



Internal Audit

Supplemental Earnings Audit

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Date: May 20, 2026

To: Board of Trustees
Stephanie S. Elizalde, Ed.D., Superintendent

From: Robert Rubel, MBA, CPA, CIA, CISA
Chief Internal Audit Officer

Subject: Supplemental Earnings Audit

Executive Summary

The Dallas Independent School District (District) Office of Internal Audit (OIA) has completed the Supplemental Earnings Audit.

The audit focused on the District's supplemental pay programs including stipends, incentive pay, and extra duty pay to determine whether they are appropriate, aligned with district initiatives, promote accountability, and are properly managed. Additionally, the audit reviewed compensatory time practices and general timekeeping procedures to assess compliance, consistency, and opportunities for automation.

Overall, the District has established foundational policies for supplemental pay. The audit revealed opportunities to improve operational effectiveness, efficiency, compliance, and fiscal oversight in the following areas.

Observation	Priority	Recommendation
1	Low	The District should integrate Laserfiche with Oracle to automate timekeeping, streamline approvals, reduce manual intervention, and improve consistency and accuracy.
2,3	Low	The District should further utilize existing technology to automate timekeeping processes, strengthen system controls to enhance the validation of time entries, and facilitate oversight of extra duty pay.
4	Medium	Strengthen guidance and system controls for emergency call-out pay to ensure consistent application and align practices with operational needs and regulations.

Implementation of the recommendations in this report would assist the District in effectively and efficiently managing supplemental pay programs and compensatory time.

Background

The District's Compensation Department plays a critical role in planning, implementing, and administering compensation programs, including supplemental earnings. The various supplemental programs and rates at which they are paid are determined by the Compensation Department and are outlined in the Compensation Resource Book (Comp Handbook), which is approved by the District's Board of Trustees. Supplemental earnings are paid to employees in addition to regular base pay and are categorized as stipends, incentive pay, and extra duty pay.

Below is a summary of supplemental pay types as referenced in the Comp Handbook:

Stipends – Recurring, nondiscretionary payments for duties beyond the scope of an employee's contract or occupation, such as coaching, serving as a student activities sponsor, and taking on additional assignments due to special needs or requirements. Stipends are disbursed monthly or annually and are typically processed by the Compensation Department but, depending on eligibility requirements, may require information processed by other departments. Stipends paid from September 1, 2024, through May 31, 2025 totaled \$35,362,332.

Incentive Pay – Incentives are payments designed to attract staff in critically short positions, retain and compensate staff for service, and motivate staff to achieve the District's strategic plans. Examples of incentive programs include certification-based (ESL, Dyslexia), performance-based (ACE, Districtwide Retention Incentive), and recruitment-based (various critical shortage incentives). Incentives paid from September 1, 2024, through May 31, 2025 totaled \$6,812,804.

Incentive pay is established through a structured process that includes:

- Market pricing and benchmarking to ensure competitiveness.
- Strategic alignment with District initiatives.
- Board of Trustees approval for new or modified incentive programs.
- Performance management systems that link pay to effectiveness levels.

Incentive pay is managed by Human Capital Management. Incentive pay is typically disbursed annually, semi-annually, or per event (e.g., 50% in December, 50% in June) upon completion of required duties or milestones (such as certification).

Extra Duty Pay – Extra duty pay compensates employees for work performed outside of their normal contracted duties and hours. Examples include tutoring, before and after school programs, athletic events, University Interscholastic League competitions, and summer school. Participation is considered helpful, yet not mandatory, and earnings are disbursed upon completion of the requested duties. Extra Duty paid from July 1, 2024, through March 31, 2025 totaled \$21,278,988.

Key principles of extra duty pay include:

- Eligibility: Active employees must be in an eligible position and actively employed at the time of payout.
- Timing: Duties must occur outside of regular work hours or calendar days and be distinctly different from the employee's normal job description.
- Authorization: Prior approval from the executive director of the campus or department is required before work is performed.
- Documentation: Individual timekeepers are responsible for ensuring accurate records of actual hours worked are maintained.
- Restrictions: Supplemental pay should not be used as a substitute for overtime pay when overtime is applicable.

Extra duty hours are managed by the individual departments and campuses who are responsible for ensuring accurate documentation, eligibility verification, and fund availability.

Timekeeping and Payment Processes:

Oracle tracks and processes supplemental earnings (e.g., coaching stipend, critical shortage, incentive tutoring extra duty) using element payroll codes. Each element code is associated with a supplemental earning listed in the Comp Handbook. For extra duty activities in the Comp Handbook (e.g. Class coverage, HB1416 tutoring, UIL, SPS, graduation duty), elements define

rules for how payment should be calculated (e.g. a single flat fee or set hourly rate) and how eligibility or exemption status affects the payment. For many extra duty activities, the rate is a fixed hourly rate and automatically attached to the element during set up. However, when an element applies to multiple activities or positions with different associated pay rates, the rate is not automatically tied to the element, but is entered manually during activity code setup for extra duty work (see below) or during the payment upload process for stipends and incentives. Element codes are essential for ensuring accurate payroll processing, compliance with regulations, and auditability.

Extra Duty Specific:

Activity Codes are only used to track and manage extra duty of employees recording time for specific extra duty activities on the biometric time clock. Campus and department timekeepers create their own activity codes in Oracle, which are linked to preestablished extra duty elements established in the Compensation Handbook. When setting up an activity code, timekeepers can include optional restrictions including start or ending times, setting maximum hours, or limiting clock ins to certain biometric clock locations to help ensure time for an activity is logged appropriately. Because activity codes are created locally and tailored to individual campuses or department needs, there are thousands of active activity codes. For example, while there is one parent element for “HB1416 EOC Tutoring”, each campus may have their own unique activity code so that hours can be tracked separately by location. Standard practice is to set up new activity codes each school year rather than re-use prior year codes. Departments and campuses are responsible for creating, maintaining, and monitoring the activity codes they use and give to employees.

Both exempt and non-exempt employees are permitted to work extra duty hours, but payroll laws require them to be treated differently. Non-exempt employees paid at an hourly rate must have overtime requirements considered. In order to manage these requirements, there is often a specific element used, Secondary Pay Source (SPS), to track extra duty for non-exempt employees. Per the Comp Handbook, SPS is intended to be used for extra duty hours that are outside the employee’s normal assignment and paid from a different funding source to ensure proper compensation for non-exempt employees for hours worked beyond regular duties.

