

Office of the Controller

The Navajo Nation

Payroll Policies Manual



THE NAVAJO NATION – Office of the Controller

Accounting Policies Manual

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DESCRIPTION:	Payroll -	INDEX:	11.1
	Payroll Processing	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; 15 N.N.C. § 1001, *et seq.*; Navajo Nation Personnel Policies Manual; Navajo Nation Budget Instructions Manual; Fair Labor Standards Act of 1938.

PURPOSE: To establish policies and procedures for the processing, proper management, recording, and reporting of all payroll activities for employees who have officially by Department of Personnel Management (DPM) been entered into Human Resource Information System (HRIS).

RESPONSIBILITY:

Payroll Section

- Prepares the salary and wage payment for all departments and programs in the Navajo Nation (Nation) and manages related functions such as properly implementing and processing of all payroll activities and reporting thereof to comply with applicable federal, state, and Navajo Nation laws and regulations.

POLICY:

Objectives of payroll processing are as follows:

- Accurate processing of payroll checks
- Timely issuance of payroll checks
- Accurate reporting and distribution of payroll expenses to accounts
- Maintenance of complete and accurate records of employees' earnings, pay, and deductions
- Accurate calculation and timely payment of employees' withholdings and deductions
- Timely reporting to federal and state tax authorities, insurers, and other external parties

This section describes policies for payroll processing which includes the following six categories of employees:

- Regular status
- Temporary
- Youth/Adult (NDWD)
- Council Delegate
- Political-At-Will
- Professional-At-Will

Navajo Nation employees:

- Must be an 'active' status employee meaning a Personnel Action Form (PAF) was initiated by program/department and entered into the Human Resources Information System (HRIS) by the Department of Personnel Management (DPM) before the beginning of each payroll cycle and must not be employed without an approved DPM PAF.
- Are paid on a bi-weekly basis
- Are paid in accordance with their position classification, pay grade and pay step
- Must be included on program/department's time sheet by pay period(s)
- Must have sufficient amount budgeted.



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- Are paid overtime pay when occupying a non-exempt position when properly authorized and approved by the supervisor and verified through Contract and General Accounting.
- Are paid for Federal and Nation holidays
- Accrue annual and sick leave hours at a pre-determined rate per pay period (regular status employees only)

Pay Periods

A payroll period is a period of service for which the Navajo Nation pays wages. Per IRS regulations employers are required to withhold income tax for that time period even if the employee doesn't work the full period (see Federal Tax Withholding Policy). Per IRS regulation, Navajo Nation is a bi-weekly taxpayer.

The Nation's pay period ends every other Friday. All departments are required to submit time sheets to the Payroll Section by 5:00 p.m. for that pay period. The Fair Labor Standards Act requires employers to maintain a record of working hours and leave hours to accurately pay employees.

Pay Check Information

Payroll checks are distributed to employees every other Wednesday, twelve (12) days after the pay period ends. Payroll Section has four working days to perform the necessary functions of the Payroll Section after the pay period ends. All payroll deductions are entered into HRIS the last week of a pay period.

In accordance with federal and state law, the Nation withholds amounts from employees' gross pay for income taxes, and for social security and Medicare taxes (see Federal and state withholding policies). The Nation also maintains various benefit and retirement plans for its employees and allows a variety of voluntary deductions.

Back Pay Requests

Back Pay Requests will be submitted for GWA, COLAs, Settlement Agreements, wage adjustments; any departments who do not meet the DPM Personnel Action Form (PAF) submission schedule per listed pay cycles and the employee is not updated in HRIS by the time Payroll processing commences will be moved into the next payroll PPE cycle. There will be no Salary Advances outside of the biweekly payroll cycle, as the Salary Advances are manual calculations causing double entry and double verification for the Payroll Technician. The DPM PAF submission schedule is available on the DPM website.



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DESCRIPTION:	Earnings - Timesheets	INDEX:	11.2
		POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; Fair Labor Standards Act of 1938.

PURPOSE: To establish policies and procedures for the proper time recording, timesheet submittal of employee’s working hours, and processing and approval of department time sheets. Employees on the timesheet are approved through the Department of Personnel HRIS and have been assigned an AB# as the identifier, and these employees work hours will be processed with the current pay period.

RESPONSIBILITY:

Payroll Section

- Establishes policies for the accurate and timely recording of timesheets.

POLICY:

As an employer, the Navajo Nation, its program and department supervisors and timekeepers, and the Payroll Section are responsible for maintaining accurate and complete records, including, working hours, payroll records and certain employee information for every employee for both pay period and calendar year. Records of working hours and payroll records should be retained for a minimum of 3 years.

Penalties, sanctions, and audit findings may apply for failure to meet these recordkeeping requirements from Regulatory agencies.

Timesheets will be scanned by Pay Period and stored in DOC Record Prism Software for future reference and/or financial audits availability.



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DESCRIPTION:	Earnings -	INDEX:	11.3
	Overtime	POLICY:	X
	Holiday Pay	PROCEDURES:	
	Compensatory Pay	EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; Navajo Nation Personnel Policies Manual (NNPPM); Judicial Branch of the Navajo Nation Employee Policies and Procedures (JBEPP); UMWA Collective Bargaining Agreements (CBA); Fair Labor Standards Act of 1938.

PURPOSE: To establish and provide policies and procedures that authorize and compensate eligible employees for hours worked beyond the regular tour of duty (overtime).

RESPONSIBILITY:

Payroll Section

- Processes overtime, holiday, and compensatory pay for Nation employees.

ELIGIBILITY:

Nation employees eligible for overtime, holiday, and compensatory pay are non-exempt, non-supervisory, and office staff positions. Exempt positions do not qualify for overtime or compensatory time either through payroll or in-house at the department.

The Payroll Section will process all overtime, holiday, compensatory pay as approved by the department personnel in accordance with the applicable NNPPM, JBEPP, or CBA.

DEFINITIONS:

- Exempt/Non-exempt:** All positions will be classified as either exempt or non-exempt to determine eligibility for overtime compensation. Exempt: managerial, professional, and administrative positions, Employees assigned to exempt positions are not eligible for overtime and compensatory compensation. Non-exempt: non-supervisory or office staff positions. Employees assigned to non-exempt positions are eligible for overtime and compensatory compensation. Department of Personnel Management is responsible for determining the exempt or non-exempt status of each person.
- Overtime:** Hours worked in a workweek beyond the regular 40-hour tour of duty or the standard work hours.
 Exception: For employees engaged in public safety or fire protection activities, overtime hours would be those that exceed 80 hours in two work weeks.
- Actual hours worked:** Time an employee spends performing her/her job or job-related activities; includes time which an employee is necessarily required to be on the employer’s premises, on duty or at a designated workplace.
- Work Week:** A normal work week consists of five working days and two days off. It may also consist of a shift schedule of four ten-hour days, or other approved tour of duty totaling 40 hours. A work week will begin on Saturday and end on Friday.
 Exception: For employees engaged in public safety or fire protection activities, a workweek shall consist of 10 work days or 80 hours. The work week will begin on a Saturday and end on a Friday.
- Compensatory Time Off:** Authorized time off in lieu of cash payment for overtime; an alternative method of compensation to an employee for overtime work; as with cash payments the rate of compensatory time is dependent upon the number of hours actually worked in a work week.
- Non-exempt:** Non-supervisory or office staff positions. Employees assigned to non-exempt positions are eligible for overtime compensation.



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Holiday Pay: Any employee who is required to work on a holiday and does work shall be paid at twice his/her regular rate of pay for hours worked. Holiday Pay will cover only those hours worked in one day. Early release of employees is not counted as a holiday when calculating holiday pay.

POLICY:

It is the Payroll Section policy to compensate the Nation's workforce for overtime, holiday, and compensatory pay of Nation employees consistent with the NNPPM, JBEPP, and CBA. It is the policy of the Nation to process overtime, holiday pay and compensatory pay when program approved and necessary to meet essential operating needs of the Nation, subject to existing funding, and contract requirements.

