

Rocky Point Union Free School District

Overtime

AUGUST 2021



OFFICE OF THE NEW YORK STATE COMPTROLLER
Thomas P. DiNapoli, State Comptroller

Contents

- Report Highlights 1**

- Overtime 2**
 - How Should District Officials Monitor and Control Overtime? 2
 - Overtime Was Not Adequately Authorized, Monitored and Controlled. 2
 - District Officials Did Not Effectively Monitor Employee Schedules
and Workload to Minimize Overtime Costs 4
 - District Officials Did Not Adequately Monitor the Overtime Budget . . 5
 - What Do We Recommend? 6

- Appendix A – Response From District Officials 7**

- Appendix B – Audit Methodology and Standards 9**

- Appendix C – Resources and Services 10**

Report Highlights

Rocky Point Union Free School District

Audit Objective

Determine whether the Rocky Point Union Free School District (District) officials properly monitored and controlled overtime to ensure the District was not incurring unnecessary costs.

Key Findings

District officials did not adequately authorize, monitor or control overtime. As a result, the District may have incurred unnecessary costs. District officials did not:

- Adopt written policies to ensure all overtime hours were preapproved, incurred only when necessary and adequately recorded.
- Preapprove non-emergency overtime as required by District procedures.
- Adequately monitor the overtime budget to ensure that sufficient appropriations were available for overtime costs.
- Properly record all overtime costs.

Key Recommendations

- Adopt an overtime payroll policy and preapprove non-emergency overtime.
- Monitor the overtime budget.

District officials generally agreed with our findings and indicated they plan to initiate corrective action.

Background

The District is located in the Town of Brookhaven in Suffolk County.

An elected five-member Board of Education (Board) is responsible for the general management and control of financial and educational affairs.

The Superintendent of Schools (Superintendent) is the chief executive officer responsible, along with other administrative staff, for the day-to-day management under the Board's direction.

Quick Facts	
Overtime Paid to Employees During the Audit Period	\$620,948
2018-19	
Employees	800
Enrollment	3,000

Audit Period

July 1, 2017 – April 30, 2019

Overtime

The District's collective bargaining agreement (CBA) states overtime shall be paid at a rate of time and one-half of the employee's regular hourly rate for any time worked in excess of their normal work hours. Employees can elect to receive compensatory (comp) time off instead of being paid overtime. The calculation is also time and one-half of the employee's regular hourly rate. The District utilizes a fingerprint time keeping system for non-instructional employees. Employees clock in and out at the beginning and end of their shift.

How Should District Officials Monitor and Control Overtime?

While overtime pay may be an expected cost of doing business, it must be carefully monitored and controlled to help minimize costs. Written policies and procedures should address how and when overtime may be incurred, and the preapproval requirements and documentation needed to support overtime worked. Supervisors should monitor employee schedules and ensure all non-emergency overtime hours have been approved prior to employees performing overtime work. Preapproval should be obtained in all instances where overtime can be planned in advance, such as for scheduled school events. Overtime should be incurred only when circumstances arise and cannot be avoided. District officials should ensure that employees and their supervisors plan their workload to allow employees the opportunity to take scheduled breaks.

To control overtime costs, the district should have a written plan to guide the assignment of overtime hours in the most efficient and effective manner. When the factors that create overtime are analyzed, management may be able to take alternative action without using overtime. Additionally, district officials should monitor the budget to ensure that appropriations are available for overtime.