When the element is used, Oracle checks the employee’s total hours worked:

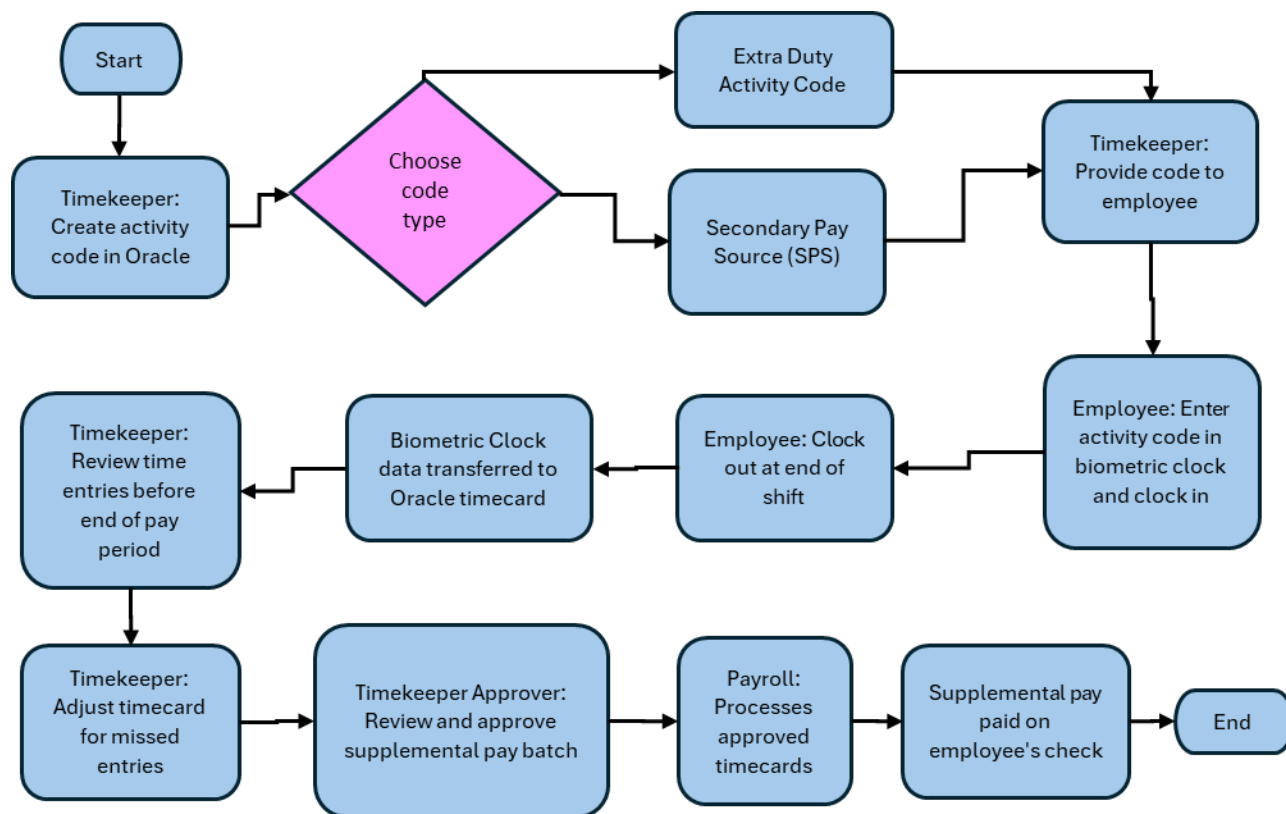
- If < 40 hours/week, part of the extra duty is paid as SPSR (regular rate).
- If > 40 hours/week, the excess is paid as SPS (overtime rate).

As some extra duty activities will use both exempt and non-exempt employees, there will need to be multiple activity codes generated as exempt employees cannot use activity codes attached to the SPS element.

Logging Time - When performing extra duty work, employees should select supplemental pay on the biometric clock and enter the numeric activity code given to them by the timekeeper. The timekeeper that initiated the code will be the default approver for any time worked using the code. Depending on the activity, this can be thousands of time entries for an individual timekeeper to review and approve.

Currently, extra duty hours logged through the biometric clocks are transferred to the Oracle timecard in a nightly job process. When hours are not logged via the biometric clock, manual entries are made by timekeepers posting hours worked directly to the timecard. Once supplemental hours on the timecard are approved by the applicable timekeeper, they are processed by payroll.

Extra Duty Process Flowchart



Supplemental Pay Systems

The District currently uses various systems/software/platforms to manage supplemental pay.

- Oracle generates time worked based on biometric clock entries.
- Laserfiche is used to request timecard corrections, paid time off (PTO), and pre-approval for overtime worked.
- Other platforms such as Service Now and Oracle APEX were noted to be used to track work performed to support extra duty pay.

Compensatory (Comp) Time

Non-exempt employees are eligible for comp time in lieu of overtime for hours worked that exceed 40 hours in a week. Per the district's administrative regulation, comp time earned by non-exempt employees may not accrue beyond a maximum of 80-hours, except for Dallas ISD police officers, who have a cap of 120 hours. Hours accrued over the cap requires the employee to use the excess comp time, or at the District's option, the District may pay the employee the excess hours accrued at time and a half. Supervisors are responsible for ensuring employees can use their comp time and time is used prior to any other available leave. The July 2025 compensatory time payout was \$66,647.

Scope

The audit period includes current supplemental pay processes and activity from fiscal years (FY) 2023-2024 through 2024-2025. Certain other matters, procedures, and transactions outside that period may be reviewed to understand and verify information during the audit period.

Objective

The objective of the audit is to evaluate the efficiency and effectiveness of the District's supplemental pay programs and processes and determine whether controls for stipends, incentive pay, extra duty pay, and comp time where appropriate, comply with regulations, align with District initiatives, promote accountability, and are properly managed.

Methodology

Auditors interviewed key personnel, conducted walkthroughs, and reviewed supporting documents to understand the District's processes and controls surrounding supplemental payment programs. Detailed audit procedures are noted below:

1. Extra Duty Pay: To determine if the District effectively manages extra duty pay in conformance with applicable laws, policies, regulations, and best practices, auditors conducted the following:
 - Obtained a supplemental earnings report queried by Educational Technology showing timecard entries and payments made for extra duty pay for July 1, 2024, through March 31, 2025, and performed the following:
 - Verified extra duty elements used were listed and approved in the 2024-2025 Comp Handbook, where applicable.
 - Verified rates paid were aligned with the rates documented in Comp Handbook.
 - Verified element configuration and usage, along with rates paid, were in accordance with federal requirements based on exemption status.
 - Analyzed extra duty time entry data for unusual or inappropriate activity, excessive hours, and extra duty hours worked during normal working hours.
 - Analyzed time clock detail to identify anomalies or unsupported extra duty pay and assess appropriateness of manual time entries.

See Recommendations 1, 2, 3 and 4 in this report.

- Reviewed Oracle logic for configuration of activity codes and elements and obtained a listing of activity codes on April 14, 2025, for active codes with end dates on or after July 1, 2023, and verified the following:
 - Activity codes start and end dates were within the applicable time period.
 - Activity codes were linked to the correct accounting codes.
 - There was no missing key or critical information.
 - The appropriate restrictions were configured (i.e., max hours, time restrictions, location restrictions, etc.).

See Recommendations 2 and 3 in this report.

- Compared budget to actual extra duty costs.

No observations were noted.

