

**VOLUME 8, CHAPTER 1: “INTRODUCTION AND OVERALL REQUIREMENTS”****SUMMARY OF MAJOR CHANGES**

Changes are identified in this table and also denoted by [blue font](#).

Substantive revisions are denoted by an asterisk (\*) symbol preceding the section, paragraph, table, or figure that includes the revision.

Unless otherwise noted, chapters referenced are contained in this volume.

Hyperlinks are denoted by [\*\*\*bold, italic, blue and underlined font\*\*\*](#).

The previous version dated [October 2021](#) is archived.

<b>PARAGRAPH</b>	<b>EXPLANATION OF CHANGE/REVISION</b>	<b>PURPOSE</b>
All	Updated hyperlinks, references, and formatting to comply with current administrative instructions and 508 compliance.	Revision
3.1.2	Updated references for the Electronic Funds Transfer for Federal Civilian Salary Payments.	Revision
References	Revised “References” section.	Revision

Table of Contents

VOLUME 8, CHAPTER 1: “INTRODUCTION AND OVERALL REQUIREMENTS” 1

- 1.0 GENERAL..... 3
  - 1.1 Purpose ..... 3
  - 1.2 Authoritative Guidance ..... 3
  - 1.3. Additional Guidance ..... 3
- 2.0 OVERALL REQUIREMENTS..... 4
  - 2.1 Overview ..... 4
  - 2.2 Funds Control..... 5
  - 2.3 Requirements..... 6
- 3.0 ELECTRONIC FUNDS TRANSFER (EFT) FOR FEDERAL CIVILIAN SALARY PAYMENTS..... 8
  - \*3.1 General..... 8
  - 3.2. Reimbursement of Financial Institution Charges..... 10
  - 3.3. Reporting Requirements..... 10
  - 3.4. Payments Other Than EFT..... 10
- 4.0 ESTABLISHMENT AND CONTROL OF EMPLOYEES' PAY RECORDS..... 10
  - 4.1. Use of the SSN for Identification..... 10
  - 4.2. Individual Employee Pay Records ..... 11
  - 4.3. Payroll Substantiating Document File..... 12
  - 4.4. Document Control ..... 12
  - 4.5. Personnel Actions..... 13
  - 4.6. Payroll Controls..... 13
  - 4.7. Reconciliation With the HRO ..... 15
- \*REFERENCES ..... 17

## CHAPTER 1

### INTRODUCTION AND OVERALL REQUIREMENTS

#### 1.0 GENERAL

#### 1.1 Purpose

This chapter prescribes the principles, objectives, and related requirements for DoD employee pay operations and systems. The regulations provided in this chapter apply to payments made by the Defense Civilian Pay System (DCPS) to employees who are paid from appropriated, revolving, or trust funds. The Under Secretary of Defense (Comptroller)/Chief Financial Officer has determined DCPS is DoD's only approved standard payroll system. These requirements apply to the processes related to computing payments, leave, deductions, and maintaining records for permanent, temporary, full-time, part-time, irregular, and special category employees.

#### 1.2 Authoritative Guidance

The authority of DoD to establish payroll procedures is derived from Title 5, United States Code (U.S.C.), [Chapters 53](#), [55](#), and [81](#). Other responsibilities, duties, and liabilities are established under 31 U.S.C., sections [3527](#), [3528](#), [3529](#), and [3541](#). Due to the subject matter in the chapter, the list of authoritative sources is extensive. The specific statutes, regulations, and other applicable guidance that govern each section are listed in a reference section at the end of this chapter.

#### 1.3 Additional Guidance

Additional guidance referenced in this volume includes, but is not limited to, the following:

1.3.1. [Title 5, Code of Federal Regulations \(CFR\)](#). Final rules pertaining to civilian pay operations are typically published in Title 5 of the CFR. Title 5 may be updated by interim changes published in the [Federal Register](#) (FR). Both publications must be read together to determine the latest version of any rule.

1.3.2. [FR](#). The FR is the official journal of the Federal Government that makes publically available all government agency rules, proposed rules, and public notices. The FR is published daily, except on Federal holidays. The final rules posted by a Federal agency and published in the FR are then organized by topic or subject matter and codified in the CFR. See [1 CFR, part 2](#).

1.3.3. [Executive Order](#). An executive order is an order or regulation issued by the President in order to implement, interpret, or give effect to a Federal law, treaty or provision of the Constitution. To have the effect of law, an executive order must be published in the FR.