Overtime Was Not Adequately Authorized, Monitored and Controlled

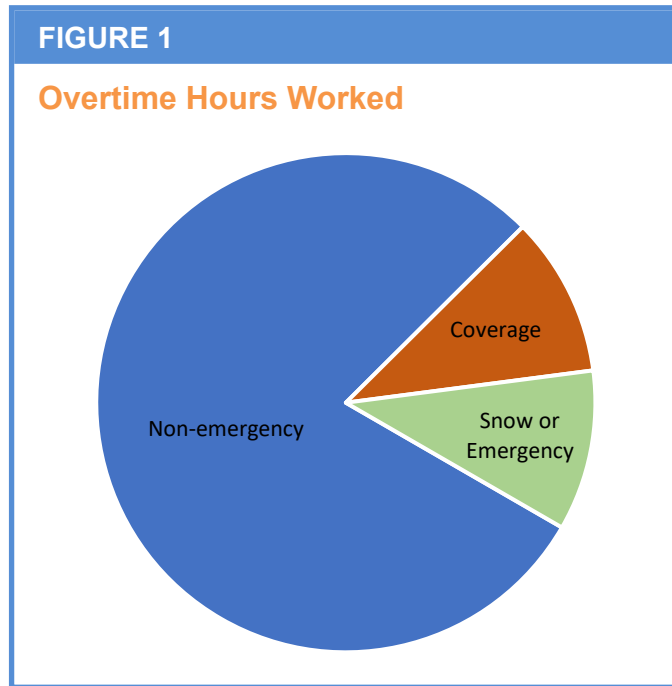
District officials did not establish a written policy to ensure that all overtime hours worked were preapproved, adequately recorded and incurred only when necessary. District procedures required that an overtime form be completed and submitted to receive payment or comp time for overtime. The form requires the Executive Director for Educational Services' and the employee's supervisor's approval prior to working non-emergency overtime. Upon completion of overtime and/or comp time worked, the employee and supervisor must sign the form certifying the overtime was worked. To validate the claim for overtime and/or comp time, the supervisor is responsible for printing the time clock record associated with the work and submitting it to the Business Office with the form. The overtime approval process also requires the supervisor to place a valid budget code with sufficient funds remaining on the form. We found District officials did not always follow the procedures outlined on the form.

Overtime should be incurred only when circumstances arise and cannot be avoided.

Employees received \$620,948 in paid overtime during the audit period. We reviewed support for 14 employees that received \$255,917 in overtime pay and comp time valued at \$22,456 during the audit period.

The cause for overtime earned by these employees was in three categories: non-emergencies, coverage when another employee was out sick or on vacation, and snow or emergencies (Figure 1).

Seventy-nine percent of overtime pay was for non-emergency work, in which the employee performed routine job duties or worked after school events and activities. If this overtime could not be avoided with schedule changes, it should have been pre-approved. Ninety-nine percent, or \$217,842, of non-emergency overtime reviewed was not pre-approved by the Director or Assistant Superintendent¹ and 93 percent, or \$205,360, was not pre-approved



by a supervisor. The employees did not certify 23 percent of the hours and a supervisor did not certify 4 percent. For example, on January 25, 2019, an employee was paid \$762 for 17 hours of overtime for working during after school activities. None of the hours were pre-approved, and 11 hours were not certified by the employee or supervisor. Further, 11 percent of the overtime was described as coverage, in which an employee covers for another employee that is out sick or on vacation. However, because the overtime descriptions did not state whether the coverage was due to unexpected sick calls or planned leave such as vacation coverage, officials cannot determine how much of the coverage should have been pre-approved or may have been avoided through schedule changes.

In addition, although the instructions on the overtime approval form state that the employee's time record should be printed and submitted with the form, for the 14 employees included in our sample, we found 13 did not submit time records with

[T]ime records were not submitted with overtime forms for 13 of the 14 employees reviewed.

¹ Overtime requiring pre-approval required two signatures. In 2017-18, it was the Executive Director and the employee's supervisor; in 2018-19, it was the Assistant Superintendent and the employee's supervisor.

their overtime forms. Although one employee submitted time records with the overtime form, the records were not submitted in a timely manner. This employee was paid between 35 and 189 days after the overtime was worked. For example, this employee worked 20 hours of overtime between August 23, 2017 and September 19, 2017 and was paid \$656 on February 28, 2018, between 162 and 189 days after the overtime was worked. The 13 employees who did not submit time records with their overtime forms were paid overtime payments in a timely manner.

When overtime is not pre-approved, and support is not submitted, reviewed and approved in a timely manner, there is a risk that an employee could be paid more than necessary. We compared overtime forms to time clock entries to determine whether hours were actually worked and found no significant exceptions.

District Officials Did Not Effectively Monitor Employee Schedules and Workload to Minimize Overtime Costs

Officials did not review work schedules and workload to ensure employees were able to take meal breaks and rest breaks in accordance with the CBA. Twelve of the 14 employees reviewed were paid overtime for 263 hours totaling \$8,952 for meal and rest breaks. These employees worked through 313 meal breaks totaling 227 hours. One employee was paid overtime, in addition to the regular pay, for working through 143 rest breaks totaling 36 hours. Another employee was paid overtime or earned comp time on 162 days but did not deduct for a meal period 161 times, the equivalent of 113 hours.

