AASHTOWare Project Civil Rights & Labor Electronic Payrolls Training Manual

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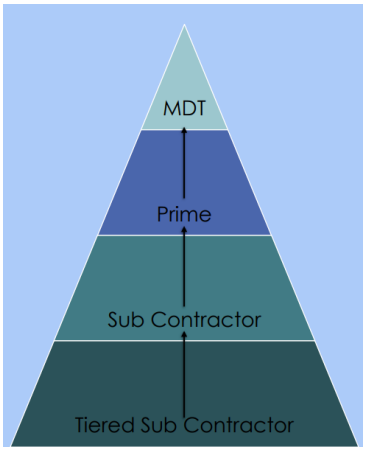
Working with Electronic Payrolls

1. Understanding the Process

The Payroll Process can seem very overwhelming. Understanding how the Payroll process works will allow the user to understand how it all ties together before it gets to the agency.

Prime and Subcontractors submit payrolls using external AASHTOWare access. Subs will complete their payrolls either in a Manual entry or will import their payrolls using a specific spreadsheet designed to work within AASHTOWare.

- **Tiered Subcontractors**: Tiered subs are a subcontractor's sub. Tiered sub's will create their payrolls then it is advanced to the sub-contractor they are working with.
- **Subcontractor**: This is a contractor that works directly for the Prime Contractor. Subs create their payrolls and advance to the Prime Contractor for approval. This includes a tiered sub-contractor's payrolls.
    - Spec book Section 108, Table 108-1 explains when payrolls/subcontracts are required.
- **Prime Contractor**: The Prime is ultimately responsible for the subcontractors' payrolls being submitted within the time frame noted in the Contract, Contract Special Provisions and the Spec book. This does follow the Federal Guidelines to keep MDT within compliance. Prime will advance all payrolls to the Agency.
    - Spec book Section 108.01.4
- **MDT (Agency)**: The EPM/FOP roles are responsible in Review, Approve or Rejecting the Contractor Payrolls as appropriate.



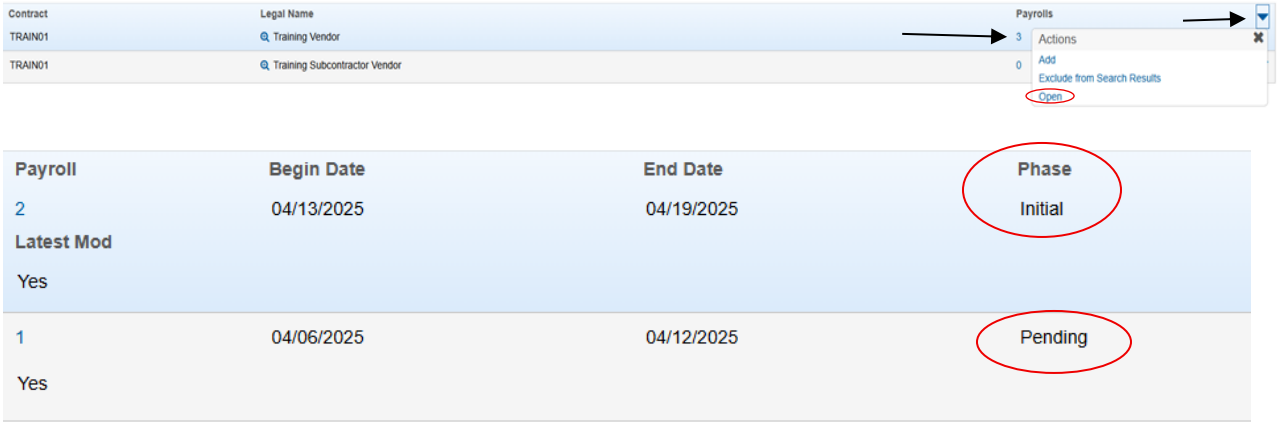
Work Flow Phases

A phase is the status that the payroll is currently in. There are multiple phases.

- **Initial:** This is the payroll in the hands of the contractor. The contractor can modify or delete the payroll as needed. This payroll is unsigned and has not been advanced to the appropriate level.
- **Under Tier Review**: This is a tiered subcontractor's payroll that has been advanced and awaiting approval from the subcontractor before it can be advanced to the next tier approval.
- **Under Prime Review**: Prime is reviewing the payroll for accuracy. If the Prime has signed the payroll, it can be advanced to the Agency (MDT) for review.
- **Returned**: If a payroll for a tiered sub or a subcontractor needs to be sent back from the Prime for corrections, the status will say Returned.
- **Prime Rejected**: This phase status is when a Prime has sent back a contractor's payroll after it has been rejected by the agency.
- **Under Agency Review:** Once a payroll has been approved and advanced by the Prime, the payroll then is under review from the agency (MDT).
- **Agency Rejected**: The agency has reviewed the payroll for exceptions and is sent back to the contractor for corrections. The payroll will then have to have a modification created to make the necessary corrections.
- **Approved**: The agency has approved the payroll, and no further action(s) are required. If there are no exceptions to the payroll, AASHTOWare will automatically approve the payroll.