A. Authority to Approve Overtime

The Program Manager may authorize and approve overtime, holiday pay, and compensatory time consistent with the applicable NNPPM, JBEPP, or CBA. Program Manager should only authorize overtime and compensatory time when there are sufficient funds in the appropriate overtime account.

B. Employee Notification

1. The Program Manager shall notify the employee in advance that overtime necessary and the employee is expected to work. Program Manager will take into account employee preference for overtime assignments. To the extent feasible, overtime shall be distributed equally among full-time employees of the same classification.
2. Prior to working overtime, non-exempt employees must agree to the type of compensation preferred; cash payments, compensatory time off, or a combination of both and must be noted on the Overtime Authorization Form.

C. Compensation

1. Approved overtime and compensatory time will be processed with the next payroll cycle or next pay period as approved by the departments in accordance with the applicable NNPPM, JBEPP, or CBA.
2. Payment for overtime will be at the rate of one and one-half times their regular hourly rate for hours worked that exceed 40 hours of actual hours worked in a work week.
3. Employees engaged in public safety activities will be paid the rate of one and one-half times their regular hourly rate for hours worked that exceed 80 hours of actual hours worked in two work weeks or one pay period.
4. Payment for holiday pay will be at the rate of double the rate of their regular hours for actual hours worked during the holiday as identified in the NNPPM, JBEPP, or CBA.



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	Earnings -	INDEX:	11.4
	Back Pay Request	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; NNDPM Personnel Policies and Procedures Manual; Fair Labor Standards Act of 1938.

PURPOSE: To establish policies and procedures that compensate employees who are officially in the HRIS system and have met the Department of Personnel Management (DPM) PAF schedule for Payroll Processing.

RESPONSIBILITY:

Payroll Section

- Establishes the policies for payments of back pay for Nation employees who are officially entered into the HRIS system via department PAF.

ELIGIBILITY:

Nation employees who have officially entered into HRIS via departments PAF processing through DPM. DO NOT submit a back pay request form for employees who are not assigned an AB# and have been entered into HRIS via DPM.

Each Nation department must meet DPM's PAF schedule; if the department misses the deadline and does not comply with the DPM PAFs schedule, the employee will be moved into the next pay period.

Each Nation employee must have hours entered on the timesheet at each PPE date, if the department does not enter hours worked for an employee, the employee will be moved into the next pay period for processing due to the incomplete timesheet.

POLICY:

Backpay

The Payroll Section receives requests to process back pay for Nation employees when the Personnel Action Form (PAF) was not entered or could not be entered in JDE/HRIS for the missed pay cycle or due to various reasons between DPM and the Department identifying the PAF as incomplete. The Payroll Backpay Request Form received after approval by General Accounting or Contract Accounting will be processed for Departments who have met both the PAF Submission Schedule and the Payroll Processing Schedule.

The Payroll Backpay Request Form should be used to request the following:

- Back Pay Request
- Annual Leave Payout
- Step Increase (COLA, GWA, Promotion, and Rate Adjustment)
- Short Pay of work hours and collection of overpayment
- Deferred Compensation
- Leave Adjustment
- Bonus Payment
- Settlement Agreement and Sanction Payment

It is Payroll Section policy to ensure that all requests shall be completed in its entirety, dated, and approved by the proper approver(s).



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	Earnings -	INDEX:	11.5
	Deferred Compensation	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; NNDPM Personnel Policies and Procedures Manual; Fair Labor Standards Act of 1938. IRS American Jobs Creation Act of 2004, Section 409A,

PURPOSE: To establish policies and procedures that compensate employees for hours worked in a previous pay period but have not yet been paid and processing the deferred compensation payments

RESPONSIBILITY:

Payroll Section

- Navajo Nation Retirement establishes the policies for Deferred Compensation Plan for the current Navajo Nation Council Delegate, President, Vice President, Speaker, and the Political Appointees by the President, Speaker, and the Navajo Nation Council.
- The Payroll Section responsibility is to pay out the Deferred Retirement Compensation under Internal Revenue Service rules and to comply with Internal Revenue Code Section 409A of the American Jobs Creation Act of 2004.

ELIGIBILITY:

Nation employees through Navajo Nation Retirement Office, eligible for Deferred Compensation make the election on how the funds will be distributed upon termination from Office. Funds are currently invested via the Navajo Nation Retirement Office and held until payable to Navajo Nation employee.

POLICY:

Deferred Compensation

The Payroll Section receives deferred compensation request for Council Delegate or political at-will employees from the Navajo Nation Retirement Office. Council Delegates allowed to defer 20% of the salary, and the political At-will allows deferring 10% of the salary.

It is Payroll Section policy to ensure that all requests shall be completed in its entirety, dated, and approved by the proper approver(s). General Accounting will have final approval – funds verifiability to ensure funds are available for deferred compensation payment to the employee.



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DESCRIPTION:	Earnings -	INDEX:	11.6
	Family Emergency Pay Advance	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; Navajo Nation Personnel Policies and Procedures Manual, Section VII (M).

PURPOSE: To establish policies and procedures for processing family emergency pay advance request in accordance with the Navajo Nation Personnel Policies Manual (NNPPM).

RESPONSIBILITY:

Payroll Section

- Establishes and enforces the family emergency pay advance policies and procedures for Nation employees.

POLICY:

The Payroll Section receives family emergency pay advance requests for Nation full-time employees as authorized by the NNPPM, Section M. The NNPPM excludes the Council Delegates, Political At Will and temporary employees from requesting a family emergency pay advance. Approval of the advance will be authorized for Nation full-time employees only on a limited basis. The following restriction will apply:

On an annual basis, i.e., Calendar year and/or fiscal year, Emergency Advance requests will not exceed 2 in total.

An advance equal to or less than the amount of the last net paycheck will be granted to a full-time regular status Nation employee as a result of:

- 1) Serious illness in the immediate family. An immediate family member is defined as yourself (employee), your spouse, your children, your parents, your spouse's parents, your siblings, your spouse's siblings, your grandmother, and your grandfather.
- 2) Advances for traditional ceremonies will be granted only if it involves serious illness in the immediate family as defined above. Such requests will be dealt with on a case-by-case basis.
- 3) Death in the immediate family. Immediate family is defined as your spouse, your children, your parents, your spouse's parents, your siblings, your spouse's siblings, your grandmother, and your grandfather.

It is Payroll Section policy to ensure that all requests shall be completed in its entirety by the employee, signed, dated, and approved by appropriate approver(s).



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DESCRIPTION:	Earnings -	INDEX:	11.7
	Council Pay Advance	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; 2 N.N.C. § 107.

PURPOSE: To establish policies and procedures for the processing of deduction from Nation Council Delegates' pay or any monies or credits which the Nation owes to a council delegates, for travel or salary advances made to a council delegate.

RESPONSIBILITY:

Payroll Section

- Establishes the council pay advance and loan interest procedures for the Nation.

POLICY:

The Payroll Section receives requests to process the payroll deduction for travel or salary advances made to a council delegate, as authorized by 2 N.N.C. § 107. It is the policy of the Payroll Section to promptly and accurately process these deductions as authorized.



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DESCRIPTION:	Earnings -	INDEX:	11.8
	Council Claim Forms	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; 2 N.N.C. § 106(B); NABIAP-29-11; 2 NNC § 101, *et seq.*; Navajo Nation Council Travel Policies and Procedures Handbook; and Internal Revenue Service, Rev. Rul. 59-354, 1959-2 C.B. 24, as amended.

PURPOSE: To establish policies and procedures for processing Council Delegates' claim forms for meeting attendance, such as:

- Navajo Nation Council agency caucus meetings
- Regular chapter and special chapter meetings
- Chapter planning meetings
- Agency council meetings
- District council meetings
- Council and Standing committee meetings
- Navajo Nation board meetings
- Navajo Nation commission meetings

RESPONSIBILITY:

Payroll Section

- Processes Council Delegates claim forms for meeting attendance (meeting attendance fees) as they are received on a biweekly basis.