In addition, nine of the 14 employees we reviewed were full-time building and grounds employees (custodians, maintenance mechanics and groundskeepers) and security guards. Per the CBA, these employees work 7.5 hours per day, September through June. They work a compressed schedule of 8.92 hours per day, Monday through Thursday, during July and August. These nine employees earned 3,545 overtime hours totaling \$141,385 (56 percent of their overtime) for working on Saturdays and Sundays throughout the year, and Fridays in July and August. Most of the overtime hours were for routine job duties and school events. Had District officials scheduled regular hours on weekends, staggered the July and August compressed schedules, or scheduled their part time workers for these hours, they may have been able to avoid these overtime costs.

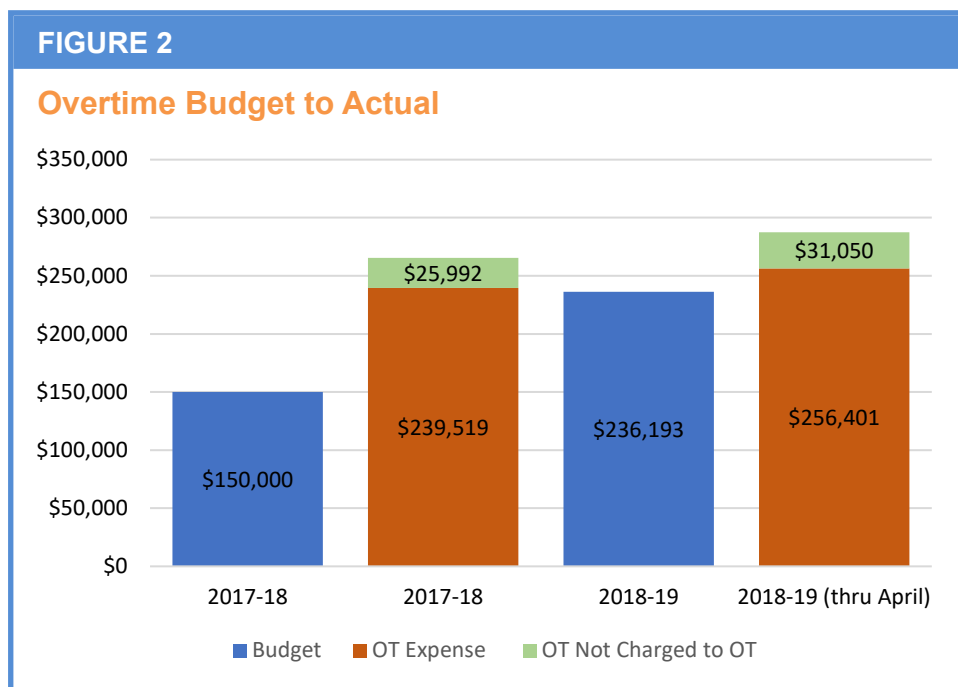
Finally, while reviewing summer overtime hours for building and grounds and security guards, we found employees generally charged 7.5 hours per day when taking leave, rather than the compressed summer hours of 8.92 hours per day. Nine employees used 111 leave days in July and August 2017 and 2018. One employee charged 8.92 hours of sick leave for one day; for the remaining 110 days, employees charged 7.50 hours, 156 hours less than scheduled hours.

[An] employee was paid overtime or earned comp time on 162 days but did not deduct for a meal period 161 times, the equivalent of 113 hours.

Because District officials did not monitor overtime costs, the District may have incurred more costs than necessary.

District Officials Did Not Adequately Monitor the Overtime Budget

District officials did not adequately monitor the overtime budget to ensure that sufficient appropriations were available for overtime costs. Building and grounds accounted for 83 percent of the \$180,750 budgeted overtime for 2017-18 and 88 percent of the \$266,943 budgeted for 2018-19. In 2017-18, building and grounds overtime exceeded the \$150,000 budget by \$89,519. After increasing the budget from \$150,000 to \$236,193 for 2018-19, the budget was overspent by \$20,208 as of April 30, 2019 (Figure 2). Furthermore, overtime was not always charged to an overtime account code. Had all overtime paid been charged to an overtime account code, the 2017-18 and 2018-19 building and grounds overtime budgets would have been exceeded by \$115,511 and \$51,258, respectively.



In addition, these budgeted amounts do not reflect when an employee earns comp time in lieu of overtime pay. District officials could not provide a report of the total overtime worked where employees requested comp time. For example, the 14 employees we examined requested 640 hours totaling \$22,456 in comp time, which was not accounted for in the budget. During the audit period, employees used 5,674 hours of comp time. The use of comp time should be monitored and may result in other employees working overtime for coverage.