1.3.4. Public Laws. After the President signs a bill into law, it is delivered to the Office of the FR where it is assigned a public law number. The public laws are compiled, indexed and published in the United States Statutes at Large, the permanent bound volume of the laws for each session of Congress.

1.3.5. DoD Instruction (DoDI) 1400.25. The DoDI 1400.25, Civilian Personnel Management, is comprised of several volumes. The purpose of the Instruction is to establish and implement policy, establish uniform procedures, provide guidelines, provide model programs, delegate authority, and assign responsibilities regarding civilian personnel management within the DoD.

1.3.6. Policy and Guidance From the Office of Personnel Management (OPM). OPM provides guidance to other agencies on pay and leave administration policies and programs. OPM maintains pay tables for General Schedule employees, manages the Federal Wage System, and develops and provides government-wide regulations and policies on other pay and leave authorities. Each agency is responsible for complying with the law and regulations and following OPM's policies and guidance to administer pay policies and programs for its own employees. OPM issues policies and guidance in the following publications:

1.3.6.1. Benefits Administrative Letters (BALs) provide guidance to agencies on various aspects of benefits administration;

1.3.6.2. Handbooks provide information on various topics pertaining to employee pay, leave, and work schedules; and

1.3.6.3. Memoranda are provided by the Chief Human Capital Officers Council (CHCOC), a forum of senior agency management officials who support OPM. The CHCOC memoranda are issued to agencies to advise and coordinate on matters such as legislation affecting human resources operations and organizations.

## 2.0 OVERALL REQUIREMENTS

### 2.1 Overview

2.1.1. The Defense Finance and Accounting Service (DFAS) is responsible for maintaining system requirements in compliance with all applicable laws and regulations, guidance issued by OPM, the Department of the Treasury (Treasury), the Department of State, the Department of Labor, and taxing authorities (federal, state, and/or local).

2.1.1.1. Any approved unique payroll system must be integrated or interfaced with other applicable systems, such as DCPS, general ledger systems, or installation-level general accounting systems.

2.1.1.2. The Director, DFAS must approve continued operation of any such unique payroll system.

2.1.2. DoD payroll operations and systems must meet the following objectives:

2.1.2.1. Make timely and accurate payments to employees entitled to be paid, in compliance with appropriate statutes and regulations, with consideration being given to all authorized deductions from gross pay;

2.1.2.2. Account for and disposition of all authorized deductions from gross pay;

2.1.2.3. Control, retention, and disposition of all payroll related documents;

2.1.2.4. Prepare adequate and reliable payroll records to support managerial responsibilities;

2.1.2.5. Plan, prepare, execute, and review the budget;

2.1.2.6. Prepare required internal and external reporting;

2.1.2.7. Support effective communication between employing activities and employees on payroll matters in addition to timely, accurate, and responsive customer service action to resolve payroll related inquiries from employees;

2.1.2.8. Control all phases of processing pay, leave, entitlements, and allowances;

2.1.2.9. Interface the payroll function with general ledger, cost accounting, and personnel functions, with provisions for reconciling common data elements in DCPS and these interrelated systems;

2.1.2.10. Provide capability to query current, historical, and/or archived data;

2.1.2.11. Provide audit trails to permit the tracing of transactions through DCPS;

2.1.2.12. Comply with accounting system development criteria specified in Volume 1;

2.1.2.13. Comply with internal control requirements, including data security and prevention of data disclosure, as specified in Volume 1; and

2.1.2.14. Comply with DoD direction to standardize data elements to promote cross-functionality and integration efforts.

## 2.2 Funds Control

2.2.1. Funds used to pay DoD employees are appropriated by Congress and apportioned to the Department by the Office of Management and Budget. At least monthly, an estimate of obligations must be made for the payroll. As the payments are made, estimates must be adjusted to reflect actual payment data.

2.2.2. DCPS must be integrated, or interfaced with, and support the accounting systems. DCPS must consist of detailed accounts and records that are kept as a subsidiary to, or support for, controlling or summary accounts in the general ledger of the accounting systems. DCPS must produce required obligation and accrual data needed by accounting systems.