POLICY:

Upon submittal of a claim form approved by the Speaker of the Navajo Nation Council, Council Delegates shall be compensated for meeting attendance authorized in NABIAP-29-11. Council Delegates seeking compensation for meeting attendance shall submit claim forms promptly, accurately, and with the proper approvals and supporting documentation to the Payroll Section. Included in the submittal shall be meeting sign-in sheets with the signature of the delegate as evidence of meeting attendance.

Council Delegates shall not be compensated for the meeting attendance fee unless he/she is in official attendance for the meeting. Council Delegates are common law employees for Federal employment tax purposes. Meeting attendance fees are considered income by the IRS and therefore subject to Federal income tax withholding, and social security and Medicare tax withholdings.



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DESCRIPTION:	Deductions-	INDEX:	11.9
	Federal Employment Wage Reporting and	POLICY:	X
	Tax Payments (Form 941)	PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C § 201, *et seq.*; Current Tax Payment Act of 1943, Pub. L. 68, Ch. 120, 57 Stat. 126 (June 9, 1943); 26 U.S. Code § 3102, *et seq.* Internal Revenue Service Circular E Publication 15.

PURPOSE: To establish procedures for processing and submitting to the Internal Revenue Service (IRS) Form 941 Employer's Quarterly Federal Tax Return (Form 941) and bi-weekly Federal tax transfer payments electronically, on behalf of the Nation and its employees.

RESPONSIBILITY:

Payroll Section

- Records, reports, and pays applicable federal taxes related to employees' wages.

POLICY:

The Payroll Section reports employees' wages and pays tax liabilities as authorized by 26 U.S. Code § 3102, *et seq.* It is the policy of the Payroll Section to comply with the IRS's Publication 15, Employer's Tax Guide in regards to not limited to the biweekly payroll processing taxes, the following:

- Payroll Periods
- Withholding from employees' wages
 - Federal income tax
 - Social security tax
 - Medicare tax
- Quarterly filing of Form 941
- Bi-weekly electronic depositing of taxes
- Recordkeeping
- An annual reconciliation of electronic tax deposits
- Production of annual W2s to employees after reconciliation
- Submission of W2 reporting to Social Security Administration



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DESCRIPTION:	Deductions-	INDEX:	11.10
	State Employment Wage Reporting and	POLICY:	X
	Tax Payments	PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*, Arizona Revised Statutes Title 43 *Taxation of Income*, Colorado Revised Statutes Title 39 Article 22 *Income Tax*, Maryland Tax Law and Regulations Title 3 Subtitle 4 *Income Tax*, Section 7-3-3 NMSA 1978, Utah Code Title 59 Chapter 10 Part 4 *Withholding of Tax*.

PURPOSE: To establish procedures for the processing and submitting to the applicable states for wage reporting and State Tax Electronic Transfer Payments.

RESPONSIBILITY:

Payroll Section

- Records, reports and pays applicable state taxes related to employees' wages.
- An annual reconciliation of state taxes before W-2s are issued.

POLICY:

Generally, the employer must withhold income tax in the state where work is performed. If an employee who resides in another state works exclusively in that state (different from the employer's state), then taxes are usually withheld only in the employee's state. If the employee resides in the employer's state, tax for that state must be withheld even though the employee works exclusively in another state. And there may be additional withholding obligations in the state in which the employee works.

The Nation has remote employees residing in the states of Arizona, Colorado, Maryland, New Mexico, Virginia, Utah, and District of Columbia. Thus, it is the Payroll Section policy to report wages and pay withholding taxes to the applicable states.



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DESCRIPTION:	Deductions-	INDEX:	11.11
	State Unemployment Wage Reporting and	POLICY:	X
	Insurance Tax Payments	PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; State Unemployment Insurance Acts.

PURPOSE: To establish policies and procedures for processing of and submittal to the states of Arizona, Colorado, Maryland, New Mexico, Utah, and District of Columbia Quarterly Unemployment Wage and Tax Reports on behalf of employees.

RESPONSIBILITY:

Payroll Section

- Reports wages and pays state unemployment insurance (SUI) taxes to the five states mentioned above for purposes of unemployment benefits.

DEFINITIONS:

- HRIS stands for Human Resources Information System which is the part of FMIS that processes data and stores data for human resources purposes.
- Function Scripts are step-by-step guides to perform processes and to generate reports in HRIS.

POLICY:

To fund unemployment compensation benefit programs and as an employer, the Nation is subject to state unemployment taxes. It is Payroll Section policy to report state wages and pay tax liabilities accurately, completely, and timely to the states of Arizona, Colorado, New Mexico, Maryland, Utah, and to the District of Columbia.



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DESCRIPTION:	Deductions-	INDEX:	11.12
	IRS Tax Levies and Wage Garnishment	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; 26 U.S.C. § 6331, *et seq.*; 28 U.S.C. § 3001 *et seq.*

PURPOSE: To establish policies and procedures for proper implementation and recording of Federal tax levies imposed on Nation employees.

RESPONSIBILITY:

Payroll Section

- Complies with IRS regulations for collecting tax liabilities by processing tax levies against Nation employees.

DEFINITION:

- An IRS tax levy is a garnishment of wages, additional assessment of income taxes, or government payments like Social Security or disability. A tax levy is an IRS procedure to claim monies owed to them by seizing bank account, selling assets, or garnishing wages. IRS sends the employee a tax levy when tax liabilities are not paid to the IRS, or proposed payment plans are not adhered to.

POLICY:

The Payroll Section receives federal tax levies to collect tax debt and court orders to collect the non-tax debt, through garnishment of Nation employee wages. Federal law at 26 U.S.C. § 6331 *et seq.* authorizes the Secretary of the Treasury to collect tax debt by a levy on a debtor's wages. Federal law at 28 U.S.C. § 3001 *et seq.* authorizes the United States Department of Justice (USDOJ) to collect a non-tax debt owed to the federal government by wage garnishment and other means. It is the policy of the Payroll Section to verify and accurately process tax levies issued by the Secretary of the Treasury and non-tax wage garnishment orders obtained by the USDOJ.



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DESCRIPTION:	Deductions-	INDEX:	11.13
	Navajo Arts and Crafts Enterprise (NACE)	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; Resolution ACN-112-79 Navajo Arts and Crafts Enterprise (NACE) Payroll Deduction Plan.

PURPOSE: To establish policies and procedures for the processing of payroll deductions of purchases from Navajo Arts and Crafts Enterprise (NACE) made by Nation employees.

RESPONSIBILITY:

Payroll Section

- Processes payroll deduction of purchases from NACE made by Nation employees.
- Per Resolution ACN-112-79; Navajo Nation Office of the Controller will withhold 5% service charge prior to remitting bi-weekly payment to NACE.

POLICY:

The Payroll Section collects payment of NACE sales made to Nation employees by payroll deduction as authorized by Resolution ACN-112-79. The Nation will charge NACE up to 5% service charge for the processing of all payroll deductions.

When a Nation employee terminates employment; NACE will initiate their collection directly from the terminated employee, and the arrearage amount will be zeroed out of JD Edwards EnterpriseOne (JDE) Payroll system. Except for individuals on leave (such as FMLA) will be deducted the biweekly deduction amount upon return and not the entire arrearage balance.



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DESCRIPTION:	Deductions -	INDEX:	11.14
	Veterinary Livestock Program (VLP)	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*

PURPOSE: To establish policies and procedures for the processing of payroll deductions of purchases from VLP made by Nation employees.

RESPONSIBILITY:

Payroll Section

- Processes payroll deduction of purchases from VLP made by Nation employees.

