State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: SEE DISTRIBUTION LIST

Date: November 15, 2012

File: P3000-0400

From: WILLIAM E. LEWIS
Acting Assistant Director
Audits and Investigations

Subject: **FINAL AUDIT REPORT ON OVERTIME USE**

Attached is Audits and Investigations' final audit report on Overtime Use. Your response has been included as part of our final report.

Please provide our office with status reports on the implementation of audit finding dispositions 60-, 180-, and 360-days subsequent to the report date. If all findings have not been corrected within 360-days, please continue to provide status reports every 180- days until the audit findings are fully resolved.

We thank you and your staff for their assistance provided during this audit. If you have any questions or need additional information, please contact Laurine Bohamera, Chief, Internal Audits, at (916) 323-7107, or me at (916) 323-7122.

Attachment

c: Malcom Dougherty, Director
Richard Land, Chief Deputy Director
Cris Rojas, Deputy Director, Administration
Laurine Bohamera, Chief, Internal Audits, Audits & Investigations
Chantha Da, Internal Audits, Audits and Investigations

DISTRIBUTION LIST

LYDIA LEWIS, Chief
Division of Human Resources

DOUG KEMPSTER
Acting Deputy Director
Information Technology

JODY JONES
District Director
District 3

MICHAEL MILES
District Director
District 7

TIMOTHY GUBBINS
District Director
District 5

KARLA SUTLIFF, Acting Chief
Division of Engineering Services

LAWRENCE H. ORCUTT, Acting Chief
Division of Equipment

P3000-0400
Overtime Use
November 2012

William E. Lewis
Acting Assistant Director
Audits and Investigations
California Department of Transportation

REPORT CONTENTS

AUDIT REPORT	Page
Summary	1
Background	1
Objectives, Scope, and Methodology	2
Conclusion	3
Views of Responsible Officials	3

FINDINGS AND RECOMMENDATIONS	
Overall Condition and Criteria	4
1. Documentation of Overtime Use is not Retained as Required	5
2. No Documentation of Pre-Approvals for Non-Emergency Overtime	5
3. Approval to Exceed Maximum Overtime Hours not Obtained	6
4. No Cumulative Tracking of Overtime Hours	7
5. Overtime Logs Do Not Agree with the Approved Time Report	8

ATTACHMENTS

Division of Human Resources' Response to the Draft Report
District 3's Response to the Draft Report
District 7's Response to the Draft Report
District 5's Response to the Draft Report
Division of Information Technology's Response to the Draft Report
Division of Engineering Services' Response to the Draft Report
Division of Equipment's Response to the Draft Report

Summary

Audits and Investigations completed an audit of overtime use for the pay periods May 2008 through April 2010. We performed the audit to ensure that written policies and procedures are followed for properly administering, controlling, and documenting the use of overtime.

Our audit disclosed that the Department of Transportation's (Caltrans) established policies and internal controls for overtime use are generally adequate, except for the issues noted below:

- Documentation of Overtime Use is not Retained as Required
- No Documentation of Pre-Approvals for Non-Emergency Overtime
- Approval to Exceed Maximum Overtime Hours not Obtained
- No Cumulative Tracking of Overtime Hours
- Overtime Logs Do Not Agree with the Approved Time Report

Background

Caltrans' Deputy Directive DD-56, entitled Use of Overtime, was effective August 18, 2000 and stated the following policy:

"Use of overtime is used as necessary to accomplish planned and emergency work and includes production and development. Except in emergencies, use of overtime is to be authorized in advance. Caltrans develops and follows necessary internal controls to effectively manage the use of overtime consistent with existing laws, rules, and memoranda of understanding."

DD-56 also provides the definition of overtime as authorized time in excess of the regularly scheduled 40 hour work week, and except in emergencies, is authorized by California Code of Regulations Sections 599.700 and 599.702 in advance:

- To provide mandatory coverage or required public services.
- To perform work that, if not performed immediately, will create unsafe conditions for the public or employees, will impair the economy of the area or will cause damage to public or private property.
- To meet deadlines on planned work when regular time resources are insufficient.
- To accomplish production and development work where the use of overtime is the most efficient use of public funds or the most operationally effective use of staff.

In addition, the directive provides that overtime documentation is specific evidence demonstrating pre-approval of overtime, overtime hours worked, the reason for overtime, and the product produced as a result of overtime. Examples include: sign in / sign out logs, weekly attendance logs, overtime logs, daily diaries, and contractor's work hours.

Background (continued)

DD-56 also requires payment for overtime to adhere to the requirements of the Fair Labor Standards Act (FLSA), Memoranda of Understanding (MOU) for represented employees, and Department of Personnel Administration (DPA) policies for non-represented employees. If the provisions of the FLSA are in conflict with the provisions of an MOU or DPA policies, the FLSA provisions shall be controlling unless the MOU or DPA policies provide a greater benefit to the employee.

Caltrans' time reporting process is coordinated by the use of an on-line reporting system within Staff Central. Employee hours, including overtime, are entered and compiled into various management reports to measure, track, and accumulate employee costs. The system interfaces with the State Controller's Office to generate employee pay.

Effective December 19, 2011, which was subsequent to the audit period, DD-56, Use of Overtime, was revised and issued as DD-52-R2. Any current written overtime policies and procedures for properly administering, controlling, and documenting the use of overtime should adhere to the guidelines contained in DD-56-R2.

Objectives, Scope, and Methodology

The objectives of the audit were to determine whether written policies and procedures are followed for properly administering, controlling, and documenting the use of overtime.

The audit covered the pay periods May 2008 through April 2010. The audit focused on internal controls and procedural compliance as they related to overtime usage. The audit included tests as we considered necessary to achieve the above audit objectives.

The audit was performed in accordance with the International Standards for the Professional Practice of Internal Auditing. The scope of our audit focused on internal controls and procedural compliance as they relate to the use of overtime. The review was performed from July 2010 through January 2011. Changes after these dates were not tested, and accordingly, our conclusion does not pertain to changes arising after these dates.

Our methodology consisted of interviewing supervisors and managers in several Districts; reviewing websites and organizational charts; examining policy and procedure manuals, testing and reviewing overtime hour documentation for compliance with established policies and procedures; and performing other analytical procedures and tests as we considered necessary to achieve the audit objectives. We interviewed supervisors in Districts 3, 4, and 7, and Division of Information Technology. In addition, we interviewed supervisors of the ten highest overtime earners in each audit period on a department-wide basis.

Conclusion

Our audit disclosed that Caltrans' established policies and internal controls for overtime usage are generally adequate, except for the issues noted below:

- Documentation of Overtime Use is not Retained as Required
- No Documentation of Pre-Approvals for Non-Emergency Overtime
- Approval to Exceed Maximum Overtime Hours not Obtained
- No Cumulative Tracking of Overtime Hours
- Overtime Logs do not Agree with the Approved Time Report

Views of Responsible Officials

We requested and received a response from the District Directors for Districts 3 and 7 and the Division Chiefs for Information Technology, Engineering Services, and Equipment Service Center.

William E. Lewis
Acting Assistant Director
Audits and Investigations

August 17, 2012

FINDINGS AND RECOMMENDATIONS

Overall Condition and Criteria

Our audit determined that the Department of Transportation (Caltrans) needs to improve its compliance with established policies, procedures and internal controls for overtime use. We found that not all supervisors were following Deputy Directive DD-56, Use of Overtime, as required of all Caltrans employees.

Deputy Directive DD-56 defines overtime documentation as specific evidence demonstrating pre-approval of overtime, overtime hours worked, reason for overtime, and product produced as result of overtime. Examples included are sign in / out logs, weekly attendance logs, overtime logs, daily dairies, and contractor's work hours.