## 2.3 Requirements

The Director, DFAS, is responsible for the overall planning and general direction of the pay, leave, and allowance functions along with system requirements. This responsibility necessitates that adequate written procedures are established and implemented, that all personnel are adequately trained in their functions, and that sufficient internal controls are installed and management oversight is established and implemented to ensure compliance with DCPS objectives. See [DoD Directive 5118.05](#). The Director, DFAS must also ensure that DCPS meets legal criteria and the following requirements.

### 2.3.1. Payroll procedures must be:

2.3.1.1. Clearly written and be in accordance with applicable laws, regulations, and legal decisions;

2.3.1.2. Amended to reflect changes in applicable laws, regulations, and legal decisions;

2.3.1.3. As uniform as possible throughout DoD;

2.3.1.4. Distributed to payroll staff and be available to individual employees as needed to ensure efficient and effective operations; and

2.3.1.5. Reflective of clear assignments of responsibility, delegation of authority, and separation of duties for personnel who compute the payroll, certify payments, record payroll data in the accounts, distribute pay, review payroll transactions, and develop, test and maintain supporting computer systems.

### 2.3.2. Personnel engaged in pay, leave, and allowance activities must:

2.3.2.1. Be adequately trained and kept informed about the requirements of laws, regulations, and legal decisions;

2.3.2.2. Be adequately supervised to help prevent any unauthorized, fraudulent, or other irregular act;

2.3.2.3. Perform operations effectively, efficiently, and economically in accordance with laws, regulations, and legal decisions;

2.3.2.4. Review the operations, including internal controls, on an ongoing basis to ensure such performance; and

2.3.2.5. Identify and resolve inconsistencies in information submitted, processed, and reported during the various payroll cycles.

2.3.3. DCPS must be integrated or interfaced with:

2.3.3.1. Personnel systems to obtain current information on which to process pay entitlements, leave, and allowances. Timely information is needed to minimize the possibility of fraud, waste, and mismanagement and maximize the accuracy of employee payments;

2.3.3.2. The general ledger systems to provide information to prepare various financial statements;

2.3.3.3. Cost accounting systems to distribute and charge payroll labor cost data to appropriations, jobs, projects, programs, and departments. This also helps in properly evaluating operations and management; and to support budget formulation and execution; and

2.3.3.4. Other financial management systems to meet reporting and management objectives.

2.3.4. The interfaces discussed in subparagraph 2.3.3 must be used to assist in timely reconciliation of data elements and discrepancies noted between systems.

2.3.5. Transactions recorded in the pay, leave, and allowance records must be adequately supported by properly authorized documents.

2.3.6. Continuity of Operations Plans and associated procedures will be established and maintained to back-up data properly in the event of power failure, equipment malfunction, terrorist threat, natural disasters, or other hazards.

2.3.7. External audits and internal examinations of payroll operations must be made by persons not engaged in those operations to determine whether such operations are efficient, effective, economical, and are in accordance with laws, regulations, and legal decisions.

2.3.8. The frequency with which payrolls must be prepared has considerable bearing upon the cost of carrying out the payroll functions. So that payroll operations are performed without incurring undue cost, payroll must be computed on a biweekly basis, unless the law requires a different timeframe. Special payments are prohibited except as addressed in Chapter 8, paragraph 2.2. Advances of pay are covered in Chapter 3, section 9. All employees will be informed of the designated payday. Pay should be made available to the employees on the day designated as the payday. The payday lag between the close of the pay period and payday must not exceed 12 calendar days. When a payday falls on a holiday or an “in lieu of” holiday, the payday will be on the first preceding business day.

## 2.4 Privacy Act Requirements

2.4.1. Privacy Act Statements. All forms used to collect personal information covered by the Privacy Act of 1974 (codified at [5 U.S.C. § 552a](#)), must have a Privacy Act statement either incorporated in the body of the document, at the top of the form, or in a separate statement accompanying each form. See [DoD 5400.11-R](#), [DoD Privacy Program](#), for information on what is included in the Privacy Act statement. A Privacy Act statement must be provided to an employee when they are required to furnish personal information such as name, date of birth, or Social Security Number (SSN) for inclusion in a system of records. See the Office of the Secretary of Defense and Joint Staff [Privacy Program](#) or the [Defense Privacy, Civil Liberties, and Transparency Division](#) for the Privacy Act system of records for information pertaining to DCPS.