Because officials did not establish a written policy relating to overtime and are not following the District procedures, they cannot be certain that the District is not incurring unnecessary overtime costs.

What Do We Recommend?

The Board should:

1. Adopt a payroll policy with clear guidelines and procedures for overtime work, including preapproval of overtime.

District officials should:

2. Ensure all non-emergency overtime is preapproved, properly documented and monitored.
3. Ensure that the overtime budget is periodically monitored.
4. Consider scheduling employees' work hours to cover non-emergency events and as substitutes for those employees whose absences are preapproved, to reduce overtime costs.
5. Review District procedures regarding employees working through their meal and rest periods.

Appendix A: Response From District Officials



ROCKY POINT UNION FREE SCHOOL DISTRICT
OFFICE OF THE SUPERINTENDENT
90 Rocky Point – Yaphank Road
Rocky Point, New York 11778

Telephone: (631) 744-1600

Fax: (631) 849-7558

Dr. Scott O'Brien
Superintendent of Schools

Christopher A. Van Cott
Assistant Superintendent for Business

July 19, 2021

Office of the State Comptroller
Attn: Ira McCracken
NYS Office Bldg., Room 3A10
250 Veterans Highway
Hauppauge, NY 11788-5533

**Re: Rocky Point UFSD: "Overtime 7/1/2017-4/30/2019"
Response Letter & Corrective Action Plan**

Dear Mr. McCracken:

The Rocky Point Union Free School District is in receipt of the N.Y.S. Comptroller's Report entitled Overtime 2021M-080 for the audit period of 7/1/2017-4/30/2019. The District accepts the findings and plans to implement the recommendations contained within. As such, please accept this letter as both our response letter and Corrective Action Plan.

Specifically, the Rocky Point UFSD will:

- **Comptroller's Recommendation: Adopt an overtime payroll policy**
 - *Action:* The District will work with Erie 1 BOCES policy writing service to develop a policy for payroll and overtime which addresses pre-approval requirements, permissible reasons, distribution and who is authorized to grant overtime.
 - *Timeline:* The Board of Education publicly reads a proposed policy twice before officially adopting it to allow for comments from the school community. The first reading of the new policy will be 8/23/21 and the second reading will be conducted on 9/20/21.
 - *Responsible Party:* Assistant Superintendent for Business.

- **Comptroller's Recommendation: Pre-approve non-emergency overtime**
 - *Action:* Although the amount of overtime referenced in the report for the audit period represents only 0.96% of total payroll and 0.35% of total expenditures for the same time period, the District understands its responsibility as a steward of taxpayer funds. As such, the District has already revised its overtime form to include clear instructions to each employee and approving supervisor. Supervisors of staff who assign overtime have been briefed on the importance of pre-approving all non-emergency overtime.
 - *Timeline:* Completed
 - *Responsible Party:* Assistant Superintendent for Business.

-
- **Comptroller’s Recommendation: Monitor the overtime budget**
 - *Action:* It is worth noting the District administered a large bond project from 2015-2019 in which custodial and security overtime was difficult to estimate. Often times the District was subject to contractor needs and facility access to complete projects on time which resulted in additional unbudgeted overtime costs. In any event, the District will actively monitor actuals vs. budgeted overtime expenses on a scheduled and routine basis. Future budgets for overtime will be adjusted accordingly.
 - *Timeline:* Effective 8/1/2021
 - *Responsible Party:* Assistant Superintendent for Business.

 - **Comptroller’s Recommendation: Employee schedule changes to potentially reduce overtime costs**
 - *Action:* The District will take this under advisement at this time. Employee work days and shifts are governed by collective bargaining agreements (CBAs) with labor unions. All CBAs have already been settled through 6/30/2025. The District’s negotiating team will add this to the list of contractual provisions for discussion.
 - *Timeline:* When negotiations commence with the non-instructional staff unit; approximately 12/1/2024.
 - *Responsible Party:* District Negotiating Team consisting of the Superintendent, Assistant Superintendent and the Assistant Superintendent for Business.

 - **Comptroller’s Recommendation: Review employee meal & rest periods.**
 - *Action:* All supervising employees have been briefed on the importance of allowing staff to take meal and rest breaks. There are instances where this cannot be avoided such as staff shortages within a specific department or providing continuity of services to students. If it is determined that an employee needs to work through lunch, the District utilizes a lunch waiver form which is signed by the employee and supervisor. For situations which tend to occur more frequently, the District will research what is causing staff to work through lunch and will seek ways to minimize these occurrences such as staggering shifts or reassigning work if possible.
 - *Timeline:* 8/1/2021
 - *Responsible Party:* Assistant Superintendent for Human Resources.