Deputy Directive DD-56 requires Program Managers, Service Center Directors, and District Directors to develop written instructions for controlling, authorizing and verifying use of overtime for their respective organizations. These instructions emphasize that the supervisor's approval of an employee's timesheet containing overtime charges mean that the supervisor has, in fact, determined that the overtime was duly authorized and actually worked. The instructions are to address the normal maximum amount of overtime an employee may work during a fiscal year without receiving specific approval to exceed that cap.

Deputy Directive DD-56 further requires Office Chiefs and District Division Chiefs to manage overtime usage within their area of responsibility, train supervisors to effectively manage overtime use, and review overtime expenditures for compliance with the authorized level. In addition, supervisors are to ensure compliance with all overtime rules and procedures, ensure pre-approval of non-emergency overtime, provide adequate supervision for employees working overtime, and verify that overtime was worked as recorded and met the requirements of the FLSA and the applicable MOUs. They are also to ensure that overtime documentation is present before approving timesheets which report overtime, and retain documentation for two years.

Without proper documentation of overtime, there is no specific evidence that demonstrates pre-approval of overtime, overtime hours worked, reason for overtime, or the product produced as a result of overtime.

The specific findings and recommendations are presented in findings 1 – 5 below:

Finding 1 – Documentation of Non-Emergency Overtime Use is Not Retained as Required

Our audit found that ten of sixty-six supervisors reviewed did not maintain overtime documentation as required by Deputy Directive DD-56. Specifically, we noted that overtime documentation was not retained by three construction supervisors in District 3, two supervisors in District 7, three supervisors in the Division of Information Technology, one supervisor in the Division of Equipment, and one supervisor in the Division of Engineering Services.

Recommendations

We recommend:

1. All supervisors maintain overtime documentation as required.
2. Districts 3 and 7, and the Divisions of Information Technology, Equipment, and Engineering Services assure overtime documentation is maintained as required.

Responses to Finding 1

Districts 3, 7, and the Divisions of Information Technology, Equipment, and Engineering Services agreed with the finding and recommendation and will implement the corrective actions. For complete responses, please see the attachments provided by the Districts and Divisions.

Finding 2 – No Documentation of Pre-Approvals for Non-Emergency Overtime

Our audit revealed that supervisors are not always obtaining pre-approval for non-emergency overtime. Specifically, our testing of sixty-six supervisors identified that four supervisors, all in District 7, were not obtaining pre-approval as required. One of the four supervisors was identified in the Department-wide testing of the top ten employees with overtime hours. In addition, not all supervisors were retaining documentation of the approval. Three of the supervisors identified were maintenance personnel who simply did not retain documentation of pre-approval for overtime hours. A fourth supervisor, who is in charge of the maintenance support unit, stated that he only has one senior delineator on staff, and that employee is responsible for reviewing all drawings and plans for conformance with Caltrans policies. The employee telecommutes from home, and comes into the office one day a week to pick up and drop off work. The supervisor stated that the employee identifies the overtime hours she plans to work through either a phone call or an e-mail. Although the supervisor stated that he approves the non-emergency planned overtime either verbally or by e-mail, he does not retain documentation of the approvals.

Recommendations

We recommend:

1. All supervisors maintain documentation for pre-approval of overtime as required.
2. District 7 supervisors assure pre-approval of overtime hours is documented as required.

Response to Finding 2

District 7 agrees with the finding and recommendation and will distribute a memo to all Supervisors, Superintendents and Managers to ensure that overtime is pre-approved and documented prior to any overtime worked, except in cases of emergency, and the documentation is retained for five years. For the complete response, please see the attachment provided by District 7.

Finding 3 – Approval to Exceed Maximum Overtime Hours not Obtained

Our review of sixty-six supervisors also identified that four supervisors, one in District 5, two in District 7, and one in District 59, are not obtaining approval to exceed the maximum overtime hours per fiscal year. Part of the audit testing consisted of determining the ranking of all Caltrans employees based on the number of overtime hours worked in each of the two years included in the audit.

An employee in District 5 worked 686.50 hours of overtime during May 2008 to April 2009. The employee is a maintenance worker responsible for an area with heavy rockslides.

One of the employees identified in District 7 worked more overtime hours than any other employee in Caltrans for both years audited, 970 hours and 857 hours, respectively. This employee is the senior delineator in the maintenance support unit responsible for reviewing drawings and plans as discussed in finding #2 above.

The other employee in District 7 worked 666 hours of overtime from May 2008 to April 2009. This employee is a maintenance superintendent who had several changes of direct supervision during the audit period. There is no documentation of any requests for approval to exceed the maximum number of overtime hours in either audit year. In addition, the employee regularly requests a "set" number of approximately 12 emergency overtime hours each week.

Lastly, an employee in District 59 worked a total of 815 hours of overtime in the period of May 2008 to April 2009 and 722 hours for the period of May 2009 to April 2010. This employee is an oversight engineer in a facility in China.

Finding 3 (continued)

In addition to DD-56, District 7 has an Informational Notice concerning Overtime Policy and Instructions for their district that states, "District policy limits all employees to no more than 450 hours of overtime per fiscal year. Exceeding this cap requires pre-approval by the Chief Deputy District Director. Overtime that will exceed 250 hours in a fiscal year must be pre-approved by the Deputy District Director. In general, employees should not average more than 50 hours of overtime a month…"

It is the supervisor's responsibility to pre-approve and monitor all overtime hours. However, for these employees, no pre-approval of overtime hours occurred and, as a result, management may not have been aware that the overtime cap had been exceeded.

Recommendations

We recommend:

1. All supervisors follow the requirements to request approval to exceed the maximum number of overtime hours per fiscal year.
2. District 5, 7 and 59 obtain prior approval for employees who may exceed the maximum number of overtime hours per fiscal year.

Responses to Finding 3

Districts 5, 7 and 59 agreed with the finding and recommendations and will implement the corrective actions. For complete responses, please see attachments from the Districts and Division.

Finding 4 – No Cumulative Tracking of Overtime Hours

During audit testing, it was determined that several supervisors were not cumulatively tracking overtime hours for individual employees. Although neither Deputy Directive DD-56 nor district policies specifically state that supervisors must maintain cumulative overtime hours, the guidelines do require that employees work only a maximum number of overtime hours each fiscal year without obtaining specific approval to exceed the cap. As a result, supervisors do need to know the total number of hours worked by individual employees each fiscal year to ensure that approval to exceed the maximum hours is obtained. Therefore, cumulative totals of overtime hours worked must be maintained by supervisors for each employee.

Recommendation

We recommend all supervisors maintain cumulative totals of overtime hours worked for individual employees.

Responses to Finding 4

DHR, Districts 3, 7 and Division of Information Technology agreed with the finding and recommendation and will implement the corrective actions. For complete responses, please see attachments from the Districts and Division.

Finding 5 - Overtime Logs Do Not Agree with Approved Time Report

During audit testing, it was determined that the overtime logs did not agree with the approved time report in four instances in District 7 and two instances in the Division of Information Technology. As a result, we were unable to determine if employees were under or over paid for overtime worked. It is the supervisor's responsibility to ensure that overtime reported agrees with the overtime logs prior to approving timesheets.

Recommendation

We recommend:

1. All supervisors maintain accurate overtime documentation.
2. District 7 supervisors approve overtime hours in accordance with pre-approved overtime hours.
3. Division of Information Technology maintain overtime logs for all overtime hours worked, including overtime hours reimbursed by other Divisions.