2. Stipends and Incentives: To determine if the District effectively manages stipends and incentives in conformance with applicable policies, regulations, and best practices, auditors performed the following:

- Obtained a supplemental earnings report queried by Educational Technology for stipends and incentives paid from September 1, 2023, through May 31, 2025, and compared the 2023-2024 and 2024-2025 Comp Handbook to verify stipends and incentives paid were listed and approved in the Comp Handbook.
- Reviewed eligibility requirements outlined in the Comp Handbook and the processes and controls surrounding verifying eligibility.
- To verify processes and controls were effective, auditors used the supplemental earnings report above and filtered for incentives paid from September 1, 2023, through August 31, 2024, noting 25 incentive elements were paid. Auditors selected 17 elements in total, from two categories including 15 critical shortage hiring incentives and two Districtwide retention incentives, and performed the following:
 - Verified payments made were aligned with amounts approved in the Comp Handbook.
 - Verified employees paid were active at the time of payment and met eligibility criteria as outlined in the Comp Handbook.
 - Reviewed funding sources for the incentives were allowable.

No observations were noted.

3. Comp Time: To determine if the District effectively manages comp time in conformance with applicable laws, policies, regulations, and best practices, auditors performed the following:

- Obtained the DISD Audit Compensatory Time Balances Report from Oracle as of July 1, 2025, for biweekly employees and monthly employees and reviewed beginning, accrual, and ending balances to identify any instances where comp time exceeded allowable limits.
- Obtained the PTO Balance Report from Oracle as of April 14, 2025, and compared to comp time report used in the step above to verify if comp time balances were utilized prior to other PTO balances.
- Obtained 2024 and 2025 comp time payouts and compared to ending balance to verify employees with accruals over allowable hours were accurately paid.

No observations were noted.

Primary criteria used for this audit were:

- 1) Code of Federal Regulations, Title 29 Labor, September 29, 2025
- 2) TEA, Financial Accountability System Resource Guide (FASRG), Update 14, Module 1: Financial Accounting and Reporting, 2010
- 3) District 2025-2026 Compensation Resource Book, June 3, 2025 and prior editions
- 4) District Oracle EBS Payroll Manual, June 30, 2025
- 5) District Payroll's "How to set up an activity Code in Oracle," 2025
- 6) Texas Education Code (TEC) §11 School Districts: §11.1513 Employment Policy, June 2025; §11.1511 Specific Powers and Duties of Board, September 2021

- 7) TEC §44 Fiscal Management: §44.002 Preparation of Budget, May 1995; §44.006. Effect of Adopted Budget; Amendments, May 1995

District board policies as follows:

- 8) DEA (Regulation) - Compensation and Benefits: Compensation Plan - date issued: February 6, 2025
- 9) DEC (Regulation) - Compensation and Benefits: Leaves and Absences - date issued: October 29, 2025
- 10) DEAB (Legal) - Compensation Plan: Wage and Hour Laws - date issued: June 16, 2025
- 11) DEAB (Regulation) - Compensation Plan: Wage and Hour Laws - date issued: May 12, 2025

Audit Observations and Recommendations

Observation 1 – Manual timekeeping processes.

Condition

Auditors reviewed timekeeping processes related to supplemental and compensatory time noting some procedures are highly manual, which contributes to variations in how campuses and departments complete these activities. Specific conditions include:

- The absence form in Laserfiche is not integrated with Oracle. This form is electronically completed by employees requesting to use accrued comp time and other paid time off (PTO) leave types, and to make adjustments to the timecard prior to payroll. Once submitted the request is routed to the employee's manager for approval and then routed to the timekeeper. The timekeeper must then manually enter each comp time, PTO, and time adjustment request directly to the timecard in Oracle.
- The "Overtime/Comp Time/Supplemental Request" form in Oracle self-service is also not integrated with the Oracle Timecard. This form is electronically completed by employees requesting pre-approval to work overtime, comp time, and extra duty assignments. Once submitted the request is routed in Oracle to the employee's manager for approval; however, Oracle does not route an approved request to the timekeeper, so it must be provided directly by the supervisor. The timekeeper reconciles the pre-approval with overtime worked and may manually convert overtime to comp time on the Oracle timecard, if comp time is selected. The electronic pre-approval is not uploaded or retained in Oracle.
- Auditors noted that some campuses and departments continue to utilize paper-based forms over electronic forms in Laserfiche and Oracle. Forms are often printed from the payroll website and stored locally, including older versions, while some departments have created their own versions. These paper-based forms often require the timekeeper to manually obtain physical signatures from employees and supervisors. Additionally, not all employee groups routinely access a computer or district systems in their roles (e.g., maintenance, grounds, transportation, and other operational roles), necessitating the use of paper-based forms.

Cause

The conditions stem from legacy systems and varied operational practices. Guidance from the Payroll Manual, states "Every department or campus will decide if the forms should be submitted by paper or electronically. All staff members must follow the process decided by their administrators to avoid using both formats." Laserfiche Attendance forms are described as optional.

Effect

The combination of legacy systems, manual processes, and lack of real time validation increases the potential for unintended errors, delays, and inconsistencies in timekeeping, leave management, and record retention. Staff must devote considerable time manually entering, correcting, and reconciling data, creating inefficiencies across the process.

Recommendation 1

Payroll Services in partnership with Educational Technology should make efforts to automate and streamline timekeeping activities to reduce manual timekeeping efforts and improve consistency. The following potential solutions should be considered:

1. Integrate and expand the use of Laserfiche
 - Integrate Laserfiche attendance and leave requests to the Oracle timecard for validation and to avoid manual intervention.
 - Transfer the “Overtime/Comp Time/Supplemental Request” form to Laserfiche and integrate with the Oracle Timecard.
 - Automate the conversion of overtime to comp time after the option is selected, approved by the supervisor, and employee works the hours.
 - Route Laserfiche attendance corrections to the supervisor’s approval and integrate corrections to the timecard once approved.
 - Automate exception handling by implementing built-in prompts, correction workflows, and attachable documentation (where needed) within Oracle.
2. Strengthen, Standardize, and Communicate Timekeeping Processes and Requirements
 - Update guidance outlining required timekeeping practices, approved forms, and step by step procedures for submitting leave, working comp time, overtime, and supplemental approval requests.
 - Utilize Laserfiche as the digital hub for employees and supervisors to access forms.
 - Continue to provide recurring training for employees that explain the correct use of forms, workflows and system expectations.
 - Encourage consistent use of district’s electronic systems to reduce reliance on paper. Offer opportunities to access Laserfiche on mobile devices and tablets.

Risk Level for Observation 1: Low¹

Management Response

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management Response: Payroll is working with the Educational Technology team on a system solution that will allow the Laserfiche forms to sync into the employees timecard in Oracle once it has been reviewed and approved by the supervisor. The Payroll Department believes this will

¹ See Attachment 1 for Definition of Risk Level.

minimize the number of correction forms being submitted to the payroll team for manual adjustments. Payroll will also work with Educational Technology on the overtime/comp time/supple request form that is housed in the employee self service area and find a way to route to office manager/timekeeper after its been approved. Payroll have reached out to the Training team and asked them to provide additional training. Payroll will discuss the processes that they should take on their end and encourage yearly training, just to ensure they are up to date.

Estimated Implementation Date: January 2028

Individuals responsible for implementation: Payroll, Educational Technology

Observation 2 – Use of extra duty elements may not always be consistent with the Comp Handbook.