We greatly appreciate the positive feedback received from the Comptroller’s Office on district operations. The District is also thankful for the opportunity to respond to this report and the professionalism demonstrated by your audit team throughout this process.

Respectfully submitted,

Susan Y. Sullivan
President, Board of Education

cc: Board of Education Trustees
Dr. Scott O’Brien, Superintendent of Schools
Christopher A. Van Cott, Assistant Superintendent for Business

Appendix B: Audit Methodology and Standards

We conducted this audit pursuant to Article V, Section 1 of the State Constitution and the State Comptroller's authority as set forth in Article 3 of the New York State General Municipal Law. To achieve the audit objective and obtain valid audit evidence, our audit procedures included the following:

- We interviewed District officials to gain an understanding of overtime and comp time procedures.
- We reviewed all overtime/comp time forms during our audit period for 14 employees to determine whether overtime/comp time was paid/received according to District procedures. To select our sample, we totaled employees' overtime for the audit period. We then sorted it by position title from highest to lowest. We selected the people with the most overtime hours in various job titles.
- We compared the overtime/comp time forms for 14 employees to payroll records and finger scan records to determine whether overtime was properly paid and worked.
- We compared budget to actual overtime codes to overtime paid to determine whether overtime was properly accounted for.

We conducted this performance audit in accordance with GAGAS (generally accepted government auditing standards). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Unless otherwise indicated in this report, samples for testing were selected based on professional judgment, as it was not the intent to project the results onto the entire population. Where applicable, information is presented concerning the value and/or size of the relevant population and the sample selected for examination.

A written corrective action plan (CAP) that addresses the findings and recommendations in this report must be prepared and provided to our office within 90 days, pursuant to Section 35 of General Municipal Law, Section 2116-1(3) (c) of New York State Education Law and Section 170.12 of the Regulations of the Commissioner of Education. To the extent practicable, implementation of the CAP must begin by the end of the fiscal year. For more information on preparing and filing your CAP, please refer to our brochure, *Responding to an OSC Audit Report*, which you received with the draft audit report. We encourage the Board to make the CAP available for public review in the Clerk's office.

Appendix C: Resources and Services

Regional Office Directory

<https://www.osc.state.ny.us/files/local-government/pdf/regional-directory.pdf>

Cost-Saving Ideas – Resources, advice and assistance on cost-saving ideas

<https://www.osc.state.ny.us/local-government/publications>

Fiscal Stress Monitoring – Resources for local government officials experiencing fiscal problems

www.osc.state.ny.us/local-government/fiscal-monitoring

Local Government Management Guides – Series of publications that include technical information and suggested practices for local government management

<https://www.osc.state.ny.us/local-government/publications>

Planning and Budgeting Guides – Resources for developing multiyear financial, capital, strategic and other plans

www.osc.state.ny.us/local-government/resources/planning-resources

Protecting Sensitive Data and Other Local Government Assets – A non-technical cybersecurity guide for local government leaders

<https://www.osc.state.ny.us/files/local-government/publications/pdf/cyber-security-guide.pdf>

Required Reporting – Information and resources for reports and forms that are filed with the Office of the State Comptroller

www.osc.state.ny.us/local-government/required-reporting

Research Reports/Publications – Reports on major policy issues facing local governments and State policy-makers

<https://www.osc.state.ny.us/local-government/publications>

Training – Resources for local government officials on in-person and online training opportunities on a wide range of topics

www.osc.state.ny.us/local-government/academy

Contact

Office of the New York State Comptroller
Division of Local Government and School Accountability
110 State Street, 12th Floor, Albany, New York 12236

Tel: (518) 474-4037 • Fax: (518) 486-6479 • Email: localgov@osc.ny.gov

www.osc.state.ny.us/local-government

Local Government and School Accountability Help Line: (866) 321-8503

HAUPPAUGE REGIONAL OFFICE – Ira McCracken, Chief Examiner

NYS Office Building, Room 3A10 • 250 Veterans Memorial Highway • Hauppauge, New York
11788-5533

Tel (631) 952-6534 • Fax (631) 952-6530 • Email: Muni-Hauppauge@osc.state.ny.us

Serving: Nassau, Suffolk counties



Like us on Facebook at facebook.com/nyscomptroller

Follow us on Twitter [@nyscomptroller](https://twitter.com/nyscomptroller)