Responses to Finding 5

District 7 and the Division of Information Technology agreed with the finding and recommendations and will implement the corrective actions. For complete responses, please see the attachments from the District and Division.

Audit Team

Laurine Bohamera, Chief, Internal Audits
Paula Rivera, Audit Supervisor
Don Daily, Auditor
Chantha Da, Auditor

ATTACHMENT

DIVISION OF HUMAN RESOURCES RESPONSE TO THE DRAFT REPORT

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: WILLIAM E. LEWIS
Acting Assistant Director
Audits and Investigations

Date: October 29, 2012

From: LYDIA LEWIS
Chief
Division of Human Resources

Subject: **Draft Audit Report on Overtime Use**

The Division of Human Resources (DHR) has met with your staff regarding the audit findings in the Draft Audit Report on Overtime Use. There were no direct findings or recommendations specific to DHR. However, DHR will assist in re-enforcing Caltrans policy by monitoring overtime as follows:

Finding 1: Documentation of Non-Emergency Overtime Use is Not Retained as Required by Deputy Directive 56.

DHR will send out a Personnel Information Bulletin (PIB) to all employees on Overtime Use annually. The PIB will include pertinent information contained in Deputy Directive 56-R2 and Directors Policy 02.

Finding 4: Cumulative Tracking of Overtime Hours

DHR will assist in this effort by providing annual overtime reports to Deputy Directors and District Directors. These reports will be generated by DHR during the month of February each year.

ATTACHMENT

DISTRICT 3 RESPONSE TO THE DRAFT REPORT

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: WILLIAM E LEWIS
Acting Assistant Director
Audits and Investigations

Date: November 5, 2012

File: P3000-0400

Jody Jones

From: JODY JONES
Director, District 3

Subject: **DRAFT AUDIT REPORT ON OVERTIME USE**

The recent draft audit of overtime use identified several areas that need to be strengthened in our processes. As a result of those findings, and in preparation of the Final Report, please note the District's response to the audit:

Finding 1 – Documentation of Non-Emergency Overtime Use is Not Retained As Required
The overtime audit focused on field Construction staff in D3 and found that three supervisors did not retain overtime documentation. Field supervisors maintain daily diaries of their activities and do record overtime usage in them. Those diaries are typically boxed up with the project files when a construction project is complete and could be located within any of the 20+ boxes for a project. They may remain within the same Construction RE Office where they were generated, or could be transferred to another location when that RE Office is closed. As a result, trying to locate the appropriate diary to link it to the actual overtime paid can be a challenge, and especially without adequate time to do so. The audit period occurred prior to the most recent update of DD-56-R1 which requires enhanced documentation of the pre-authorization of overtime. As discussed in the Audit Findings conference call, our hope is that Staff Central can be modified to include additional detail required by DD-56-R1, or that the Directive can be modified so that the pre-approval and actual hours worked in Staff Central will be sufficient documentation. Until that happens, D3 will continue with the existing pre-approval practice now in place as a result of DD-56-R1, and ensure that the records are maintained in a central file separate from the project files that get permanently boxed up.

Finding 4 – No Cumulative Tracking of Hours
The audit recommendation is that all supervisors maintain cumulative totals of overtime hours worked for their respective employees. The District Budgets Office currently sends out a monthly report of overtime hours worked by employee name to all Managers and Supervisors by the 15th of the each month. The report is also routinely provided again to any supervisors that request it and are entitled to have it. We will send an email to all Managers and Supervisors to

remind them of the requirement to maintain records for their own subordinate staff and of the availability of the report from the Budgets Office.

Thank you for the opportunity to respond to the draft findings, thereby allowing us to improve our internal processes in respect to the approval and management of overtime. If you have any questions or need additional information, please contact Susan Elkins at (530) 741-4234.

c: Lorraine Bohamera, Chief, Internal Audits
Susan Elkins, Deputy District Director, D3Administration

ATTACHMENT

DISTRICT 7 RESPONSE TO THE DRAFT REPORT

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: WILLIAM E. LEWIS
Acting Assistant Director
Audits and Investigations

Date: October 4, 2012

From: TERRY L. ABBOTT
Acting District Director
District 7

Subject: **Response to Draft Audit Report on Overtime Use (P3000 – 0400)**

After reviewing the draft audit report and participating in the exit conference, District 7 will be taking the following steps to address the findings of the audit.

District 7 Work Plan

Item	Steps	Completion Date	Person Responsible
Documentation of Non-Emergency Overtime Use is Not Retained as Required	Distribute memo to all Supervisors, Superintendents and Managers. Review current process of overtime usage to ensure it complies with all policies, guidelines and procedures and that the documentation is retained as required.	October 26, 2012	Herby Lissade Acting DDD Maintenance
No Documentation of Pre-Approvals for Non-Emergency Overtime	Distribute memo to all Supervisors, Superintendents and Managers to ensure that overtime is pre-approved and documented prior to any overtime worked, except in cases of emergency, and the documentation is retained for five years.	October 26, 2012	Herby Lissade Acting DDD Maintenance
Approval to Exceed Maximum Overtime Hours not Obtained.	Distribute memo to all Supervisors, Superintendents and Managers regarding the requirements to request approval to exceed the maximum number of overtime hours per fiscal year.	October 26, 2012	Herby Lissade Acting DDD Maintenance
No Cumulative Tracking of Overtime Hours	Distribute memo to all Supervisors, Superintendents and Managers regarding cumulative tracking of overtime hours for individual employees.	October 26, 2012	Herby Lissade Acting DDD Maintenance
Overtime Logs Do Not Agree with the Approved Time Report	Distribute memo to all Supervisors, Superintendents and Managers to ensure that overtime was actually worked and that overtime reported matches overtime logs prior to approving time sheets.	October 26, 2012	Herby Lissade Acting DDD Maintenance

Progress reports providing feedback on the status of the work plan items will be provided at 60-day, 180-day and 360-day milestones.

If you have any questions or need additional information, please contact Duncan McIntosh, Deputy District Director of Administration at (213) 897-0362.

c: Lindy K. Lee, Chief Deputy District Director
Duncan McIntosh, Deputy District Director, Administration
Herby, Lissade, Acting Deputy District Director, Maintenance

ATTACHMENT

DISTRICT 5 RESPONSE TO THE DRAFT REPORT

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: WILLIAM E. LEWIS
Acting Assistant Director
Audits and Investigations

Date: September 26, 2012

From: TIMOTHY M. GUBBINS
District Director
District 5

Subject: Response to Draft Audit Report on Overtime use

A finding was identified in the Draft Audit Report on Overtime Use for District 5 to address. Finding 3 states: "An employee in District 5 worked 686.50 hours of overtime during May 2008 to April 2009. The employee is a maintenance worker responsible for an area with heavy rockslides."

In October 2011, the District became aware of a problem with overtime abuse in this employee's area. After initial research by the District, it became apparent that the problem was much bigger than the District could investigate. The District contacted Audits and Investigations in November 2011, and it was decided that the District would request that the California Highway Patrol conduct a thorough investigation into overtime abuse and other activities at this maintenance station. As a result of this investigation, four employees, including the employee mentioned in the findings, were arrested for theft and dismissed from state service for overtime abuse.

Additionally, the Deputy District Director for Maintenance and Operations in District 5 issued a Memorandum for "Overtime/CTO (Overtime) Guidelines for District 5 Maintenance Field Employees", on December 6, 2011 (attached). These guidelines provide an adequate monitoring, control, and verification system to ensure that overtime for field employees is consistent with Deputy Directive 56-R1: Use of Overtime. These guidelines are now followed by all Maintenance field staff in the District.