POLICY:

The Payroll Section receives the request to begin collecting payments of VLP fees made to the Nation's employees by payroll deduction. It is Payroll Section policy to ensure that the payroll deduction request shall be completed in its entirety, signed, dated, and approved by the proper approver(s).

When a Nation employee terminates employment; VLP will initiate their collection directly from the terminated employee, and the arrearage amount will be zeroed out of JD Edwards EnterpriseOne (JDE) Payroll system. Except for individuals on leave (such as FMLA) will be deducted the biweekly deduction amount upon return and not the entire arrearage balance.



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DESCRIPTION:	Deductions -	INDEX:	11.15
	Union Dues	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; Collective Bargaining Agreements (CBA) between the Navajo Nation and United Mine Workers of America (UMWA). CBA between Navajo Nation Head Start and International Union, UMWA is currently active.

PURPOSE: To establish policies and procedures for the payroll deduction of union dues for Nation employees who are Union members covered by the CBA.

RESPONSIBILITY:

Payroll Section

- Complies with the CBA by establishing a procedure to collect the union dues through payroll deduction.

POLICY:

The Nation employees who have elected to become members of the UMWA agree to pay a membership cost or union dues which are collected through payroll deduction from the bi-weekly paycheck.

It is the Payroll Section policy to comply with the CBA, therein conforming to:

- Payroll deduction for union dues from Nation employees whose written check-off authorization form has been signed, dated, and received by the Payroll Section.
- The deduction amount will be an amount as certified to the Nation by the UMWA' designated officer or their designee.
- The union dues will be payroll deducted and remitted to UMWA from each bi-weekly payroll check.
- Remittances to the union shall be accompanied by Doing Business AS (DBA) register which lists each employee's name, social security number, and amount of deduction.

Note: The following Collective Bargaining Agreements expired:

- United Mine Workers of America and Navajo Nation Executive Branch, executed 08/08/15
- United Mine Workers of America and Navajo Nation Division of Public Safety, executed 11/09/15



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DESCRIPTION:	Deductions -	INDEX:	11.16
	Credit Services Loans	POLICY:	X
	Personal Loan Program	PROCEDURES:	
	Navajo Home Loan Program	EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; Personal Loan Program Operating Policies and Guidelines (Resolution BFN-45-13); Navajo Home Loan Program Operating Policies and Guidelines (Resolution BFAP-11-08).

PURPOSE: To establish policies and procedures for the proper collection of personal and home loan payments through Navajo Nation payroll deduction.

RESPONSIBILITY:

Payroll Section

- Receives the Credit Services Section's Initial Deduction List and enter it into JDE/HRIS bi-weekly (Employee DBA Instructions application) as a mandatory payroll deduction to guarantee repayment of the personal loan and/or home loan.

POLICY:

The Payroll Section collects repayments of home loans made to the Nation's employees by payroll deduction, as authorized by Section 13 of the Navajo Home Loan Program Policies and Guidelines approved by Resolution BF AP-11-08.

The Payroll Section collects repayments of personal loans made to the Nation's Program Operating Policies and Guidelines approved by Resolution BFN-45-13. It is the policy of the Payroll Section to promptly and accurately process these deductions as authorized.



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DESCRIPTION:	Deductions -	INDEX:	11.17
	Housing Rentals	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*

PURPOSE: To establish procedures for the processing of housing rental payroll deduction.

RESPONSIBILITY:

Payroll Section

- Establishes the housing rental deduction procedures for the Nation.

POLICY:

The Payroll Section receives the request to begin collecting payments for the housing rental made to the Nation's employees from Navajo Nation Employee Housing, Navajo Housing Authority, and BIA Employee Housing by payroll deduction.

It is Payroll Section policy to ensure that the payroll deduction request or cancellation form with rental information shall be completed in its entirety, signed, dated, and approved by the proper approver(s).

Upon employment termination or eviction, the payroll deduction cancellation request form must be submitted to the Payroll Section to end the payroll deduction for housing rental.



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DESCRIPTION:	Deductions -	INDEX:	11.18
	Child Support Enforcement	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; 9 N.N.C. § 1701, *et seq.*; 45 CFR 300, *et seq.*

PURPOSE: To establish policies and procedures for the processing of child support orders through payroll deductions and wage assignments.

RESPONSIBILITY:

Payroll Section

- Establishes the child support payroll deduction procedures for the Nation.

POLICY:

It is the policy of the Payroll Section to promptly and accurately process wage garnishments and wage assignments that are ordered pursuant to the Nation's laws.

The Payroll Section receives requests to enforce child support orders through garnishment or assignment of Nation employees' wages. Pursuant to the Nation's Child Support Enforcement Act, the Nation may enforce child support orders by wage garnishments or wage assignments, including orders entered by the Nation's courts, orders submitted by State agencies in Arizona, New Mexico and Utah if the state has entered into an agreement with the Nation for enforcement of child support, and orders of other Indian nations, states, or federal agencies, all pursuant to 9 N.N.C. § 1701 *et seq.*



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DESCRIPTION:	Deductions -	INDEX:	11.19
	Purchase Cards (P-Cards)	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; Navajo Nation Employee Travel Policy and Procedures Handbook; Navajo Nation Personnel Policies Manual; Resolution BFD-37-14, approving the Navajo Nation Purchase Card Policies and Procedures.

PURPOSE: To establish policies and procedures for the payroll deduction of unauthorized P-Card charges and any costs related to the collection of such charges by Nation employees and/or the P-Card holder.

RESPONSIBILITY:

Payroll Section

- Complies with the P-Card Policies.

POLICY:

The P-Card Policies state that one option, among others, for unauthorized use, charges, and any costs related to the collection of such charges, will be payroll deducted for the full amount of the unauthorized charges/uses.

Unauthorized charges/uses include meals, loading items for personal use, contracted services, gift cards, alcoholic beverages, and non-meal snacks.

Payroll deductions can be from salary, wages, or annual leave pay to the extent allowed by law.



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DESCRIPTION:	Deductions -	INDEX:	11.20
	Property Acknowledgments	POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*

PURPOSE: To establish policies and procedures for unreturned property.

RESPONSIBILITY:

Payroll Section

- Establishes the property acknowledgment procedures for the Nation.

POLICY:

In the event of employment termination, all Nation government personal property should be returned upon the last day of work (or as specified by the Property Management Department).

Pursuant to 2 N.N.C.57(c) “[t]he sale, gift, loan, exchange, or other disposition of any of the Navajo Nation’s property not specifically authorized by regulations or other directives issued by the Navajo Nation Council is illegal.”

It is the terminating department’s responsibility to ensure the Nation employees return the Navajo Nation property issued to them for use while employed with the Nation. The information must be noted on the clearing PAF to Department of Personnel Management. The Nation Department must take inventory annually of assigned Nation Property.



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DESCRIPTION:	Reporting -	INDEX:	11.21
	Request for Wage and Employment	POLICY:	X
	Verification	PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*, 2 N.N.C. § 81, *et seq.*, *Navajo Nation Privacy Act*

PURPOSE: To establish policies and procedures for the proper compliance, processing of Wage Verification Requests, and responses to requests for wage and employment verifications from external parties.

RESPONSIBILITY:

Payroll Section

- Maintains wage and employment information on the Nation employees received through the MAIL, the information is forwarded to the Department of Personnel Management for processing.

DPM

- Officially responsible as stated in the Department of Personnel Policy and Procedures at the website: www.dpm.navajo-nsn.gov.

POLICY:

The Payroll Section receives requests to verify employment and wages for current and former Nation employees from a variety of sources, including prospective employers, government agencies, mortgage lenders, collection agencies, and others. The Payroll Section forwards all requests received to the Department of Personnel Management for processing. The Payroll Section shall comply with the provisions in the Navajo Nation Privacy Act at 2 N.N.C. §81 *et seq.* when releasing information to employees at all times.