Condition

Auditors analyzed and tested extra duty pay data from July 1, 2024, through March 31, 2025, and noted several situations where extra duty activities were used in ways that were not consistent with the instructions in the District's Compensation Handbook. Specific issues include:

- Extra duty activities designed for exempt staff were used by non-exempt employees
Auditors noted instances where non-exempt employees were assigned to extra duty activities intended for exempt employees and paid at a flat rate. Flat rate activities do not automatically calculate overtime for non-exempt employees. For example, the before and after school extra duty type was assigned 2,524 times to non-exempt employees during the period reviewed. For this element the Comp Handbook states the rate is \$25/hour and that support employees should be coded to secondary pay source because overtime guidelines apply.
- Instances of extra duty worked during normal scheduled work hours²
 - Auditors noted non-exempt employees were paid \$372,597 for 15,820 extra duty activity hours coded to the biometric time clock, during what appear to be normal working hours. For these instances, employees were paid a set flat hourly rate or flat amount, determined by the activity code used for their total shift, without the consideration of overtime.
 - Auditors noted 56,785 extra duty hours where exempt employees recorded biometric time coded to an extra duty activity during their normal working hours. These instances have an additional payroll cost associated as exempt employees would have been paid their salaried rate as well as the extra duty flat rate associated with the element code used. The extra duty pay associated with these instances was \$1,595,145.

² Note: the hours were derived from time entries, which had bio clock support and were based on the individual's normal hours documented in Oracle. Manually added time entries could not be validated as there is no biometric clock in and out time support for specific time worked, only the number of hours. Additionally, there were some exceptions where employees did not have normal working hours documented in Oracle or the normal hours documented had errors/were excessively long. SPS and Emergency Call out Codes were excluded because they are paid at the employee's hourly rate until OT hours are accrued.

Cause

The above issues can be attributed to the manual timekeeping and payroll processes, as hundreds of individual timekeepers are responsible for managing complex payroll decisions with limited guidance or oversight. More specific aspects that have led to the above issues include:

- Timekeepers are not consistently reviewing to the Comp Handbook or reaching out for guidance regarding the use of the SPS element for extra duty activities that are being completed by non-exempt employees.
- Timekeepers are responsible for creating activity codes without system enforced restrictions or other compensating controls related to exemption status, scheduled working hours, or biometric clock locations.
- Oracle allows system controls such as time restrictions, system validations, and field checks during activity code set up; however, these configurations have not been implemented.
- The primary control surrounding timekeeping is reliance on timekeepers to review for accuracy and appropriateness; however, this control is not effective given the scale of time entries.

Effect

The issues noted above make it difficult for the District to ensure that extra duty is consistently applied in accordance with the compensation Handbook. Without system controls or restrictions extra duty elements and activity codes could be used in ways that do not match their intended purpose. Relying on manual judgement to determine appropriate extra duty activity usage for staff increases the likelihood that overtime requirements for non-exempt employees may not be fully captured, and exempt employees may be paid additional extra duty pay while not completing their normal scheduled work hours. The district may incur avoidable payroll costs or lose visibility into whether time is coded appropriately. Collectively, the issues noted above have a potential impact on the ability to properly manage payroll costs.

Recommendation 2

Payroll Services should review the scale of instances of supplemental payments within normal business hours as well as potentially incorrect or non-compliant supplemental pay and determine if any actions are necessary to correct past payments. To address the issues going forward, the District should consider the following:

1. Implement System Controls in Oracle to prevent Incorrect Use
 - Configure activity codes in Oracle with system enforced restrictions based on employee exemption status (e.g., exempt vs. non-exempt).
 - Continue to record and update the normal working hours for employees annually in Oracle, and implement verification checks to identify unusual or missing inputs.
 - Implement time-based restrictions to prevent use during normal working hours.
 - Use location-based restrictions to limit use to appropriate campuses/ departments, when applicable.
2. Utilize Technology for Ongoing Monitoring of Extra Duty (i.e. APEX solution)
 - Explore the use of automated reporting showing total extra duty hours and pay by department, element, activity code, object, and employee type.
 - Create recurring process-based exception reports that compare extra duty usage to defined parameters in the Comp Handbook and districtwide guidance (i.e. extra duty during normal hours, exempt vs non-exempt eligibility).

- Develop recurring analytics to identify consistent patterns.
 - Set up alerts and exception reporting to automatically notify appropriate reviewers, timekeepers, and supervisors when non-compliance is detected.
3. Continue to Provide Training and Guidance to Timekeepers
- Outline standardized practices for Timekeepers to follow when creating, managing, and monitoring extra duty activity codes.
 - Provide a simplified checklist for timekeepers that outlines key steps when creating new activity codes.
 - Provide targeted training on appropriate steps to create and distribute extra duty activity codes, emphasizing usage distinctions by exempt and non-exempt employees, and overtime implications to address common mistakes.
 - Issue reminders for timekeepers to update employees' normal working hours periodically.

Risk Level for Observation 2: Low³

Management Response

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management Response: Payroll has reached out to the Educational Technology team for help in knowing which behind the scenes tables needed additional coding. Educational Technology was able to help Payroll find the many different behind the scenes tables and they have been updated since. Educational Technology assisted Payroll with adding additional restrictions to ensure that non-exempt employees cannot be coded with exempt pay elements. Payroll has also inserted hourly rates on most of the supplemental pay elements. This way the rate automatically pops up when the pay element is captured by the system. As mention on previous observation, the Training team has been contacted, and they will be assisting with providing extra training. Payroll will also send reminders to the principals/approvers about reviewing their employees normal working hours for each employee.

Estimated Implementation Date: The restrictions were added between April 7, 2026 thru April 30, 2026.

Individuals responsible for implementation: Payroll and Educational Technology worked on these changes.

Observation 3 – Timecard entries for extra duty payments are inconsistently applied.

Condition

Per review of all extra duty timecard data for both exempt and non-exempt employees during the audit period, auditors noted 56,849 out 214,254 extra duty timecard entries (26%) lacked biometric clock support (either no clock in and clock out, or clock in with no clock out). This

³ See Attachment 1 for Definition of Risk Level.

occurred across 36 of 40 extra duty pay elements, spanning a range of activities. Auditors recognize that certain extra duty activities may be performed offsite or in locations where biometric clocks are not readily available. However, there are currently no standardized processes and procedures for when it is allowable to not have biometric clock support or documentation requirements to support and validate extra duty time worked in these situations.

While some departments have developed processes to support extra duty time worked when biometric clock is not available, they are often manual and lack the ability to effectively reconcile time. For example, per review of extra duty pay for athletic events, time entries often did not have biometric clock support. The current process allows employees to submit paper time forms that document the duties worked, hours worked, and the hourly pay rate. The timekeeper then manually creates time entries based on this information with no process to reconcile activities, eligibility, or validate rates against the Comp Handbook.

For the athletic events element specifically, auditors noted 15,236 of 17,872 (85%) time entries, totaling \$1,245,945 did not include a complete biometric clock in and/or clock out and therefore required manually adjusted hours and/or rates. When no clock in exists, the entire time entry is manually created without activity code data attached to the entry, limiting the ability to tie the payment to the Comp Handbook or verify rate accuracy. For instances where there is a clock in but no clock out, the timekeeper must still manually adjust the hours; however, the activity code is populated allowing activities and rates to be tied to the handbook.