These actions directly address the finding in the Draft Audit Report on Overtime Use, and overtime abuse has been corrected.

c: Steve Price, Deputy District Director – Maintenance and Operations
Laurine Bohamera, Chief, Internal Audits, Audits and Investigations

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: DISTRICT 5 MAINTENANCE SUPERVISORS
DISTRICT 5 MAINTENANCE SUPERINTENDENTS
DISTRICT 5 MAINTENANCE MANAGERS

Date: December 6, 2011

From: STEVE PRICE
Deputy District Director – Maintenance and Operations
District 5

Subject: Overtime/CTO (Overtime) Guidelines for District 5 Maintenance Field Employees

In accordance with Deputy Directive 56-R1 "Use of Overtime", Maintenance employees are authorized to work overtime when approved in advance and for emergency needs. Each District is required to establish an adequate monitoring, control, and verification system to ensure that overtime for field employees is consistent with DD-56-R1. Effective immediately, the procedures described below will be followed by all District 5 Maintenance Field employees.

Controls

When adequately budgeted and resourced, normal maximum overtime utilization for any employee should not exceed 50 hours per month. If an employee's overtime worked is expected to exceed 50 hours per month, an overtime exemption form (attached) signed by the Region Manager will be required. If an employee's overtime worked is expected to exceed 100 hours in a month, an exemption approval from the Deputy District Director of Maintenance will be required. If an employee's overtime worked is expected to exceed 450 hours in a calendar year, an exemption approval from the District Director will be required.

Authorization for Emergency Calls

When an employee receives a call to respond to an emergency, he/she shall notify the immediate supervisor as soon as possible, preferably at the time of the call. If the supervisor is not available, a message must be left on the Supervisor's voice mail. The employee shall inform the supervisor of the following:

- The party reporting the incident:
  - If law enforcement, note the log or incident number.
  - If a private citizen, note the name and phone number of reporting party.
- All of the above information shall be recorded in comments in the IMMS work order

Authorization for Planned Overtime

A Planned Overtime Request Form (attached) will be submitted in advance of all planned overtime work. The request shall be approved prior to any overtime being worked. The approval process will follow the following steps:

- Supervisor submits request form to Maintenance Area Superintendent.
- Maintenance Area Superintendent approves and forwards to Region Manager.
- Region Manager approves and sends back to Area Superintendent and Supervisor
- Superintendent sends approved request to Region Office
- Region Office retains requests and conducts comparison audit with actual hours worked in IMMS.

Reporting and Monitoring

Overtime documentation supports the pre-approval of overtime, overtime hours worked, reason for overtime, product or end result produced as the result of overtime hours worked. This documentation is essential for managing the District Maintenance program and budget monitoring. All details of overtime work must be captured accurately in IMMS reporting, comments, diaries, and posted overtime logs. Supervisors, Superintendents and Managers are responsible for ensuring overtime is being worked responsibly and in accordance with DD-56-R1, FLSA, MOU and DPA policies.

Any violation of these guidelines or Departmental Deputy Directives/Director's Policies may result in disciplinary action.

Attachments:
Deputy Directive 56-R1
Overtime Request Form 12-0F-0004B
Nonemergency Overtime Request Authorization Form ESC-0013

Deputy Directive

Number:	DD-56-R1
Refer to Director's Policy:	DP-02 Ethics
Effective Date:	11-22-11
Supersedes:	DD-56 (August 18, 2000)

TITLE Use of Overtime

POLICY

The California Department of Transportation (Department) will consider the use of overtime when necessary and appropriate to accomplish planned and emergency work. All Department managers and first line supervisors are responsible for the effective management and careful use of this method of compensation consistent with existing laws, rules, and memorandums of understanding (MOUs). Employees must obtain authorization in advance before overtime hours are worked, except in an emergency. Proper documentation is required in *all* situations where overtime is utilized, including emergencies.

DEFINITION/BACKGROUND

Government Code section 19851, subdivision (a), provides that it is the policy of the State to avoid the necessity for overtime work by its employees whenever possible.

Overtime is defined as authorized time in excess of the regularly scheduled work week per Section 599.700 of the California Code of Regulations.

Per the California Code of Regulations Section 599.702 and the State Administrative Manual (SAM) Chapter 8540 all agencies must maintain complete and accurate records of all compensable overtime worked by its employees, even in cases of emergencies.

Emergency exceptions include situations were overtime is utilized to:

- Provide mandatory coverage or required public services.
- Provide work to prevent unsafe conditions for the public or employees to manage and reduce the economy of the area, or reduce damage to public or private property

Overtime Documentation is specific evidence demonstrating pre-approval of overtime, overtime hours worked, reason for overtime, and product produced as a result of overtime. Examples of acceptable documentation to support overtime include: time sheets, sign in/out logs, weekly attendance logs, overtime logs, daily diaries, or contractor's work hours. All designated supervisors approving time worked must comply with all of the Departmental guidelines for the recording of time worked directed in Deputy Directive 108, Timely Submission and Approval of Timesheets.

A link to these guidelines may be found at:
http://admin.dot.ca.gov/tr/rppo/dep_directives/DD-108.pdf

Payment of overtime must adhere to the requirements of the Fair Labor Standards Act (FLSA), Memorandum of Understanding (MOU) for represented employees, and/or the Department of Personnel Administration (DPA) policies for non-represented employees. If the provisions of the FLSA are in conflict with the provisions of an MOU or DPA policies, the FLSA provisions shall be controlling unless the MOU or DPA policies provide a greater benefit to the employee.

RESPONSIBILITIES

Chief Deputy Director

- Establishes the Statewide Policy on the use of overtime.

Deputy Director, Administration:

- Monitors timely delegation of and authorization of overtime.
- Ensures that the approval to use overtime is not subdelegated below the first-line supervisor.
- Encourages managers and supervisors to carefully evaluate the use of overtime when workload and work conditions warrant.
- Ensures that all managers and supervisors are aware of this policy and the Departments' guidelines on the use of overtime.

Chief, Office of Labor Relations, Safety and Staff Development:

- Advises managers of the requirements of the State and federal laws, regulations, MOUs and Departmental policy regarding the use of overtime.

Managers and Supervisors:

- Carefully evaluate and consider the use of overtime, when appropriate for planned work or in cases of emergency.
- Ensure that overtime is preauthorized and documented prior to any overtime work hours being accrued by their employees, except in cases of emergency.
- Ensure that documentation communicates the reason for overtime worked.

- Ensure that overtime hours claimed were actually worked.
- Monitor that employees working overtime hours do not exceed the maximum cap amount of overtime.
- Ensure that authorization of overtime does not exceed the specific hour limitations
- Completes the proper preauthorization documentation for any overtime that will exceed the specific fiscal overtime hour limitations established by the FLSA, MOUs, and DPA policies.
- Review all of the overtime documentation procedures and time keeping requirements with employees prior to granting preauthorization.
- Report any misuse of overtime and be willing to support any legal efforts that may occur as a result of an investigation in to the alleged misuse of overtime.

All Caltrans Employees:

- Must comply with all policies, guidelines and procedures related to the proper use of overtime.
- Must seek preauthorization from their designated supervisor *before* any hours in excess of their established time-base are worked.
- Submit an accurate recording of any authorized overtime worked according to the Department's time-reporting guidelines.
- Must be willing to comply with any investigation of misuse of overtime.

APPLICABILITY

All Department employees, including civil service, temporary, emergency, limited-term, seasonal, exempt, special employment, retired annuitants, and civil service student assistants, paid through the State Controller's Office payroll system.

