay period, the employee's tax account number, and the number of consecutive pay periods that the deduction will be made.

7.5.2.2 Settlement by Levy. As a general rule, Notice of Levy on Wages, Salary, and Other Income (IRS Form 668-W) will be served directly on the payroll certifying officer by the Internal Revenue Service. A levy upon wages or salary is continuous from the date the levy is first made until the liability-giving rise to the levy is satisfied or until a release of levy is received from the Internal Revenue Service. Payroll deductions will be made according to the order of precedence shown above.

7.5.3 Jury Duty Fees.

7.5.3.1 Under the provisions of 5 U.S.C. § 5537, no jury fees are paid to employees who are called upon for jury service in any court of the United States and therefore no collection is required.

7.5.3.2 Every effort will be made to collect any fees paid the employee by State courts for jury duty. However, that part of the fee received for periods of jury duty which are for time not within the employee's normal workday or week and consequently not covered by court leave for jury duty, may be retained by the employee. The employee may retain amounts received by an employee that are specified by the court as reimbursement for expenses, (i.e., traveling expenses) rather than compensation. Prior to collection, Center payroll offices must determine, based on the applicable local jurisdiction laws governing the court, whether jury fees paid to employees constitute reimbursement for expenses in lieu of compensation for services. If direct collection is not made, the amount due will be collected by payroll deduction.

# Chapter 8. Payroll Related Disbursements

## 8.1 Agency Requirements

8.1.1 Below are the standards for payroll-related disbursements. National Aeronautics and Space Administration (NASA) Human Resources and the NASA Chief Financial Officer (CFO) and the Deputy Chief Financial Officer (DCFO) must assure that the Department of Interior (DOI) payroll processing results in pay administration consistent with these standards.

8.1.1.1 Disbursements must be properly authorized, adequately documented, accurately computed, and promptly paid.

8.1.1.2 The Standard Form (SF) 1166, Voucher and Schedule of Payments, must be prepared on the basis of computed pay and deductions for employees. Electronic media containing payee names, check mailing addresses and individual check amounts provide the detail supporting the schedule. Detailed instructions for the preparation of the SF1166 are prescribed in the Treasury Financial Manual. The SF1166 lists disbursements as follows:

- a. Net pay to employees by means of electronic fund transfer to the employee's financial organization or, where a waiver has been requested, by individual check.
- b. Allotments to financial institutions via Electronic Funds Transfer (EFT).
- c. Disbursements to State and local taxing authorities to pay State, including the District of Columbia, and local income taxes withheld.
- d. Transferring deductions for Civil Service Retirement System/Federal Employee Retirement System retirement, life insurance and accidental death and dismemberments insurance, and health benefits, along with related NASA contributions, to the Office of Personnel Management. This includes the annuity offset from the pay of reemployed annuitants; however, it does not apply to retirees reemployed under the provisions of 5 U.S.C. § 5532(g) (1) as amended by the Federal Employees Pay Comparability Act (FEPCA) of 1990.
- e. Transferring Federal income tax deductions, along with NASA and employee Federal Insurance Contributions Act (FICA) and Medicare contributions, to the Internal Revenue Service.
- f. Transferring Federal Employee Retirement System Thrift Savings Plan deductions for employee's contributions and loan repayments and employer's contributions to the Federal Retirement Thrift Investment Board.

## 8.2 Certification and Transmission

8.2.1 The SF 1166 and electronic media for the creation of EFT payments or checks should be verified prior to certification. Verification must be performed to provide a cross-check for accuracy and to reduce the possibility of unauthorized, fraudulent, and other irregular acts.