As noted above, when manual time entries are made, it can be difficult to verify information is accurate and there are limited checks and balances to validate hours are reasonable, accurate and pay rates are aligned with approved rates. Per review of extra duty payment data, auditors noted the following additional issues:

- Instances of incomplete hours
 - Auditors noted 2,818 time entries where an employee clocked in but did not clock out and no adjustment was made to correct the hours for the time worked. When there is no clock out, the time worked defaults to 0.100 hours and the timekeeper is instructed to make a manual adjustment to the time entry to enter the correct hours worked. In these instances, employees are paid for the 0.100 hours. Employees who are not paid for hours worked would complete a payroll correction form, requiring additional manual entries.
- Instances of inconsistent or incorrect pay rates
 - Auditors noted 297 time entries, totaling 907 hours, were paid with rates not documented in the Compensation Handbook.
 - Auditors noted instances where the same employee was paid varying hourly rates for the same extra duty activity. For example, an employee was paid varying rates of \$10, \$15, and \$25 for the Before and After School element. Auditors noted the element is linked in Oracle and the Comp Handbook to a \$25 flat rate; however, a manual adjustment was made by the timekeeper using the incorrect rates.
- Instances of additional hours worked and paid – For the month of January 2025, auditors combined the total of regular and extra duty hours worked per day, grouped the data by employee and date, and noted instances where hours worked and paid appeared unusually high. For example, two bus drivers each worked 18.9 hours beginning in the early morning hours on January 7, clocked during the morning hours of January 8, and then immediately clocked back in at the same time to work an additional 8 hours that day. Management detected and took corrective action in one instance and audit informed management of the other to

initiate a correction.

Cause

Timekeeping systems and processes have not been configured to enforce controls that ensure extra duty time accurately reflects time worked, align with approved pay rates, and is reasonable given normal work schedules. While manual time adjustments are sometimes necessary to correct missing biometric clock data, the process is not completed through an automated workflow.

Effect

Limitations in system-enforced controls, automated workflow approvals, and system monitoring reduce assurance that extra duty payments accurately reflect time worked and approved pay rates. As a result, the District faces increased exposure to inaccurate payments potentially leading to financial loss, monitoring challenges that increase administrative burden and reliance on timekeepers to manually review and adjust time entries, and limited oversight by manually reviewing high volumes of time entries, a process prone to error and inconsistency.

Recommendation 3

To reduce reliance on manual time entry and improve assurance that extra duty payments reflect time worked and approved rates, Payroll Services in collaboration with Educational Technology should standardize and automate extra duty timekeeping processes where applicable, including:

1. Implement Standardized Extra Duty Timekeeping Requirements
 - Continue requiring biometric clock usage for extra duty hours where feasible.
 - Define and document specific circumstances where biometric clocks are not required.
 - Where biometric clocks are unavailable for extra duty activities (i.e. offsite tutoring or event supervision, emergency call out), consider implementing secure alternatives such as time-stamped digital forms with supervisor validation (i.e. Laserfiche) or system enabled time tracking
 - Route all manual or non-biometric time entries through an approval workflow to the employee's manager, with required documentation and justification. Include automated prompts for missing biometric data and flag entries for review based on risk indicators (e.g., additional hours, inconsistent rates, missed punches).
 - For non-biometric time entries implement standardized digital documentation including the date, hours worked, activity performed, pay rate, check-in verification, and supervisor approval of hours.
2. Restrict and Control Manual Timecard Adjustments
 - As referenced in Observation 1, automate time and attendance corrections via Laserfiche to the timecard, decreasing reliance on manual corrections.
 - Configure system permissions to restrict the ability to manually create time entries or adjust timecards from hundreds of general timekeepers, while limiting access to a predefined group in accordance with the principle of least privilege.
 - Configure Oracle to automatically populate extra duty pay rates to the timecard based on approved rates established in the Compensation Handbook.

3. Implement Monitoring and Analysis

- As referenced in Observation 2, use technology (i.e. APEX) for departments to monitor timekeeping and extra duty hours, including manual entries and missed biometric clock in/ out.

Risk Level for Observation 3: Low⁴

Management Response

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management Response: Payroll agrees with the additional work that is being recommended. Right now, the district does not have a system that can tackle all these requirements suggested. All transactions require a clock in and some a clock out. While the employee may forget and or has issues with their fingerprints, the process is for them to complete an absence or supplemental form through Laserfiche to document that time. The forms are signed by the employee, routed to the supervisor for review and approval, then to their office manager/timekeeper for manual entry purposes. During the office manager training, Payroll asks them to remind their staff of the importance of clocking in/out and will continue to utilize this process with periodic reminders. Since that will ensure payment on time to the employee and not result in delays or duplicative or extra work. Payroll is working with the Educational Technology team to have Laserfiche forms synced into Oracle timecards. Payroll also reached out to Educational Technology for assistance in creating an APEX alert report that will capture all supplemental pay transactions that only capture .10 hours due to no clock out. The alert will go out to approvers and their timekeepers once a month for monthly and every other Monday for biweekly. This process change should assist the office managers/timekeepers in ensuring hours are correct and that the employee is paid correctly. Since the district has several sites that are not DISD property, they may not have a bio clock, but payroll and HCM are working with Educational Technology to determine the best solution for these employees clock in/out to be captured. Payroll is working and will continue to work with Educational Technology on finding ways and solutions to help avoid manual entries. At this time, that is the process to which all office managers/timekeepers are adhered.

Estimated Implementation Date: Educational Technology ticket was submitted on April 9, 2026 requesting to create APEX report that will go out to all approvers/office managers/timekeepers.

Individuals responsible for implementation: This request is pending on the Educational Technology side.

⁴ See Attachment 1 for Definition of Risk Level.

Observation 4 – Emergency call-out pay lacks a documented process, sufficient controls, and oversight.

Condition

Audit review of extra duty pay data showed that emergency call-out pay exceeded \$1,000,000 in payments from July 1, 2024, through March 31, 2025. This code is paid at time-and-a-half rates and provides a guaranteed minimum of three hours of pay, regardless of the actual time worked or whether 40 hours were worked in the week. This practice is not formally documented in the Comp Handbook since this is not a system practice and only used in select departments and instances.

Management indicated the 3-hour payout minimum is intended to incentivize employees to respond to unplanned and irregular work demands. Auditors acknowledge the operational need for flexibility. However, emergency call-out pay presents additional risk due to its premium rate and minimum pay structure. Auditors performed additional data analysis and identified instances that warrant clearer guidance and monitoring, including instances of employees using the emergency call-out code multiple times in one day.

While some of these instances may be valid, the absence of clearly defined eligibility criteria, usage conditions, and documentation standards limit the ability to fully assess the accuracy, reasonableness and appropriateness of emergency call out payments.

Cause

Emergency call out pay practices developed over time to address operational needs but have not been formalized through districtwide process guidance or system-enforced controls. While Maintenance and Facilities (MFS) primarily use this pay type, clear eligibility criteria, usage conditions, and documentation requirements have not been established. Additionally, current system configurations allow for broad use of the emergency call out code without automated validations or usage restrictions, resulting on reliance on manual review and local judgement to manage a premium pay type.