Original Signed By — ***November 22, 2011***

RICHARD D. LAND
Chief Deputy Director, Acting

Date Signed

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

OVERTIME REQUEST

12-OF-0004B (NEW 07/2011)

Caltrans

Date: _____ / _____ / _____ cc: _____

REQUESTED BY: _____

OVERTIME USED THIS MONTH TO DATE: _____

WORK DATES	ROUTE	LOCATION	CREW SIZE	START TIME	END TIME	ACTIVITY

TOTAL HOURS _____

JUSTIFICATION / NOTES: _____

ACTUAL HOURS USED: _____

APPROVED BY: AREA SUPERVISOR: _____

HOURS REQUESTED: _____

REGION MANAGER _____

WHITE: REGION MANAGER
YELLOW: REGION FILE
PINK: SUPERVISOR

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

NONEMERGENCY OVERTIME REQUEST AUTHORIZATION

ESC-0013 (REV. 5/2007)

DIVISION	OFFICE		COST CENTER	MONTH/YEAR
EMPLOYEE NAME	HRS. OT WORKED PREVIOUS MO.	TOTAL OT HRS. WORKED TO YEAR TO DATE	CURRENT MO. HOURS REQUESTED[1]	PURPOSE OF OVERTIME
REQUEST APPROVED	SUPERVISOR (Deputy Division Chief [2])			DATE

1. If the CURRENT MO. HOURS REQUESTED exceeds the recommended limits of hours per month, the Deputy Division Chief must approve the request.
2. If the Total OT HRS. WORKED TO YEAR TO DATE plus the CURRENT MO. HOURS REQUESTED exceeds the DES recommended limit of 450 hours per year, the request must be approved by the Division Chief.

If an emergency or unanticipated overtime need occurs and contact cannot be made through the employee's chain of command, the employee is to make contact as soon as possible the following morning.

ATTACHMENT

DIVISION OF INFORMATION TECHNOLOGY RESPONSE TO THE DRAFT REPORT

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: WILLIAM LEWIS
Acting Assistant Director
Audits and Investigations

Date: October 29, 2012

From: DOUG KEMPSTER
Acting Deputy Director
Information Technology

Subject: Response to Draft Audit Report on Overtime Use

Attached is Information Technology's work plan in response to the Audits and Investigations Overtime Audit.

We appreciate the opportunity to continually improve our overtime oversight to ensure IT is compliant with all Caltrans' relevant processes and procedures.

As required, Information Technology will again report on the progress of the work plan at 60, 180, and 360-day time periods from when the final report is issued. I have confidence that all tasks and action items contained within the work plan will be completed within these time frames.

If you have any questions on the work plan contents or need additional information, please contact Gregory Gollaher, Chief IT Adminiatration, at (916) 657-0550, or by e-mail at gregory_gollaher@dot.ca.gov, for assistance.

Attachments

cc: Laurine Bohamera

OVERTIME LOG INSTRUCTIONS

OFFICE CHIEF SUBMITTAL TO DIVISION CHIEF	**- COB WEDNESDAY**
DIVISION CHIEF APPROVAL/DENIAL TO OFFICE CHIEF	**- NOON ON THURSDAY**
DIVISION CHIEF APPROVAL/DENIAL TO IT ADMIN	**- NOON ON THURSDAY**

Planned

All planned overtime (standby or scheduled) must be documented on the Information Technology Planned Overtime worksheet. This worksheet includes the following information:

Date of overtime
Employee name
Project/assignment/task
Justification for overtime (must include why the task(s) are Mission Critical and why the task(s) cannot be completed during normal business hours.
Type of overtime (P = Planned or S = Standby)
Estimated hours to be worked

Employees will need to fill out and submit this worksheet on a weekly basis to their Office Chief if they are planning to work any overtime for the upcoming week (Sunday – Saturday) or are on the Standby schedule for the upcoming week.

Office Chief will roll up all approved overtime requests for their Office into one worksheet, sign on the bottom as approving, and forward to their Division Chief for approval.

Division Chief will approve or deny each line item of overtime for their Division. Once the Division Chief has completed their approvals and denials, they will send back to the Office Chiefs and IT Admin.

Office Chiefs are responsible for letting employees know if their overtime has been approved.

Emergency

All emergency overtime must be documented on the Information Technology Emergency Overtime worksheet. This worksheet includes the following information:

Date of overtime
Employee name
Emergency work performed
Justification for emergency overtime worked (must include why the task(s) are Mission Critical and why the task(s) cannot be completed during normal business hours)
Type of overtime (CBH = Call back was able to take care of from home or CBW = Call back needed to come into work)
Actual hours worked

Employees will need to fill out and submit this worksheet on a daily basis to their Office Chief if they are called during non-work hours and asked to perform any emergency work.

Office Chiefs will roll up all emergency overtime worked for the week for their Office into one worksheet, sign on the bottom as acknowleding the employee was called in to do emergency work, and forward to the Division Chief.

Division Chiefs send to the IT Admin Office.

History
The Staff Central Employee Overtime Request and Supervisor Approval Function was released to users in June 2008 by IT. This function is PeopleSoft delivered in version HRMS 8.9, no customization.

Functionality

Employees:
Navigation: Self Service > Time Reporting > Report Time > Overtime Requests
Business Requirements: Employee has the ability to:
- Submit overtime requests to their supervisor
- View overtime requests and status online
- Receive email notification upon supervisor approval/rejection of overtime request

Supervisors:
Navigation: Manager Self Service > Time Management > Approve Time and Exceptions > Overtime Requests
Business Requirements: Supervisor has the ability to:
- Access direct reports only
- Select employee overtime requests by Employee ID, Supervisor ID or Alternate Supervisor ID
- Approve or reject employee overtime request
- Approve or reject employee overtime request as an alternate supervisor
- View employee overtime requests and status online
- Receive email notification upon employee submittal of overtime request

The **Manager Overtime Requests page** currently displays performance slowness. This page would need to be tuned before the pages/functionality are formally announced to users as being available. Once the CR is received from DHR and given approval, **'tuning'** of the page functionality would expect to take **approximately 40 hours**.

We also understand an additional report may be required that shows OT requested, approved and worked over a time period. Once the CR is received from DHR and given approval, the **new report creation** would expect to take **approximately 64 hours**.

The **current Staff Central Reports regarding OT/CTO** include the following, if we were to **modify** either of these reports we would expect it to take **approximately 32 hours per report**.

Overtime Monitoring Report (CTTL605): Maintenance Region Offices and Statewide supervisors generate the Overtime Monitoring Report to monitor employee overtime and CTO hours. The report is typically run each month to assist in tracking, monitoring and controlling the use of overtime. It is also used to monitor budgeting. It may be run at any time. It is also used to comply with contractual provisions between Caltrans and various Bargaining Contracts.

CTO Monitor Report (CTTL618): Maintenance Region Offices are able to generate the CTO Monitor Report to monitor BU12 employee's CTO 240 hour cap/limit. The report is typically run each month to assist in tracking, monitoring and controlling the earnings and use of CTO. It is also used to monitor budgeting. It may be run at any time. It is also used to comply with contractual provisions between Caltrans and Bargaining Unit 12.

Please call me if you have any questions.