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DESCRIPTION:	Reporting-	INDEX:	11.22
	Direct Deposit, Payroll PayCard,	POLICY:	X
	Request for Check or Direct Deposit	PROCEDURES:	
	Advice Copies	EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*

PURPOSE: To establish policies and procedures for processing payroll direct deposit or PayCard for payroll, including setting up of new deposits, changing or adding accounts, terminating the deposit, and providing payroll checks or direct deposit advice copies.

RESPONSIBILITY:

Payroll Section

- Processes direct deposit requests from eligible Nation employees in a timely manner.
- Provides copies of payroll checks and direct deposit advice to the Nation employees.

Programs/Departments

- Ensure that each employee receives his/her payroll checks or direct deposit advice after distribution from the Cashiers Section.
- Properly and timely distribute the payroll check or direct deposit advice to the employees.

POLICY:

A regular and full-time employee of the Nation is eligible to request for a direct deposit or Prepaid Card Solutions Card (PayCard) by submitting the Direct Deposit Form or Cardholder Enrollment Form to the Payroll Section.

Direct Deposit

The Payroll Section receives requests for direct deposit of payroll to Nation employee's bank account(s) using the Direct Deposit Form available at the Office of Controller's website under the Payroll Section. It is the Payroll Section policy to ensure the following:

- The Direct Deposit Form shall be completed in its entirety by the employee, signed, and dated.
- A new direct deposit is allowed upon cancellation of previous direct deposit.
- No more than two changes per the calendar year to direct deposits (i.e., adding an account, changing banking information, cancellation of an account) is allowed.
- Direct deposit is maintained and processed until the cancellation thereof or termination of employment. All direct deposit information shall be confidential and secured. Direct Deposit guarantees that Nation employee's payroll will be deposited automatically to his/her bank account each payday without the worry of cashing or depositing paper checks.
- Direct deposit may be routed to U.S. financial institutions.
- Payroll may be split between primary and secondary bank accounts.

Payroll PayCard

The Payroll Section receives the Cardholder Enrollment Form for the issuance of the PayCard. Each payday, the PayCard is loaded with the Nation employee's wages for that pay period, which can be used as a debit or automated teller machine (ATM) card. It is the Payroll Section policy to ensure the following:

- The Cardholder Enrollment Form shall be completed in its entirety by the employee, signed, and dated.
- Electronic transfer to PayCard is maintained and processed until cancellation thereof or termination of employment.



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- All PayCard information shall be confidential and secured.

Request for Payroll Check or Direct Deposit Advice Copies

The Payroll Section receives requests to provide copies of payroll checks and direct deposit advice from the Nation employees. It is the policy of the Payroll Section that the Payroll Section will ensure that the Request for Check Copy form shall be completed in its entirety by the employee, signed, and dated. Also, the Payroll Section will identify the employee through proper identification documentation before the copy is released to the employee.



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DESCRIPTION:	Reporting -	INDEX:	11.23
	Form W-2	POLICY:	X
	Request for Form W-2 Copy	PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*; 26 U.S. Code § 6051, *et seq.*

PURPOSE: To establish policies and procedures for requesting copies of Form W-2.

RESPONSIBILITY:

Payroll Section

- Provides IRS Form W-2 copy to the Nation employees annually and upon request.

POLICY:

The Payroll Section will issue a Form W-2 at the end of each calendar year to each Nation employee who earned wages, including employees who serve on Commission and Boards and receive stipend payments from the OOC Accounts Payable Section. It is the policy of the Payroll Section to ensure that all such requests and its responses thereto shall comply with the Federal law at 26 U.S. Code § 6051 *et seq.*

Nation employees can request copies of his/her Form W-2 to the Payroll Section. It is the policy of the Payroll Section to ensure that all requests shall be completed in its entirety by the employee, signed, and dated. Proper identification of the employees required to be presented before the copy of the Form W-2 is released by the Payroll Section.



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DESCRIPTION:	Reporting - Void Checks	INDEX:	11.24
		POLICY:	X
		PROCEDURES:	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*

PURPOSE: To establish policy and procedures for the processing of voiding payroll checks.

RESPONSIBILITY:

Payroll Section

- Accurately processes the void payroll checks.

POLICY:

The Nation employee, the department/program timekeeper, and the department/program director who approves the timesheet has the responsibility to ensure hours worked and leave hours are correct on time sheets. It is the Payroll Section policy to process the time sheet without error to avoid the potential of voiding a check.



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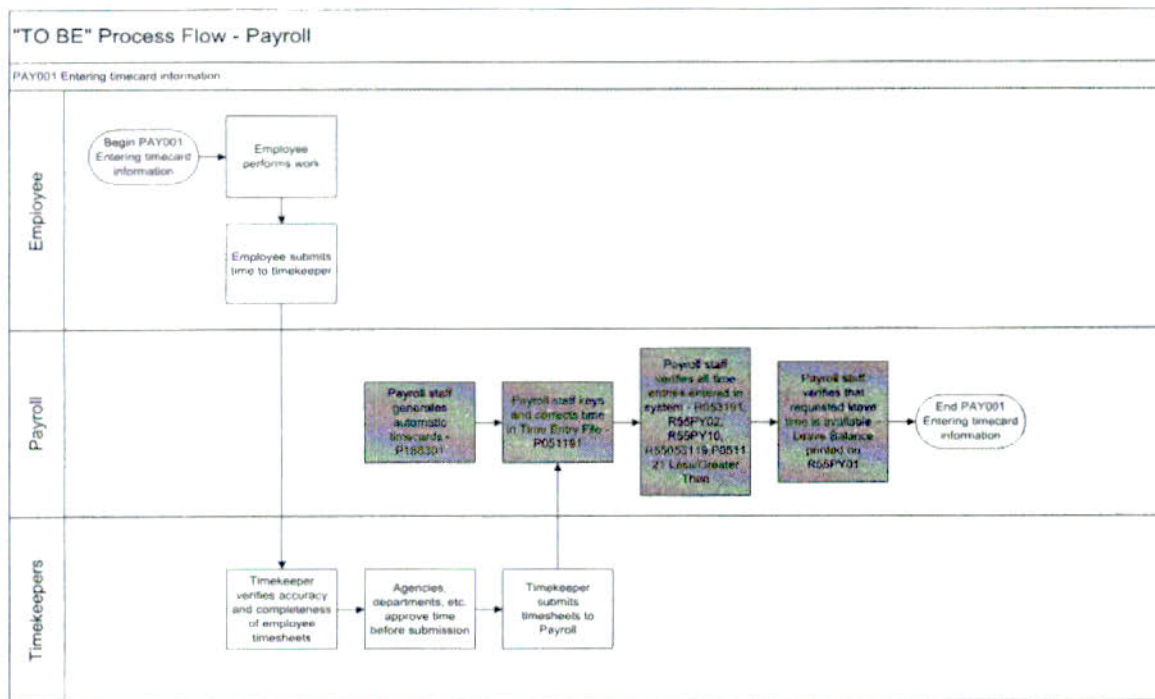
DESCRIPTION:	Payroll	INDEX:	11.25
	Process Flowcharts	POLICY:	
		PROCEDURES	
		EFFECTIVE DATE:	

LEGAL AUTHORIZATION: 12 N.N.C. § 201, *et seq.*

PURPOSE: To establish flow charts to supplement the policies and procedures for Payroll of the Navajo Nation (Nation).