Effect

While there is an organizational need for a pay structure that supports emergency call outs, without documented districtwide guidance, system controls, and consistent monitoring, the District has limited visibility into how emergency call out time is applied, and payments align to operational intent. This increases the risk of inconsistent application, avoidable payroll costs, and challenges in demonstrating compliance with internal compensation practices.

Recommendation 4

To support the appropriate use of emergency call-out, strengthen transparency and consistency, and maintain operational flexibility; MFS, Compensation, and Payroll, should collaborate and consider the following enhancements using existing systems and processes:

1. Configure Activity Code Controls
 - Request configuration of Oracle activity code controls for emergency call out to:
 - Enforce maximum hours per use or per day to align with operational needs.

- Restrict time of day usage, where appropriate, to prevent use during normal scheduled work hours.
 - Prevent or flag multiple uses of the emergency call out code in a single day without approval.
 - Ensure controls are consistently applied in departments that utilize emergency call out activity codes.
2. Develop Formalized Processes, and Usage Parameters
- Define and document emergency call out processes and procedures, including eligibility criteria, premium rate structure, minimum guaranteed hours, qualifying events, and usage conditions in the Comp Handbook.
 - Distinguish emergency call out from other extra duty types to clarify when each is appropriate.
 - Establish minimum and consistent documentation expectations to support emergency call out entries.
3. Enhance Tracking, Monitoring and Oversight
- Maintain separate activity codes to better track and control the different uses of emergency call-out, as circumstances of emergencies vary.
 - Establish routine exception reporting to identify:
 - Use during regular working hours,
 - Multiple uses in a day,
 - Instances of minimal clock in and out time.
 - Assign responsibility in user departments for reviewing flagged entries and resolving identified time issues.

Risk Level for Observation 4: Medium⁵

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Payroll Management Response: Payroll will work with Operations team to help ensure that any additional restrictions on the CALL EMER pay element are created and if they need any reports, that we will work with Educational Technology to help create them in APEX.

Estimated Implementation Date: September 2026

Individuals responsible for implementation: Payroll, Operations, HCM

Maintenance and Facility Services Management Response:

The Emergency call-out element was created to support the response of Maintenance and Facility Services (MFS) after normal work hours. The element defaults to an overtime rate and a minimum of three hours. The purpose behind this is to ensure that any emergency is responded to within 24 hours and that any emergency has a limited impact on the instructional day. MFS has used

⁵ See Attachment 1 for Definition of Risk Level.

this element in order to operate its After-Hours Call response and to prepare for weather events proactively. The element is also used when essential personnel are called in during holidays.

MFS agrees that developing internal protocols and increasing oversight would be beneficial for monitoring the use of the emergency call-out pay element. MFS has implemented internal protocols and checkpoints to ensure that the use of the emergency call-out follows the approval process and that the correct supplemental pay code is being used. In addition to biweekly payroll approval procedures, MFS currently completes quarterly internal payroll audits to verify that the approval paperwork is up to date and aligned.

► MFS has implemented the following protocols since these audit findings were shared with the department:

- Self-Initiated Quarterly Payroll Audits
 - The Internal Operations Panel randomly selects employees for review with the timekeeper and timecard approver
 - This process includes a review of the After-Hours Duty Log, Timecard Detail Report, and Approval Forms.
- After-Hours Callout Standard Operating Procedures
 - All MFS Senior Staff were copied on the Dallas ISD Dispatch to the After-Hours Duty Manager email, along with the details of the call for assistance

► MFS has implemented the following additional protocols as of January 1, 2026:

- Requirement of a Senior Staff member as Approver for all elements that include Emergency call-out
- After-Hours Callout Log emailed on the Thursday that Biweekly Payroll ends to all Timecard Approvers. This will allow approvers to verify each use of the element.
- Specific naming convention for each Emergency call-out code created. Specifically, naming/describing the code when used for non-after-hours responses. For example, Freeze Protection and/or Freeze Response
- Memo issued to all staff regarding the procedures for Emergency call-outs
- Summary of Conference issued to individuals identified as recurring "Forgot to Clock Out."
- Review of Emergency call-out usage added to MFS Quarterly Internal Payroll Audit
- For Emergency call-out usage during holidays, a specific code will be created describing the reason for the work (e.g., Thanksgiving Break)

► MFS will implement the protocols listed below, with implementation dates, based on the results of this internal audit.

- MFS will work with Payroll Services to establish system safeguards within Oracle, specifically related to Emergency call-out code creation and usage. The safeguards will include a review of the following
 - By 07/31/2026- Limit the use of the emergency call-out code to specific organizations and job titles
 - By 07/31/2026- Create a weekly email alert to all timekeepers and timecard approvers, listing employees who clocked in and out (0.1 hours or less) at any given time during the week

Estimated Implementation Date: Both items above will be implemented by July 31, 2026

Individuals responsible for implementation: Assistant Superintendent, Maintenance and Facility Services; and Executive Director, Maintenance and Facility Services

Conclusion

In conclusion, while the District has established foundational policies for supplemental pay, the audit revealed opportunities to improve operational effectiveness, efficiency, compliance, and fiscal oversight. Addressing the identified issues through automation and system controls will reduce risk, enhance transparency, and ensure supplemental pay practices support strategic and operational objectives.

We would like to thank Payroll Business Services, Compensation, and Educational Technology for their cooperation and assistance with this audit.

The audit was conducted in accordance with the Institute of Internal Auditors' *Global Internal Audit Standards*. Those standards require OIA to plan and perform the audit to obtain sufficient, reliable, and relevant evidence to provide a reasonable basis for our observations and conclusions based on our audit objectives. OIA believes the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

Respectfully submitted,

Robert Rubel

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Chief Internal Audit Officer

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Acknowledgments:

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Michael Pascuzzi, CIA, Auditor II
Bill Warner, CPA CIA, Auditor II

Definition of Risk Level

Risk Level	Definition
High	These risks could directly impact the achievement of critical strategic or operational objectives of the District. There is a high likelihood of occurrence, and if the event materializes, it could result in a significant negative impact on the District's financial stability, operational efficiency, ability to meet intended outcomes, reputation, or compliance, potentially exceeding the District's risk appetite.
Medium	These risks pose a moderate likelihood of occurrence and could have a notable adverse impact on important operational aspects of the District. While undesirable, the potential financial, reputational, strategic or compliance consequences are less severe than high-level risks and may approach the District's risk appetite.
Low	These risks have a low likelihood of occurrence and are expected to have a minimal impact on the District's operational efficiency, financial standing, reputation, or compliance. These risks are generally within the District's risk appetite but still warrant monitoring and may require basic controls.

Management Response

Observation 1 – Manual timekeeping processes.