IT Overtime Use Audit Work Plan

Audit Report Finding #2: **No Documentation of Pre-Approvals for Non-Emergency Overtime**	**Proposed Corrective Action / Steps**	**Time Estimated for Corrective Action**	**Staff Responsible for Completion**
The audit revealed that supervisors were not always obtaining per-approval of non-emergency overtime. Specifically, the testing of sixty-six supervisors identified that four supervisors, all in District 7 Maintenance, were not obtaining pre-approval as required.	This finding did not apply to managers or staff in IT.	N/A	N/A
Audit Report Finding #3: Approval to Exceed Maximum Overtime Hours not Obtained	**Proposed Corrective Action / Steps**	**Time Estimated for Corrective Action**	**Staff Responsible for Completion**
The audit revealed that of sixty-six supervisors identified, four supervisors, one in District 5 Maintenance, two in District 7 Maintenance, and one in District 59 Engineering, were not obtaining approval to exceed the maximum overtime hours per fiscal year.	This finding did not apply to managers or staff in IT.	N/A	N/A

Audit Report Finding #4: **No Cumulative Tracking of Overtime Hours**	**Proposed Corrective Action / Steps**	**Time Estimated for Corrective Action**	**Staff Responsible for Completion**
During audit testing, it was determined that several supervisors were not cumulatively tracking overtime hours for individual employees. Although neither Deputy Directive DD-56 nor district policies specifically state that supervisors must maintain cumulative overtime hours, the guidelines do require that employees work only a maximum number of overtime hours each fiscal year without obtaining specific approval to exceed the cap. As a result, supervisors do need to know the total number of hours worked by individual employees each fiscal year to ensure that approval to exceed the maximum hours is obtained. Therefore, cumulative totals of overtime hours worked must be maintained by supervisor for each employee.	Instructions on how to run an Overtime Monitoring Report will be resent to IT managers and supervisors by the HR Unit of the IT Management Support Office. The **current Staff Central Reports regarding OT/CTO** include the following reports. If we were to **modify** either of these reports it would take **approximately 32 hours <u>per report</u>**. **<u>Overtime Monitoring Report (CTTL605):</u>** Maintenance Region Offices and Statewide supervisors generate the Overtime Monitoring Report to monitor employee overtime and CTO hours. The report is typically run each month to assist in tracking, monitoring and controlling the use of overtime. It is also used to monitor budgeting. It may be run at any time. It is also used to comply with contractual provisions between Caltrans and various Bargaining Contracts. **<u>CTO Monitor Report (CTTL618)</u>:** Maintenance Region Offices are able to generate the CTO Monitor Report to monitor BU12 employee's CTO 240 hour cap/limit. The report is typically run each month to assist in tracking, monitoring and controlling the earnings and use of CTO. It	90 Days	Paul Allen, Acting Chief, IT Solutions Division Custom Development Office Responsible for modification of reports and new report creation. IT Managers and Supervisors responsible for running reports and timely review of overtime usage.

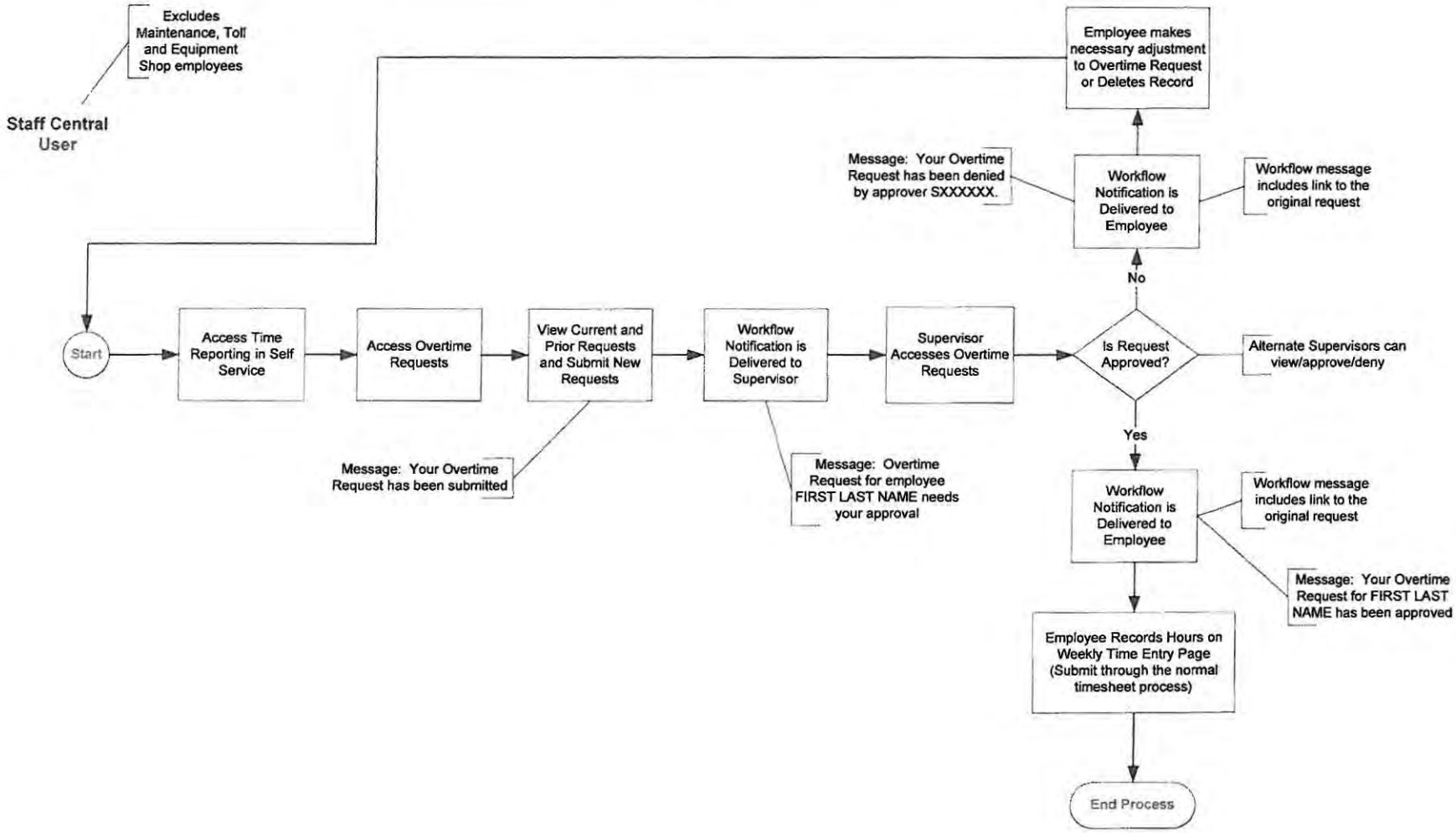
	is also used to monitor budgeting. It may be run at any time. It is also used to comply with contractual provisions between Caltrans and Bargaining Unit 12. If required, a new report that shows OT requested, approved and worked over a time period can be created. Once the CR is received from DHR and given approval, the **new report creation** would expect to take **approximately 64 hours**.		
Audit Report Finding #5: Overtime Logs do not Agree with the Approved Time Report	**Proposed Corrective Action / Steps**	**Time Estimated for Corrective Action**	**Staff Responsible for Completion**
During audit testing, it was determined that the overtime logs did not agree with the approved time report in four instance in District 7 and two instances in IT.	Division of Information Technology maintains overtime logs for all hours worked, including overtime hours reimbursed by other Divisions. See Proposed Corrective Action / Steps for Audit Report Finding #1.	90 Days	IT Managers and Supervisors