2.4.2. Access and Accountability. Refer to DoD 5400.11-R for guidance on employee access to records in accordance with the Privacy Act. Agencies responsible for maintaining Privacy Act information must maintain records of information released and process requests for correction of records in accordance with the DoD 5400.11-R.

## 3.0 ELECTRONIC FUNDS TRANSFER (EFT) FOR FEDERAL CIVILIAN SALARY PAYMENTS

### 3.1 General

3.1.1. Authority. All Federal payments must be made by EFT, with the exception of tax refunds. See [31 U.S.C. § 3332](#) and corresponding regulations published by Treasury, Financial Management Service at [31 CFR 208](#).

\*3.1.2. Policy. The [Treasury Financial Manual, Part 4A, section 2040](#) requires participation in EFT unless a waiver applies. The policy covers all categories of DoD personnel including civilians, military, military retirees, non-appropriated fund (NAF) personnel, and annuitants. See Volume 5, Chapter 7, subparagraph 2.4.1.

3.1.3. Agency Responsibilities. An agency must put into place procedures that allow recipients to provide the information necessary for the delivery of payments to the recipient by EFT to an account at the recipient's financial institution. See 31 CFR 208.7.

3.1.3.1. The Director, DFAS, in conjunction with the Office of the Deputy Chief Financial Officer, must:

3.1.3.1.1. Publish EFT payment policy and implementation procedures for payment of all DoD civilian personnel;

3.1.3.1.2. Coordinate the presentation of issues and proposed exceptions in DoD's mandatory EFT policy to Treasury for approval;

3.1.3.1.3. Prepare appropriate reports for submission to Treasury;

3.1.3.1.4. Provide quarterly reports that reflect the level of EFT participation to DoD and non-DoD agencies serviced by DFAS (hereinafter referred to as “serviced agencies”); and

3.1.3.1.5. Furnish a report of employees paid by DFAS, who do not participate in EFT, to employing agencies at the end of each quarter.

3.1.3.2. DoD Component Personnel Directors must:

3.1.3.2.1. Ensure all employees are informed of the conditions under which participation in the EFT program is required, and

3.1.3.2.2. Promote EFT enrollment by providing a report containing a list of employees that are not enrolled in EFT to the employing activity after the end of each fiscal year quarter.

3.1.3.2.3. Directors or Commanders of all DoD Activities must:

3.1.3.2.3.1. Ensure that all personnel are made aware of, and comply with, the mandatory EFT provisions;

3.1.3.2.3.2. Monitor EFT participation;

3.1.3.2.3.3. Ensure that waivers for all eligible employees are on file;

3.1.3.2.3.4. Ensure reimbursements are made to employees who incur charges due to the government's failure to accurately and timely deposit pay in their EFT accounts; and

3.1.3.2.3.5. Provide information for reporting purposes to DFAS sites when so requested including NAF personnel.

#### 3.1.4. Waivers

3.1.4.1. Authorized Waivers. Payment by EFT is not required in all cases and may be waived under certain circumstances. See 31 CFR 208.4.

3.1.4.2. Waiver Submission. An employee who requests a waiver must provide Treasury with a certification supporting that request, in such form that the Treasury may prescribe. The employee must attest to the certification before a notary public or otherwise file the certification in such form that Treasury may prescribe. See 31 CFR 208.4.

### 3.2. Reimbursement of Financial Institution Charges

Charges by financial institutions resulting from erroneous information provided by the individual or the financial institution to the civilian payroll office (PRO) are not the liability of the government and will not be reimbursed. Reimbursement is authorized and limited to overdraft charges or minimum balance or average balance charges levied by the financial institution because of an administrative or mechanical error on the part of the government that causes pay to be deposited late, or in an incorrect manner or amount. See [10 U.S.C. § 1594](#).

### 3.3. Reporting Requirements

Each quarter, the PROs will provide EFT participation and non-participation reports to the serviced agencies for managing EFT participation. See Chapter 9, subparagraph 3.4.6.

### 3.4. Payments Other Than EFT

3.4.1. The disbursing officer mails checks to the non-work address provided by the employee. On an exception basis, checks may be delivered to designated agents in the employing offices for delivery to the employees at the work locations.