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management Response: Payroll is working with the Educational Technology team on a system solution that will allow the Laserfiche forms to sync into the employees timecard in Oracle once it has been reviewed and approved by the supervisor. The Payroll Department believes this will minimize the number of correction forms being submitted to the payroll team for manual adjustments. Payroll will also work with Educational Technology on the overtime/comp time/supple request form that is housed in the employee self service area and find a way to route to office manager/timekeeper after its been approved. Payroll have reached out to the Training team and asked them to provide additional training. Payroll will discuss the processes that they should take on their end and encourage yearly training, just to ensure they are up to date.

Estimated Implementation Date: January 2028

Individuals responsible for implementation: Payroll, Educational Technology

Observation 2 – Use of extra duty elements may not always be consistent with the Comp Handbook.

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management Response: Payroll has reached out to the Educational Technology team for help in knowing which behind the scenes tables needed additional coding. Educational Technology was able to help Payroll find the many different behind the scenes tables and they have been updated since. Educational Technology assisted Payroll with adding additional restrictions to ensure that non-exempt employees cannot be coded with exempt pay elements. Payroll has also inserted hourly rates on most of the supplemental pay elements. This way the rate automatically pops up when the pay element is captured by the system. As mention on previous observation, the Training team has been contacted, and they will be assisting with providing extra training. Payroll will also send reminders to the principals/approvers about reviewing their employees normal working hours for each employee.

Estimated Implementation Date: The restrictions were added between April 7, 2026 thru April 30, 2026.

Individuals responsible for implementation: Payroll and Educational Technology worked on these changes.

Observation 3 – Timecard entries for extra duty payments are inconsistently applied.

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Management Response: Payroll agrees with the additional work that is being recommended. Right now, the district does not have a system that can tackle all these requirements suggested. All transactions require a clock in and some a clock out. While the employee may forget and or has issues with their fingerprints, the process is for them to complete an absence or supplemental form through Laserfiche to document that time. The forms are signed by the employee, routed to the supervisor for review and approval, then to their office manager/timekeeper for manual entry purposes. During the office manager training, Payroll asks them to remind their staff of the importance of clocking in/out and will continue to utilize this process with periodic reminders. Since that will ensure payment on time to the employee and not result in delays or duplicative or extra work. Payroll is working with the Educational Technology team to have Laserfiche forms synced into Oracle timecards. Payroll also reached out to Educational Technology for assistance in creating an APEX alert report that will capture all supplemental pay transactions that only capture .10 hours due to no clock out. The alert will go out to approvers and their timekeepers once a month for monthly and every other Monday for biweekly. This process change should assist the office managers/timekeepers in ensuring hours are correct and that the employee is paid correctly. Since the district has several sites that are not DISD property, they may not have a bio clock, but payroll and HCM are working with Educational Technology to determine the best solution for these employees clock in/out to be captured. Payroll is working and will continue to work with Educational Technology on finding ways and solutions to help avoid manual entries. At this time, that is the process to which all office managers/timekeepers are adhered.

Estimated Implementation Date: Education Technology ticket was submitted on April 9, 2026 requesting to create APEX report that will go out to all approvers/office managers/timekeepers.

Individuals responsible for implementation: This request is pending on the Educational Technology side.

Observation 4 – Emergency call-out pay lacks a documented process, sufficient controls, and oversight.

Acknowledgement of observation:

- ☒ Agree
☐ Disagree

Payroll Management Response: Payroll will work with Operations team to help ensure that any additional restrictions on the CALL EMER pay element are created and if they need any reports, that we will work with Educational Technology to help create them in APEX.

Estimated Implementation Date: September 2026

Individuals responsible for implementation: Payroll, Operations, HCM

Maintenance and Facility Services Management Response:

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MFS agrees that developing internal protocols and increasing oversight would be beneficial for monitoring the use of the emergency call-out pay element. MFS has implemented internal protocols and checkpoints to ensure that the use of the emergency call-out follows the approval process and that the correct supplemental pay code is being used. In addition to biweekly payroll approval procedures, MFS currently completes quarterly internal payroll audits to verify that the approval paperwork is up to date and aligned.

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Estimated Implementation Date: Both items above will be implemented by July 31, 2026

Individuals responsible for implementation: Assistant Superintendent, Maintenance and Facility Services; and Executive Director, Maintenance and Facility Services

Criteria by Observation

Observation 1, 2, 3, and 4 – Criteria

Powerschool.com, Streamlining School District Payroll, 2023
TASB.org, Using HRIS Effectively, 2016

- According to best practices from Texas Association of School Board Members (TASB), PowerSchool, and Payroll.org, to reduce risk of noncompliance, minimize time and labor resources, improve data accuracy and security, and reduce costs, large school districts should automate payroll and HR functions with a focus on integration of systems, robust audit trails, and streamlined, paperless processes to reduce manual effort and improve efficiency. Key criteria include selecting appropriate technology, centralizing employee data, configuring policies correctly, conducting regular audits, and ensuring data security and confidentiality.

District Oracle EBS Payroll Manual, June 30, 2025

- *DISD Board Policy DEAB* (APPENDIX C. DISD POLICY DEAB (REGULATION)) requires approval of all overtime hours *BEFORE* the hours are worked stating, “Supervisors of nonexempt employees shall ensure an agreement or understanding with the employees regarding the form of compensation for overtime (cash or compensatory time off) prior to the performance of the work occasioning the overtime duty. These agreements or understandings need to be in writing, the employee should be using the Employee Self-Service Responsibility and supervisor should maintain a record of them, such as a calendar notation, a memo to the file, or some similar indication that the employee was notified of the type of compensation to expect.”

Observation 1,2, and 3 – Criteria

TEA, FASRG, Update 14, Module 1: Financial Accounting and Reporting, 2010

- The following are suggested internal controls by section:
 - Section 1.5.4.7 Employee Compensation
 - (1) Segregation of responsibilities for supervision and time-keeping functions from personnel, payroll processing, disbursement and general ledger functions.
 - (9) Maintaining appropriate payroll records for accumulated employee benefits (vacation, pension data, etc.).
 - (11) Written personnel policies.
 - (16) Timekeeping and attendance records and procedures.
 - (17) Review for completeness and approval of timecards or other time reports by the employee’s supervisor.
 - (20) Procedures for authorizing, approving and recording vacations, holidays and sick leave, and approving and controlling compensatory time.
 - (26) Review for reasonableness of comparisons (reconciliations) of gross pay of current to prior-period payrolls by a knowledgeable person not otherwise involved in payroll processing.

- (46) Adequate account coding procedures for classification of employee compensation and benefit costs so that such costs are recorded in the proper general ledger account.
- Section 1.5.4.8 Information Technology
 - (6) Having the user exercise control procedures over input to ensure that all approved input is processed correctly through the system and only once.
 - (13) Controls over data entry, for example, that include adequate supervision, up-to-date instructions, key verification of important fields and self-checking digits
 - (15) Editing and validation of input data.

Observation 2, 3, and 4 – Criteria

Code of Federal Regulations, Title 29, Labor, September 29, 2025

- § 553.30 (a) Section 7(p)(2) of the FLSA provides that where State or local government employees, solely at their option, work occasionally or sporadically on a part-time basis for the same public agency in a different capacity from their regular employment, the hours worked in the different jobs shall not be combined for the purpose of determining overtime liability under the Act.