RESPONSIBILITY: Payroll Section

PAY001 Entering timecard information

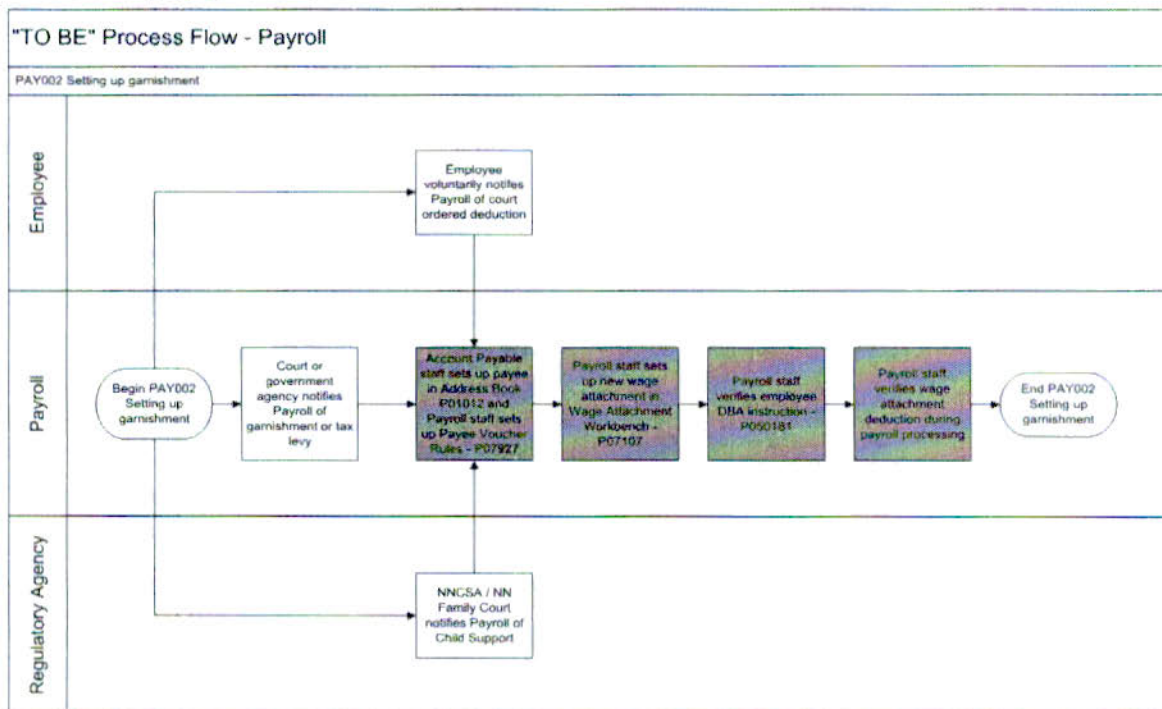




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PAY002 Setting up garnishment

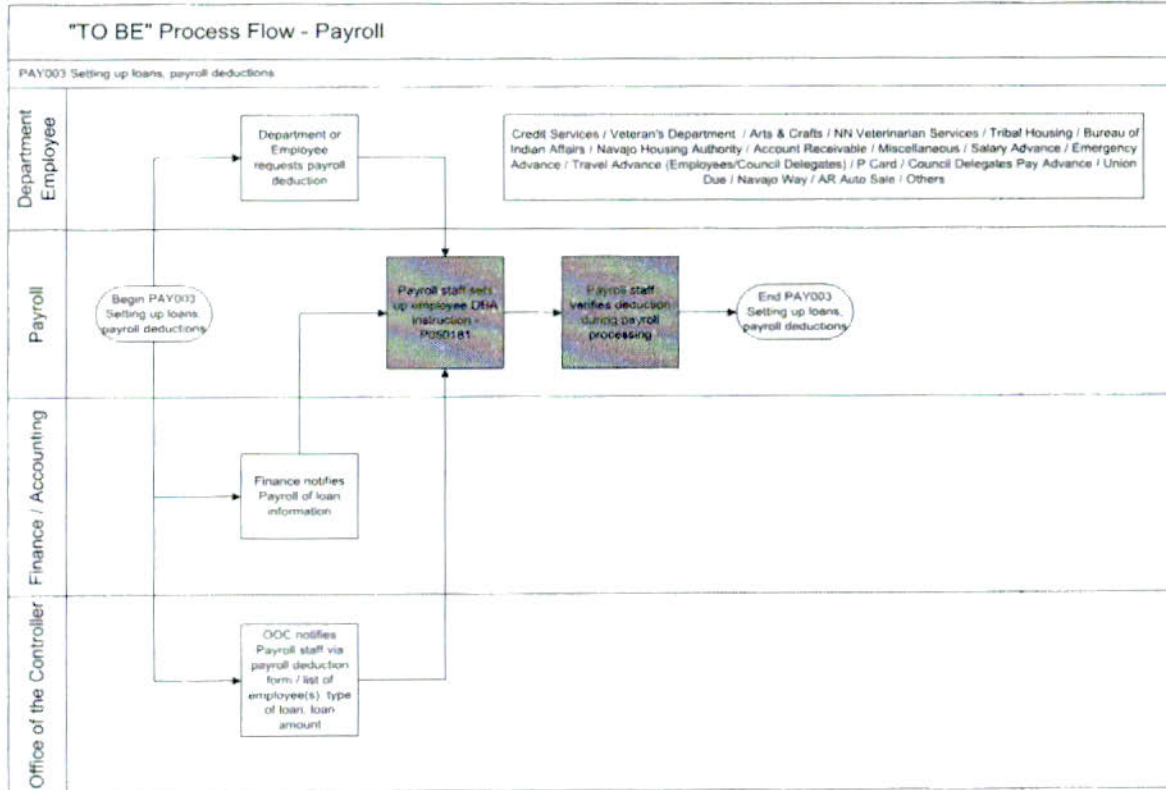




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PAY003 Setting up loans, payroll deductions