3.4.2. In those situations when delivery of paychecks to individuals by designated agents is authorized, persons designated to deliver these paychecks must not participate in the following activities: preparing, approving, or certifying vouchers and personnel action documents; maintaining the payroll; time and attendance (T&A) records; and leave records. Each employee must be known by, or identified by, the person who delivers the employee's paycheck. Checks not delivered within the time specified by the disbursing officer must be returned to the disbursing or issuing officer. All checks must be kept in a safe or locked fireproof cabinet, pending distribution to the employee or return to the disbursing or issuing officer. See Volume 5, Chapter 7.

3.4.3. If, under extraordinary circumstances, payments must be made in cash, then employees must properly identify themselves and must acknowledge payment by signing a receipt form when payments are received. Requiring receipts in advance of actual cash payments are prohibited. All payments must be made only by persons who have been authorized to perform disbursing functions and who are not part of the pay computation process. See Volume 5, Chapter 9, section 4.

## 4.0 ESTABLISHMENT AND CONTROL OF EMPLOYEES' PAY RECORDS

### 4.1. Use of the SSN for Identification

4.1.1. The SSN will be used to identify all employees paid by DFAS.

4.1.2. The SSN has nine digits, with hyphens as separators before the fourth and sixth digits. The Social Security Administration (SSA) does not issue SSNs containing alpha characters. Therefore, adding a prefix or suffix is not authorized for reporting purposes. Only the nine digits are used in internal computer processing; however, the hyphens may or may not be printed on output documents.

4.1.3. Employees who do not have and are not eligible to obtain a SSN from the SSA are issued an [Individual Taxpayer Identification Number \(ITIN\)](#).

4.1.4. Civilians who are concurrently employed in more than one position must use the same identifier (SSN or ITIN) across every position. Person identifier data will support the capability to correct and update a person's identity information. See [DoDI 1444.02, Volume 1, Data Submission Requirements for DoD Personnel: Appropriated Fund Civilians](#).

## 4.2. Individual Employee Pay Records

4.2.1. Each employee must have an individual pay record maintained as part of the master pay record. Except in the case of multiple appointments, only one pay record must be active at any given time for each authorized position. If more than one pay record is maintained, then the rationale must be thoroughly documented and an audit trail maintained. Sufficient information on active pay records must be retained or be accessible at the servicing PRO to facilitate manual input, payment, and/or performance of other required administrative functions.

4.2.2. The pay record must contain all transaction information related to payments and deductions with an audit trail to the authorizing source document, subject-to paragraph 4.5. The pay record must contain information on rates of pay pertaining to:

4.2.2.1. All earnings separately identified by type (e.g., overtime, night differential, or danger pay);

4.2.2.2. All deductions separately identified by type (e.g., charity, union, Federal Employees Health Benefits (FEHB), Federal Employees' Group Life Insurance (FEGLI), income taxes, payroll taxes, or retirement);

4.2.2.3. Subject-to amounts for computation of applicable deductions (e.g., subject-to income taxes, subject-to payroll taxes, subject-to Thrift Savings Plan (TSP), or subject-to retirement);

4.2.2.4. All government contribution amounts separately identified by type (e.g., FEHB, basic FEGLI, or TSP matching); and

4.2.2.5. Gross and net pay amounts.

4.2.3. The pay records must be supported by T&A, leave records, and personnel records. T&A records contain all hours for a pay period based on the effective work schedule. All hours worked (regular and premium) and leave taken (paid and unpaid) are used in the computation of pay.

Leave records include annual, sick, and any other leave earned, taken, lost, forfeited, restored, or advanced, including appropriate unused leave balances. The pay record must contain other information, such as year-to-date and quarter-to-date totals, as necessary, for computing pay and preparing reports.

4.2.4. Year-to-date information must be maintained for the current and prior pay years. Disposition of pay records must be in accordance with the National Archives and Records Administration ([NARA](#)), [General Records Schedule \(GRS\) 2.4: Employee Compensation and Benefits Records](#).

#### 4.3. Payroll Substantiating Document File

4.3.1. With a centralized civilian payroll function, separate document files are required and maintained for each employee. The servicing PRO must maintain those documents applicable to the PRO functions and responsibilities. The Customer Service Representative (CSR)/employing activity must maintain those documents applicable to CSR responsibilities.

4.3.2. All source documents that substantiate the employee's entitlement to compensation, leave, benefits, and authorizations or support deductions, whether maintained in hardcopy or electronic format, must be safeguarded from improper, unauthorized access or use. Disposition of payroll related documents, whether maintained by the PRO or the CSR, must be in accordance with the NARA, GRS 2.4. Each agency may establish a specific document retention policy, however, the policy must not impose a lesser retention requirement than the NARA requirements.