District 2025-2026 Compensation Resource Book, June 3, 2025

- The Superintendent of Schools shall propose a compensation plan for all district personnel. The compensation plan for the upcoming school year will be reflected in the budget approved by the Board of Trustees and the administration shall be responsible for developing procedures and guidelines for proper implementation of the Board approved compensation plan.
- Supplemental duties should take place outside of an employee's normal work hours or calendar days and should be considered voluntary, infrequent and distinctly different from the employee's normal job description. Non-exempt employees should not receive supplemental pay outside of the exceptions outlined in this guide.
- It is the responsibility of the campus or department to notify the Compensation Department when all extra duties have been performed and to ensure overtime guidelines for non-exempt employees have been followed.
- Extra Duty Pay: Active employees who perform certain duties outside of their normal contract responsibilities throughout the course of the school year are eligible for additional earnings outlined in the Supplemental Earnings Handbook, called extra duty pay. Performance is considered helpful, yet not mandatory and earnings are disbursed upon completion of the requested duties. Non-exempt employees may receive extra duty pay, however, utilizing non-exempt employees for extra duty should be limited and carefully monitored as overtime rates may apply and must be followed accordingly (supplemental pay should not be used as an alternative to overtime payment for non-exempt employees when overtime payment should be paid). SPS should be utilized to compensate non-exempt employees for extra duty.
- Secondary Pay Source (SPS): This is an element code that should be used to pay a biweekly and or monthly support employee who works extra duty hours paid from a different funding source. This element code is designed to look at the support employee's work hours in a workweek, then determine if any hours in that work week/pay period should be paid at the time and a half rate.

District Oracle EBS Payroll Manual, June 30, 2025

- All district employees are required to use the biometric clock. All non-exempt employees are required to clock in and out. Exempt employees are required to clock in but are not required to clock out.
- Time & Attendance is used to clock in and out when performing regular work duties. This function is used regardless of whether the employee is earning regular pay wages or overtime wages.
- Supplemental Pay is used to clock in and out when working “extra duty” outside of their regular duties. To use this function, the timekeeper must create an activity code in Oracle using the Biometric Supplemental Setup, then issue the code to the employee. The employee enters the activity code to clock in. To view the board-approved compensation supplemental rate, please refer to the Compensation Handbook.
- Supplemental Pay is also used to sign in when using a secondary pay source for regular work activities.
- The pre-punch feature is available for non-exempt employees who wish to clock in before their regular start time.
- The 16-Hour Rule states that 16 hours after an employee clocks in, the web or biometric clocks will reset, allowing the employee to clock without having to clock out. It does not apply to non-exempt employees because if they do not sign out at the end of their workday, the timecard will reflect 0 hours.

District Payroll's “How to set up an activity Code in Oracle,” 2025

- Supplemental pay that is paid on an hourly rate is set up as an “activity” for tracking by the biometric clock. Employees receiving pay for “extra duty” will clock in at the beginning of the extra duty assignment and clock out at the end of the extra duty assignment. All employees, including teachers, must clock in and out for regular reoccurring extra duty assignments such as after school care or tutoring.
- The timekeeper for the campus or department will set up an activity code in the payroll system. This code is given to all employees working the extra duty assignment. The employees will clock into Supplemental Pay on the biometric clock. The clock will prompt the employee for an activity code. The employee types in the activity code given by the timekeeper. The activity code is set up in the payroll system but used on the biometric clock.

DEA (Regulation) - Compensation and Benefits: Compensation Plan - date issued: February 6, 2025

- The district publishes a Compensation Resource Book which consists of the Compensation Guidelines, the Salary Handbook, and the Supplemental Earnings Handbook and may be accessed through the District's website.
- Nonexempt employees are eligible for overtime payments. Overtime is paid for hours worked in excess of 40 hours in a workweek. Overtime pay is calculated by multiplying the hours worked in excess of 40 hours, times 1.5 of the base hourly rate of pay.
- Overtime must be documented through the electronic timekeeping system. An employee must clock in and clock out. The employee must also complete the overtime form.
- Preapproval for Overtime - Overtime should be authorized in advance by the supervisor. When the department anticipates the need for overtime to complete the work, the supervisor must notify their next level supervisor in advance and obtain approval prior to allowing the employee to work hours that extend beyond the employee's 40-hour scheduled workweek. The supervisor will notify the employee that

- overtime has been approved. An employee must complete the overtime form, and the supervisor must approve the form before the employee engages in the overtime work.
- Overtime for Extenuating Circumstances - Due to extenuating circumstances, overtime work may be required without prior approval. Whenever possible, a supervisor will give advance notice to employees. An employee who refuses to work overtime may be subject to disciplinary action. Under extenuating circumstances, as determined by the department, an employee may be verbally authorized to work overtime. Once the overtime work is complete, an employee must complete the overtime form, and the supervisor must approve the form.
 - Unauthorized Overtime - An employee who works unauthorized overtime must be compensated for the time even though the time was not authorized by the supervisor. When the overtime is unauthorized, the employee's supervisor must complete the Notice of Violation for Unauthorized Overtime form. The supervisor must provide the employee a copy of the signed form and discuss the violation with the employee. Employees who engage in unauthorized overtime work and fail to follow the policy guidelines for overtime will be subject to disciplinary action. Supervisors who fail to properly manage overtime and who fail to follow the policy guidelines for overtime will be subject to disciplinary action.

Glossary of Utilized Information Systems and Terms

Activity Code – These are codes used as a primary means of keeping track of and compensating employees for all scheduled extra duty activities. Each of these codes is unique and is created by the timekeeper.

APEX Payroll Portal – An internal web-based reporting portal developed using Oracle Application Express, allowing authorized users to generate, view, and export a variety of payroll reports sourced from Oracle.

Biometric Time Clock – digital touchscreen system located at every Dallas ISD location that recognizes employees' fingerprints to record clock-in and clock-out times, track attendance, and enter supplemental pay. All Dallas ISD employees are required to have their fingerprints imaged and recorded to use the biometric clock.

Element – refers to a code used to categorize and process authorized payroll transactions, including supplemental payments. These codes are what associate the classification, type of supplemental earning, and rate of pay to the Compensation Handbook.

Laserfiche – A web-based document management system that allows users to create, manage, store, and route electronic forms for approval. This includes the Attendance Report Form, which is required when an employee's timecard needs to be adjusted for paid time off and missed clock ins.

Oracle EBS – an Enterprise Business System used to perform administrative duties, such as coding absences, converting overtime to compensatory time, creating activity codes, approving timecards, generating reports, and processing supplemental pay.

ServiceNow – A work order ticketing application used by Maintenance and Operations to track the status and completion of maintenance and operation projects.

Secondary Pay Source (SPS) – An element code used to pay a non-exempt employee who works extra duty hours paid from a different funding source. The code automatically applies the employee's time and a half rate when the employee works more than 40 hours in the work week.

Timecard – a payroll table in Oracle that stores biometric time data and hours. Biometric time is updated on the timecard nightly and monitored by timekeepers for errors. Timekeepers make adjustments prior to payroll to the timecard for absences, missed time entries, and paid time off per approved Laserfiche Attendance Forms.