IT Overtime Use Audit Work Plan

Audit Report Finding #1: Documentation of Overtime Use is not Retained as Required	Proposed Corrective Action / Steps	Time Estimated for Corrective Action	Staff Responsible for Completion
Three supervisors in Information Technology (IT) did not maintain overtime documentation as required by Deputy Directive DD-56: *<u>Overtime Documentation</u> is specific evidence demonstrating pre-approval of overtime, overtime hours worked, reason for overtime, and product produced as a result of overtime. Examples of acceptable documentation to support overtime include: time sheets supported by sign in/out logs, weekly attendance logs, overtime logs, daily diaries, or contractor's work hours and must contain the required elements cited above. All designated supervisors approving time worked must comply with all of the Departmental guidelines for the recording of time worked directed in Deputy Directive 108, Timely Submission and Approval of Timesheets.* DD-108 Policy states: *The California Department of Transportation (Department) requires all employees to submit timely and accurate timesheets in the Online Time Reporting System. Timesheets must be submitted to Supervisors weekly at the close of business Friday or on the last day scheduled to work in the week. The reporting of personal services is essential in meeting project management and budgeting goals. The Department is committed to maintaining timely, accurate, and complete information at every level. This directive supports the Department's mission and commitment to effectively manage and account for its resources. Violations of this policy may result in disciplinary action.*	Overtime log instructions will be resent to IT managers and supervisors by the Human Resources (HR) Unit of the IT Management Support Office. Overtime requests and usage logs are retained by IT managers. In addition, IT HR in the IT Management Support Office maintains a copy of the Overtime Logs in their electronic files. The Staff Central Employee Overtime Request and Supervisor Approval Function was released to users in June 2008 by IT and serves as electronic documentation of pre-approval, hours worked, reason for overtime, and product produced. **<u>Functionality</u>** **<u>Employees:</u>** **Navigation:** Self Service > Time Reporting > Report Time > Overtime Requests **Business Requirements:** Employee has the ability to: •Submit overtime requests to their supervisor •View overtime requests and status online •Receive email notification upon supervisor approval/rejection of overtime request **<u>Supervisors:</u>** **Navigation:** Manager Self Service > Time Management > Approve Time and Exceptions > Overtime Requests **Business Requirements:** Supervisor has the ability to: •Access direct reports only •Select employee overtime requests by Employee ID, Supervisor ID or Alternate Supervisor ID •Approve or reject employee overtime request •Approve or reject employee overtime request as an alternate supervisor •View employee overtime requests and status online •Receive email notification upon employee submittal of overtime request	90 Days	Greg Gollaher, Chief, IT Management Support Office responsible for redistribution of the Overtime Log and instructions. IT Managers and Supervisors are responsible for complying with Department policy and procedures.

Staff Central Overtime Request and Approval Process

CPN07-005 Overtime Request – Modify Out-of-Box Functionality



ATTACHMENT

DIVISION OF ENGINEERING SERVICES RESPONSE TO THE DRAFT REPORT

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: WILLIAM E. LEWIS
Acting, Assistant Director
Audits and Investigations

Date: November 1, 2012

From: KARLA SUTLIFF
Acting, Chief
Division of Engineering Services

Subject: **AUDITS AND INVESTIGATIONS (A&I) INVESTIGATION OF OVERTIME USE**

Below is our response to the Audits and Investigation findings regarding an audit of overtime use for the pay periods May 2008 through April 2010.

The following issues were identified in the report as needing action.

Finding1 – Overtime Documentation - One supervisor in the Division of Engineering Services did not maintain overtime documentation as required by Deputy Directive DD-56-R2

Finding 3 – Approval to Exceed Maximum Overtime Hours was not Obtained. Supervisors are not obtaining approval to exceed the maximum overtime hours per fiscal year. A District 59 employee worked a total of 815 hours of overtime in the period of May 2008 to April 2009 and 722 hours for the period of May 2009 to April 2010. No pre-approval of overtime hours was documented.

Action: On October 10, 2012 supervisors were provided Deputy Directive DD-56-R2. This directive provides direction that overtime documentation needs to be maintained and pre-approved overtime documentation is required. All supervisors will be required to follow the directive to retain documentation and obtain prior approval for employees who may exceed the maximum number of overtime hours per fiscal year.

This is our final report regarding these audit findings. Please let me know if you have any questions or require additional information.

ATTACHMENT

DIVISION OF EQUIPMENT RESPONSE TO THE DRAFT REPORT

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Flex your Power!
Be energy efficient!

Memorandum

To: WILLIAM E. LEWIS
Acting Assistant Director
Audits and Investigations

Date: October 22, 2012

Lawrence H. Orcutt

From: LAWRENCE H. ORCUTT
Acting Chief
Division of Equipment

Subject: Response to Draft Audit Report Overtime Use

I am pleased to provide our response to Audits and Investigations' draft report entitled *P3000-0405 Overtime Use September 2012*.

The resulting draft report yielded the following finding in regards to the Overtime Use:

> *Finding 1 – Documentation of Non-Emergency Overtime Use is Not Retained as Required.*
>
> .

We have addressed this finding and the observation in the attached.

c: Richard Land, Chief Deputy Director
Steve Takigawa, Deputy Director, Maintenance and Operations
Laurine Bohamera, Audits and Investigations
Chanta Da, Internal Audits, Audits and Investigations
Adele Madariaga, Office of Budgets and Administration, Division of Equipment

Division of Equipment
Response to Audit Report
P3000-0400 – Overtime Use Audit – September 2012

Finding 1 – Documentation of Non-Emergency Overtime Use is not Retained as Required

Recommendation:
We recommend:

- *All Supervisors maintain overtime documentation as required.*
- *Districts 3 and 7, and the Division of Information Technology and Equipment, and Engineering Services assure overtime documentation is maintained as required.*

DOE Response:

- Currently, the Division of Equipment (DOE) overtime policy is to retain overtime documentations for two years. DOE is in the process of revising DOE policy to change the retention of overtime documentation to five years to adhere to the Overtime Deputy Directives issued on December 19, 2011. (See Attached Reminder on Deputy Directive DD-56-R2 and Overtime Authorization Forms used by DOE).

State of California
DEPARTMENT OF TRANSPORTATION

Business, Transportation and Housing Agency

Memorandum

Flex your power!
Be energy efficient!

To: OFFICE CHIEFS
SHOP SUPERINTENDENTS

Date: October 22, 2012

File:

Lawrence H. Orcutt

From: LAWRENCE H. ORCUTT
Acting Chief
Division of Equipment

Subject: **Reminder on Deputy Directive DD-56-R1 Use of Overtime**

This is a reminder to all Division of Equipment (DOE) managers and supervisors regarding Deputy Directive DD-56-R2 Use of Overtime. During the course of business, the use of overtime may become necessary in order to accomplish planned and emergency work, including production and development. All DOE staff must adhere to the policies set forth by the deputy directives. A link to these guidelines may be found at http://admin.dot.ca.gov/bfams/admin_svcs/sw_policy/dd/DD-108.pdf

Except in emergencies, use of overtime is to be authorized in advance. Supervisors must approve an employee's timesheet containing overtime charges to ascertain that the overtime was duly authorized and actually worked. Within DOE, Office Chiefs and/or their delegates have authority to order and approve overtime. They are also expected to manage overtime usage within their area of responsibility, train supervisors to effectively manage overtime use, and review overtime expenditures for compliance with authorized levels.

Supervisors and Managers responsibilities in managing overtime:

- Ensure compliance with all overtime rules and procedures.
- Ensure pre-approval of non-emergency overtime.
- Ensure that overtime hours claimed were actually worked.
- Provide adequate supervision for employees working overtime.
- Verify that overtime was worked as recorded and met the requirements of the Fair Labor Standards Act (FLSA) and applicable Memorandum of Understanding (MOU).
- Ensure overtime documentation is present before approving timesheets that report overtime.
- Ensure that documentation communicates the reason for overtime work and is retained for five years.