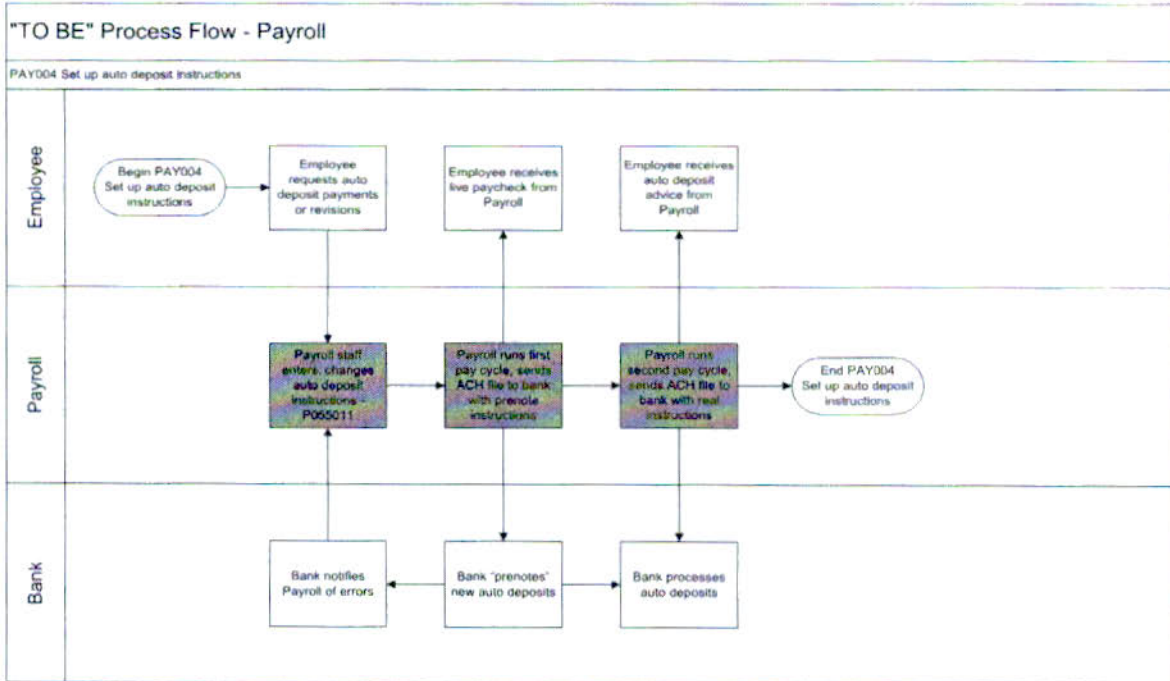




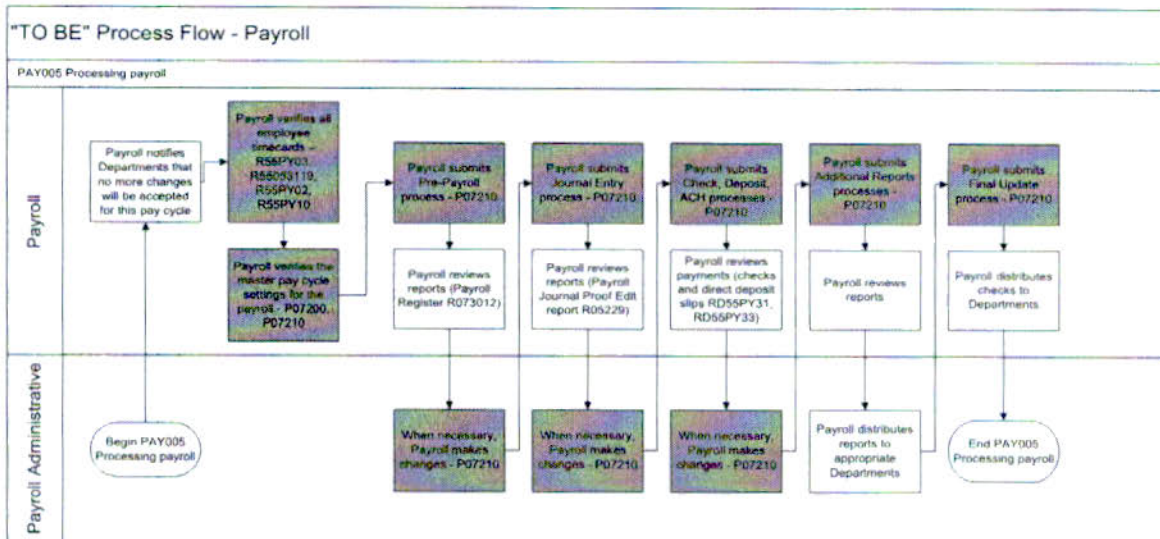
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PAY004 Set up auto deposits instructions



PAY005 Processing payroll

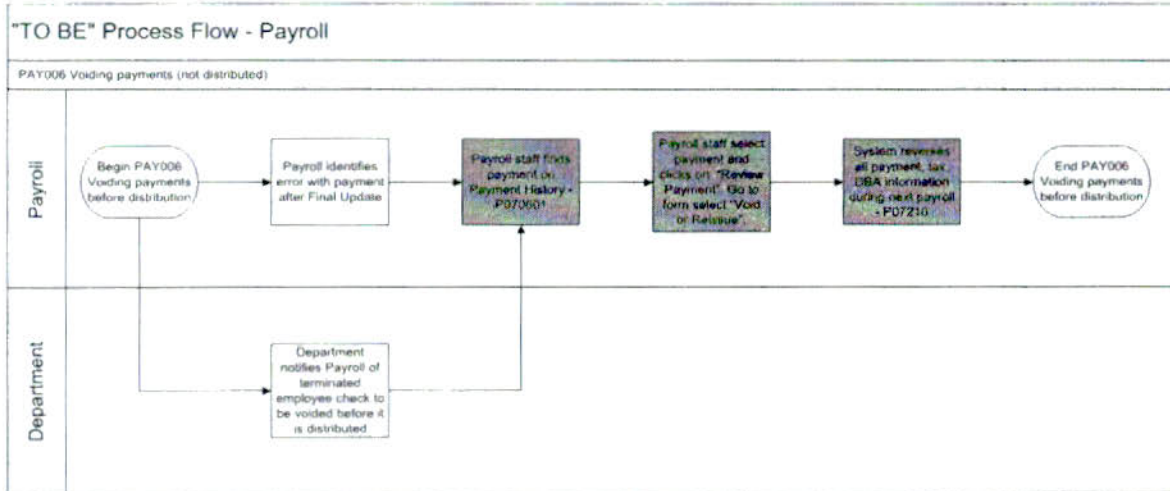




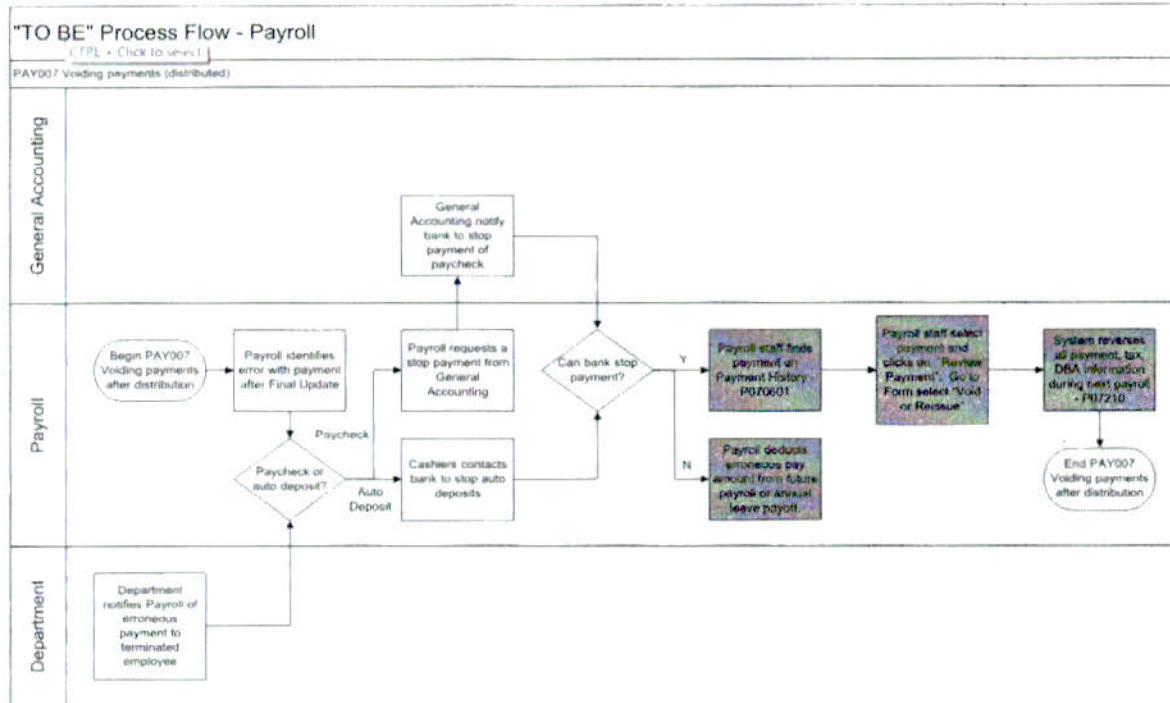
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PAY006 Voiding payments (not distributed)



PAY007 Voiding payments (distributed)