4.3.3. Other records incidental to the payroll process, such as employee requests for tax withholding, TSP deductions, savings bond records, and other records not pertaining to individuals, but rather to the general administration of the PRO and the payroll function, are addressed in the NARA, GRS 2.4. Employee separation records are addressed in the [NARA, GRS 2.5: Employee Separation Records](#).

4.3.4. All source documents must be readily available for research. The disposition of active and inactive files must be in accordance with NARA, GRS 2.4 for current employees and the NARA, GRS 2.5 in the case of separated employees.

4.3.5. All documents, manual and electronic, must be protected in accordance with Privacy Act requirements.

#### 4.4. Document Control

Retention sites control source documents in order to ensure timely processing of payroll documents, auditing, and reconciling individual pay accounts. Local document control procedures may be used as long as appropriate control and access are maintained

#### 4.5. Personnel Actions

4.5.1. DCPS is integrated or interfaced with the personnel system used by the employee's agency. DCPS must use the information authorized by the personnel system as the basis for pay, leave entitlements, and some deduction calculations.

4.5.2. Source documentation for actions originating with the Human Resources Office (HRO) must be maintained by the servicing HRO. For those instances where the systems do not permit interface of the actions, the servicing HRO must provide the servicing PRO a hardcopy or electronic copy of the document, which also must be maintained by the servicing PRO.

#### 4.6. Payroll Controls

Appropriate controls must be established for all payroll functions.

4.6.1. The controls must ensure the timely, correct, complete, accurate, and properly authorized processing of payroll documents, which include, but are not limited to, the following:

4.6.1.1. Corrections and Adjustments. An authorized official must approve in writing or through electronic signature (made by entering designated codes into an automated system under safeguards to prevent unauthorized use) corrections and other adjustments to data in official records, as follows:

4.6.1.1.1. Records of all changes made after records have been approved or certified must be generated and maintained,

4.6.1.1.2. Manual corrections to documents made after the documents have been approved or certified must be made in a way that does not obliterate the original entries. Corrections must be approved by a designated authorizing official, and

4.6.1.1.3. Automated system changes to data must be made in such a way that an audit trail is maintained to show or provide a reference to documents which show the original and new data and the authorization for the change. Such changes may be made only based on properly approved documents authorizing the changes.

4.6.1.2. Separation of Duties. Separation of duties refers to the PRO and system development personnel. In order to minimize opportunities for unauthorized, fraudulent, or otherwise irregular acts, the following list of payroll duties must be separated to ensure that no one person performs all phases of a transaction without the possibility of intervention or review by some other person or persons:

4.6.1.2.1. Certification of payments;

4.6.1.2.2. Payroll computation;

4.6.1.2.3. Recording of data to the employee's payroll account;

- 4.6.1.2.4. Distribution of pay;
- 4.6.1.2.5. Review of payroll transactions;
- 4.6.1.2.6. Automated system development;
- 4.6.1.2.7. System testing;
- 4.6.1.2.8. System implementation; and
- 4.6.1.2.9. System maintenance.

4.6.1.3. Access Restrictions. The following access must be restricted to authorized personnel:

- 4.6.1.3.1. Personnel, payroll, and disbursement records or data files;
- 4.6.1.3.2. Forms used in authorizing special entitlements, allowances, and pay rates; and
- 4.6.1.3.3. Payroll processing equipment and related software.

4.6.1.4. Employee Access. Employees must not maintain or service their own payroll and/or personnel records. This internal control must be incorporated into security system software that governs access to DCPS records. Employees may provide authorizing source documentation to the servicing CSR or input data using an electronic self-service application. Types of employee transactions maintained by the CSR or input by the employee through such an application are:

- 4.6.1.4.1 Distribution of net pay election and voluntary allotments;
- 4.6.1.4.2. Routine deductions, such as withholding elections for federal, state, and local tax purposes; and
- 4.6.1.4.3. T&A as provided for in Chapter 2.

4.6.1.5. CSR Access. Examples of transactions that the servicing CSRs have access to are:

- 4.6.1.5.1. Authorizations for charity contributions;
- 4.6.1.5.2. Authorizations for employee organization dues withholding;
- 4.6.1.5.3. Leave transferred-in for a new employee based on the employee's latest Leave and Earnings Statement; and

4.6.1.5.4. Restored annual leave.

4.6.1.6. Computerized Access. To detect inappropriate data at the earliest time and to the extent practical, data entered into DCPS must be subjected to computerized edits at the time of entry.