Most of the Bargaining Unit Contracts read that Compensating Time Off (CTO) will remain at the discretion of the Department head. In addition, specific Bargaining Unit Contracts contain language addressing the maximum amount of overtime an employee may work during a fiscal year. Overtime must be pre-approved and except in emergency, will be granted for the following reasons:

- To provide mandatory coverage or required public services.
- To perform work that if not performed immediately, will create unsafe conditions for the public or employees, will impair the economy of the area or will cause damage to public or private property.
- To meet deadlines on planned work when regular time resources are insufficient.
- To accomplish production and development work where the use of overtime is the most efficient use of public funds or the most operationally effective use of staff.

In the event of emergency, overtime will be allowed without the formal process of pre-approval.

Payment of overtime must adhere to the requirements of the FLSA, MOU for represented employees, and the California Department of Human Resources (CalHR) policies for non-represented employees. If the provisions of the FLSA are in conflict with the provisions of an MOU or CalHR policies, the FLSA provisions shall be controlling unless the MOU or CalHR policies provide a greater benefit to the employee.

This memorandum supersedes any previously written overtime policy issued for DOE. Please direct any questions you have to your immediate supervisor.

Deputy Directive

Number:	DD-56-R2
Refer to Director's Policy:	DP-02 Ethics
Effective Date:	12-19-11
Supersedes:	DD-56-R1 (11-22-11)

TITLE Use of Overtime

POLICY

The California Department of Transportation (Department) will consider the use of overtime when necessary and appropriate to accomplish planned and emergency work. All Department managers and first line supervisors are responsible for the effective management and careful use of this method of compensation consistent with existing laws, rules, and memorandums of understanding (MOUs). Employees must obtain authorization in advance before overtime hours are worked, except in an emergency. Proper documentation is required in *all* situations where overtime is utilized, including emergencies.

DEFINITION/BACKGROUND

Government Code section 19851, subdivision (a), provides that it is the policy of the State to avoid the necessity for overtime work by its employees whenever possible.

Overtime is defined as authorized time in excess of the regularly scheduled work week per Section 599.700 of the California Code of Regulations.

Per the California Code of Regulations Section 599.702 and the State Administrative Manual (SAM) Chapter 8540 all agencies must maintain complete and accurate records of all compensable overtime worked by its employees, even in cases of emergencies.

Emergency exceptions include situations where overtime is utilized to:

- Provide mandatory coverage or required public services.
- Provide work to prevent unsafe conditions for the public or employees, to manage and reduce the economic impact to an area, or reduce damage to public or private property.

Overtime Documentation is specific evidence demonstrating pre-approval of overtime, overtime hours worked, reason for overtime, and product produced as a result of overtime. Examples of acceptable documentation to support overtime include: time sheets supported by sign in/out logs, weekly attendance logs, overtime logs, daily diaries, or contractor's work hours and must contain the required elements cited above. All designated supervisors approving time worked must comply with all of the Departmental guidelines for the recording of time worked directed in Deputy Directive 108, Timely Submission and Approval of Timesheets.

A link to these guidelines may be found at:
http://admin.dot.ca.gov/bfans/admin_svcs/sw_policy_dd/DD-108.pdf

Payment of overtime must adhere to the requirements of the Fair Labor Standards Act (FLSA), Memorandum of Understanding (MOU) for represented employees, and/or the Department of Personnel Administration (DPA) policies for non-represented employees. If the provisions of the FLSA are in conflict with the provisions of an MOU or DPA policies, the FLSA provisions shall be controlling unless the MOU or DPA policies provide a greater benefit to the employee.

RESPONSIBILITIES

Chief Deputy Director

- Establishes the Statewide Policy on the use of overtime.

Deputy Director, Administration:

- Monitors timely delegation of and authorization of overtime.
- Ensures that the approval to use overtime is not subdelegated below the first-line supervisor.
- Encourages managers and supervisors to carefully evaluate the use of overtime when workload and work conditions warrant.
- Ensures that all managers and supervisors are aware of this policy and the Departments' guidelines on the use of overtime.

Chief, Office of Labor Relations, Safety and Staff Development:

- Advises managers of the requirements of the State and federal laws, regulations, MOUs and Departmental policy regarding the use of overtime.

Managers and Supervisors:

- Carefully evaluate and consider the use of overtime, when appropriate for planned work or in cases of emergency.
- Ensure that overtime is preauthorized and documented prior to any overtime work hours being accrued by their employees, except in cases of emergency.

- Ensure that documentation communicates the reason for overtime worked and is retained for five years.
- Ensure that overtime hours claimed were actually worked.
- Monitor that employees working overtime hours do not exceed the maximum cap amount of overtime.
- Ensure that authorization of overtime does not exceed the specific hour limitations
- Complete the proper preauthorization documentation for any overtime that will exceed the specific fiscal overtime hour limitations established by the FLSA, MOUs, and DPA policies.
- Review all of the overtime documentation procedures and time keeping requirements with employees prior to granting preauthorization.
- Report any misuse of overtime and be willing to support any legal efforts that may occur as a result of an investigation in to the alleged misuse of overtime.

All Caltrans Employees:

- Must comply with all policies, guidelines and procedures related to the proper use of overtime.
- Must seek preauthorization from their designated supervisor *before* any hours in excess of their established time-base are worked.
- Submit an accurate recording of any authorized overtime worked according to the Department's time-reporting guidelines.
- Must be willing to comply with any investigation of misuse of overtime.

APPLICABILITY

All Department employees, including civil service, temporary, emergency, limited-term, seasonal, exempt, special employment, retired annuitants, and civil service student assistants, paid through the State Controller's Office payroll system.

RICHARD D. LAND
Chief Deputy Director, Acting

12-19-2011
Date Signed

Shop Scheduled Overtime Request Log
Main Shop

Supervisor Name: _____ Signature: _____

Justification for OT: PM/BIT AND REPAIRS FOR MISSION CRITICAL EQUIPMENT

Legend
Days/Hours Not Offered = N/A
Yes = Y
No = N
Decline = D

Weekly Dates Offered:												
		Sun	M	T	W	Th	F	Sat	Days / Hours Offered	Offered	Worked	
Main Shop Employees		N/A	4	4	4	4	4	12				
Name	Employee ID#	Sun	M	T	W	Th	F	Sat	Total Worked			Explanation/Type of Work/Equipment ID#
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
									0.0			
Shop Totals:		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

OVERTIME AUTHORIZATION AND RECORD OF OVERTIME WORKED

MTC-0009 (REV. 11/11)

Employee Name:

Part A - Overtime Authorization (Approval is required before planned overtime is worked.)

Dates to be worked	Hours Requested	Purpose	Unit	Project I.D.
-				
-				
-				

Will employee exceed annual 240 hour cap? ☐ Yes ☐ No

	Signature	Print Name	Date	Approved	Denied
Employee				☐	☐
Supervisor				☐	☐
Office Chief				☐	☐
Assistant Division Chief				☐	☐
Budget Office (Fund Availability)				☐	☐
Division Chief				☐	☐

Part B - Overtime Worked

Date	Activity Performed	Completed Yes	Completed No	Time In	Time Out	Total Hours
		☐	☐			
		☐	☐			
		☐	☐			
		☐	☐			

I hereby certify the overtime hours were worked and agree with the hours shown on the time sheet.

	Signature	Print Name	Date
Employee			
Supervisor			

Supervisor must retain for 2 years from time worked.

ADA Notice For individuals with sensory disabilities, this document is available in alternate formats. For information call (916) 654-6410 or TDD (916) 654-3880 or write Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.