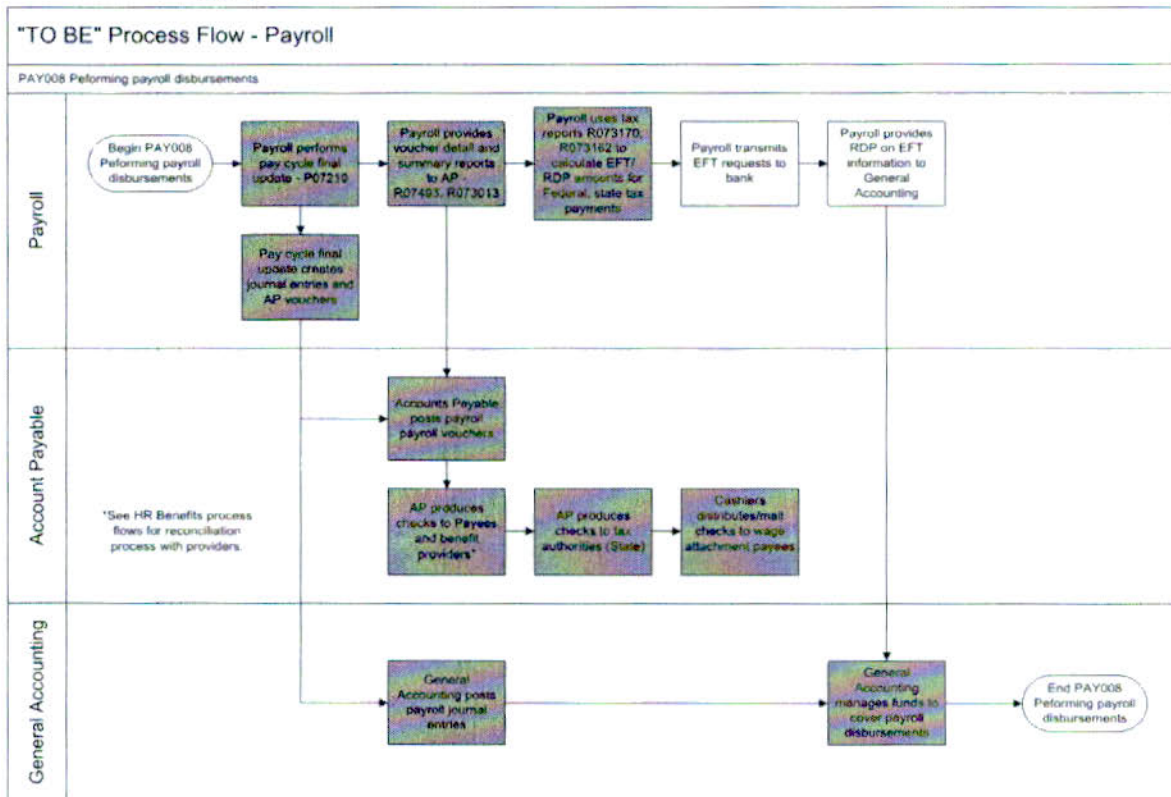




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PAY008 Performing payroll disbursements

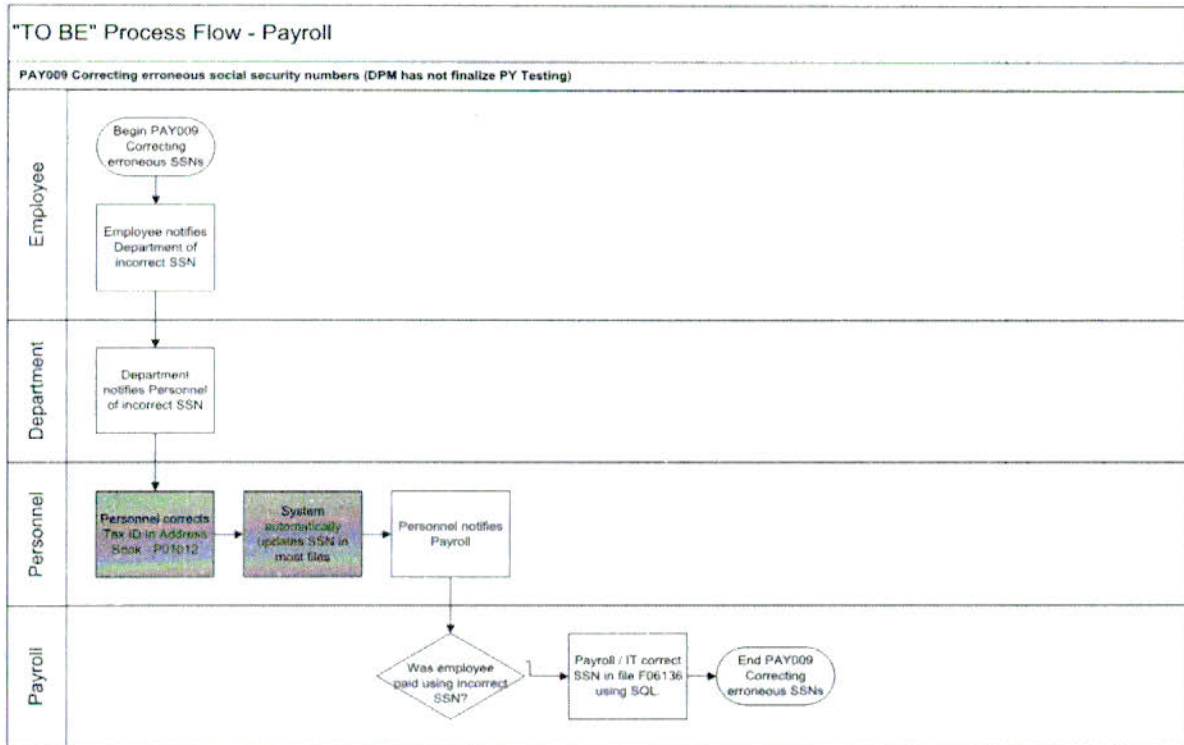




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PAY009 Correcting erroneous social security numbers (DPM has not finalized PY Testing)

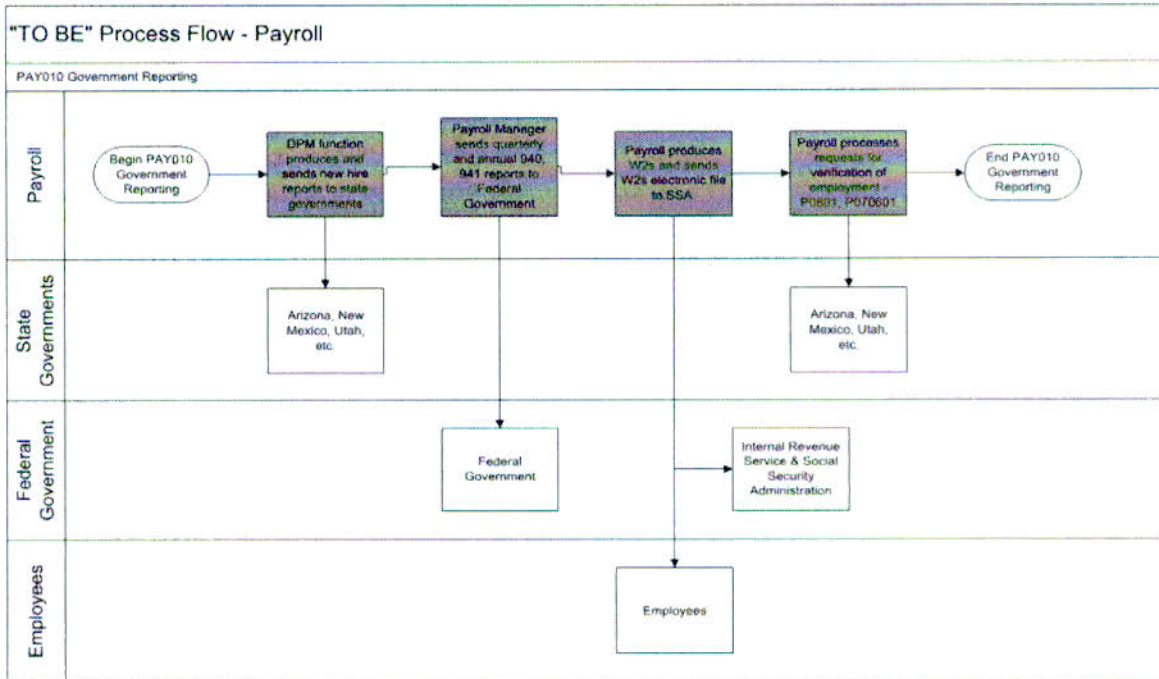




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PAY010 Government Reporting



PAY011 Retroactive Pay