4.6.2. Controls that help ensure that computerized payroll operations process transactions and produce reports accurately include but are not limited to the following techniques:

4.6.2.1. Employing generally accepted testing procedures for computer programs and changes to programs prior to placing them in the production/operation environment. Testing procedures must include testing the various data elements and computational procedures as needed to ensure that all are operating as intended;

4.6.2.2. Certifying acceptance of software changes by the DCPS acceptance team;

4.6.2.3. Performing periodic preventive maintenance on hardware, noting and promptly resolving problems;

4.6.2.4. Including the following techniques in the tests performed:

4.6.2.4.1. Ensure that the most current personnel data is available for verification and pay computations;

4.6.2.4.2. Use proper security authorization protocol by all authorized system users;

4.6.2.4.3. Accept data entry from authorized sources only;

4.6.2.4.4. Verify data entry using batch control procedures, when applicable and

4.6.2.4.5. Provide system-generated research tools useful in the resolution of any detected anomalies.

4.6.2.5. Providing audit trails for the detection and systematic correction of errors by enabling the system to trace or replicate transactions (including system-generated transactions) from the source to the resulting record or report and from the record or report back to the source.

#### 4.7. Reconciliation [With the HRO](#)

The PROs must ensure that payroll data is complete and accurate. DCPS and the HRO must each perform a reconciliation of employee records to ensure that shared data matches.

4.7.1. Reconciliation of common data (for example, work schedule, salary, and date of birth) between the human resources system and DCPS must be accomplished at least every 4 months. The

servicing HRO reviews the reconciliation and annotates any mismatches. The servicing HRO resolves mismatches where possible and provides supporting documentation to the servicing PRO for resolution in the cases of payroll record errors. The servicing PRO must ensure thorough reviews of and necessary corrections to the DCPS database. The servicing PRO must accomplish the payroll portion of the reconciliation within 10 workdays after receipt of the annotated reconciliation documentation from the servicing HRO. The servicing PRO must maintain historic records to ensure timely compliance with this reconciliation requirement.

4.7.2. Based on the predetermined schedule, DCPS will generate and transmit reconciliation files to the appropriate personnel system host. The schedule is established and published by the DCPS manager in conjunction with the personnel system manager.

## \*REFERENCES

## CHAPTER 1- INTRODUCTION AND OVERALL REQUIREMENTS

## 1.0 – GENERAL

1.2	Title 5, Chapter 53 Title 5, Chapter 55 Title 5, Chapter 81 31 U.S.C. § 3527 31 U.S.C. § 3528 31 U.S.C. § 3529 31 U.S.C. § 3541
1.3.1	Title 5, CFR F.R.
1.3.2	1 CFR, Part 2
1.3.5	DoDI 1400.25

## 2.0 – OVERALL REQUIREMENTS

2.3	DoD Directive 5118.05
2.4.1	5 U.S.C. § 522a DoD 5400.11-R OSD and Joint Staff Privacy Program Defense Privacy, Civil Liberties, and Transparency Division

## 3.0 – EFT FOR FEDERAL CIVILIAN SALARY PAYMENTS

3.1.1	31 U.S.C. § 3332 31 CFR 208
3.1.2	Treasury Financial Manual, Part 4A, section 2040 Volume 5, Chapter 7, subparagraph 2.4.1
3.1.3	31 CFR 208.7
3.1.4.1	31 CFR 208.4
3.1.4.2	31 CFR 208.4
3.2	10 U.S.C. § 1594
3.4	Chapter 9, subparagraph 090304
3.4.2	Volume 5, Chapter 7
3.4.3	Volume 5, Chapter 9, section 0904

## 4.0 – ESTABLISHMENT AND CONTROL OF EMPLOYEE’S PAY RECORDS

4.1.4	DoDI 1444.02, Volume 1
4.2.4	NARA, GRS 2.4
4.3.2	NARA, GRS 2.4

REFERENCES (Continued)

- 4.3.3 NARA, GRS 2.4  
NARA, GRS 2.5
- 4.3.4 NARA, GRS 2.4  
NARA, GRS 2.5