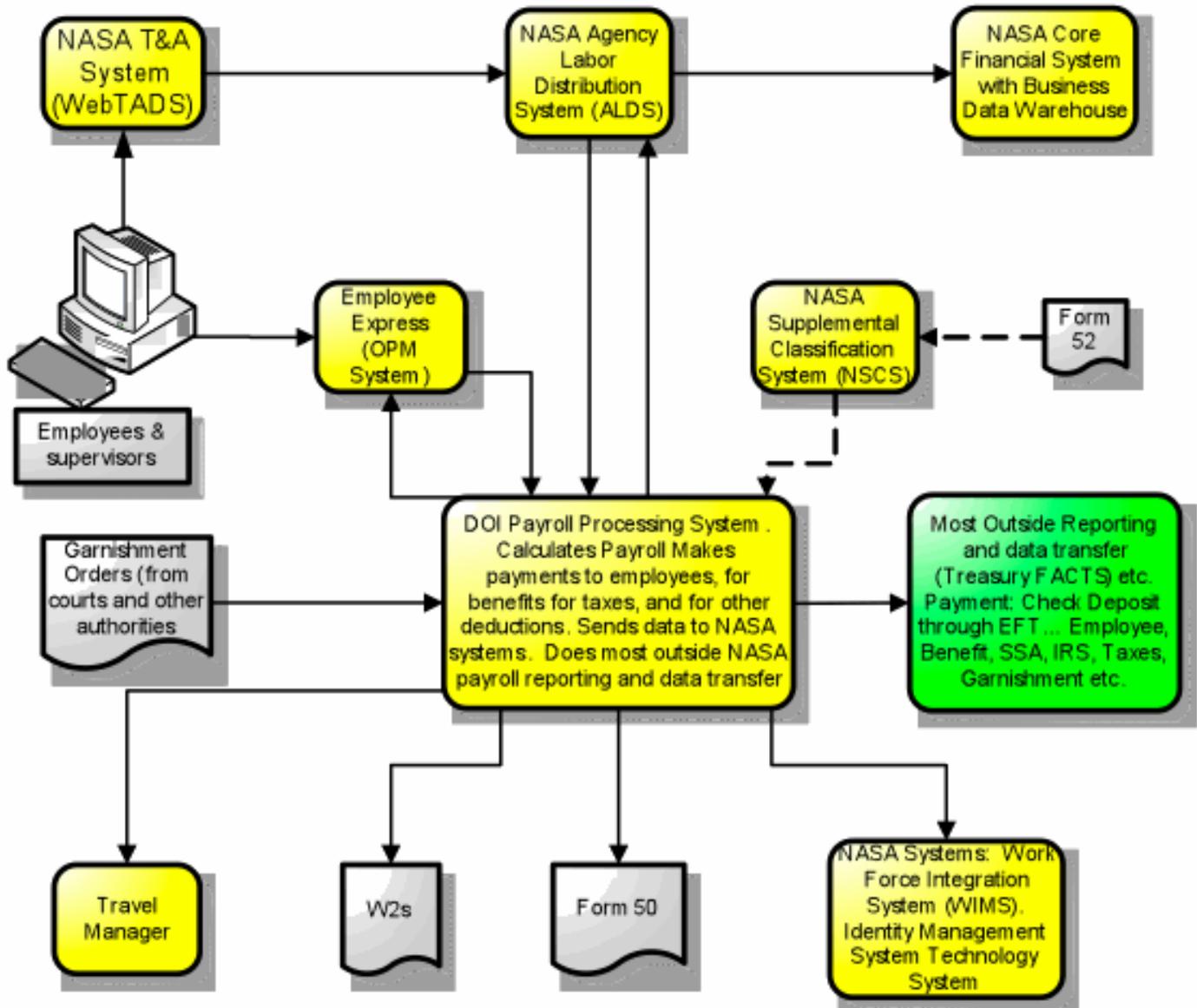
8.2.2 The payroll voucher must be certified according to Treasury requirements and transmitted to the Treasury Regional Disbursing Office, by an authorized certifying officer who does not compute the individual amounts payable or maintain the payroll records.

8.2.3 The authorized certifying officer will make an examination of the facts underlying the vouchers as is necessary to assure the correctness and validity of the payments.



# Appendix A. Key Components of NASA Payroll Related Systems

**Diagram Reflecting Key Components of NASA Payroll Related Systems. Descriptions follow starting on the next page**



## A.1 Description of Diagram Reflecting Key Components of NASA Payroll Related Systems.

A.1.1 The DOI FPPS occupies the center of NASA's payroll system for:

- a. Management of payroll data.
- b. Calculation of payroll based on data from NASA systems or manual input.

c. Furnishing outputs to:

- (1) Pay employee benefits, taxes and other obligations
- (2) Report payroll information internally and externally.

A.1.2 Key inputs to DOI FPPS are:

- a. From HR Specialists classified job class, pay grade, leave accrual, and other information needed for payroll determined by the HR specialist's evaluation of Standard Form 52, Request for Personnel Action (Form 52), with the aid of the NASA Supplemental Classification System (NSCS).
- b. From Employee Express NASA employee's web-based input for benefits, tax status, and allotments.
- c. From the NASA's Agency Labor Distribution System (ALDS) WebTADS T&A Data to be processed through DOI FPPS after supplemental ALDS processing. Employee's input pay period transactions into WebTADS for on-line verification by supervisors prior to transmission to the NASA Labor Distribution Systems supplemental processing for labor cost distribution to programs and projects.
- d. From courts and other authorities direct receipt of Garnishment orders.

A.1.3 Key outputs from DOI FPPS are:

- a. To the ALDS final payroll calculations assigning labor cost to programs and projects. ALDS performs supplemental processing for NASA's Core Financial System and Business Data Warehouse updates.
- b. To employee's bank accounts electronic payment deposits.
- c. To employees Form W2, Wage and Tax Statement.
- d. To employees' on-line inquiry through Employee Express for payroll information and benefits review.
- e. To NASA HR Specialists and employees Form 50s to document personnel actions.
- f. To NASA's Travel Manager System payment information for recouping travel debts.
- g. To NASA's WIMS system, HR data for information and management purposes.
- h. To Treasury data necessary for banking and FACTS reporting.
- i. To the Internal Revenue Service data necessary for tax and FICA payments.
- j. To others transactions paying employee benefits and elected deductions
- k. To others information for reporting workforce and personnel information.