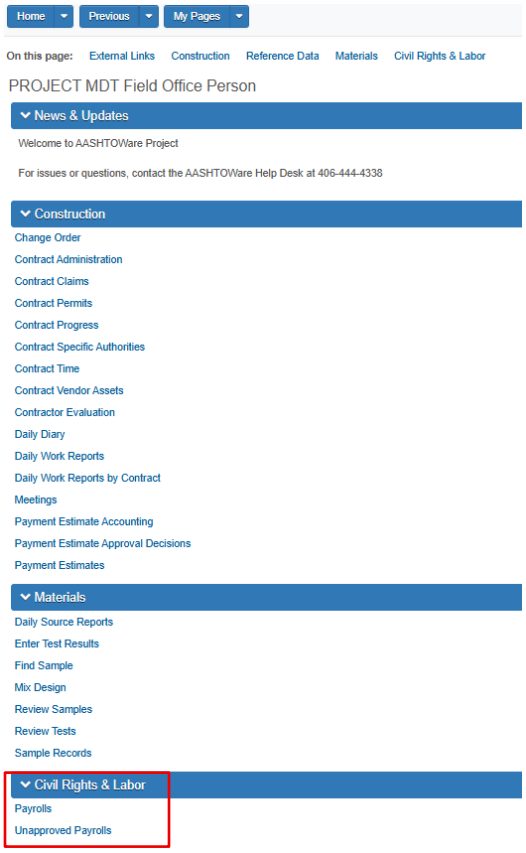
Note:

- Phases can be seen on the payroll directly for a specific contractor by clicking on the vendor payroll number or using the row action drop down on the vendor row.



Navigation
Users with the EPM/FOP role can Approve or Reject Payrolls. The Inspector role can view the payroll but cannot Approve or Reject the payroll.

1. Navigate to the **Civil Rights and Labor** blue component ribbon
    a. Located at the bottom of the user's Home Dashboard
2. Select the **Unapproved Payrolls or Payrolls link**
    a. Unapproved Payrolls will show any phase that the payroll is in except for the Approved Phase
    b. Payrolls will show all the payrolls no matter the phase the payroll is in

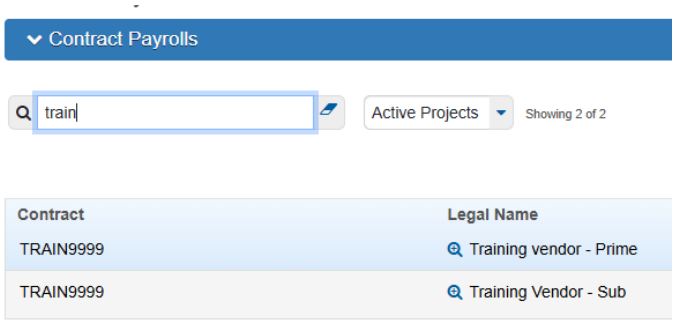


2. Payroll Approval Process

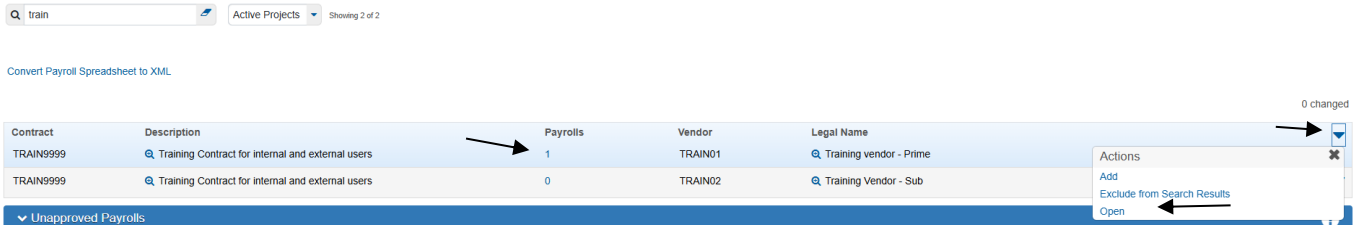
The payroll approval process can work in several different ways. If there are no exceptions calculated by the system, the system will automatically approve the payroll for the agency. If the payroll has any exceptions, they will need to be resolved before the payroll can be approved.

From the Contract Payrolls Overview link

1. Navigate to the **Civil Rights & Labor** Component ribbon
2. Click on the **Payrolls** link
3. Enter the **Contract number** in the search box
    a. The user can also enter the Vendor's legal name or select the Show first 10 option



4. Click on the correct contractor payroll number or the row action arrow for the contractor and select Open



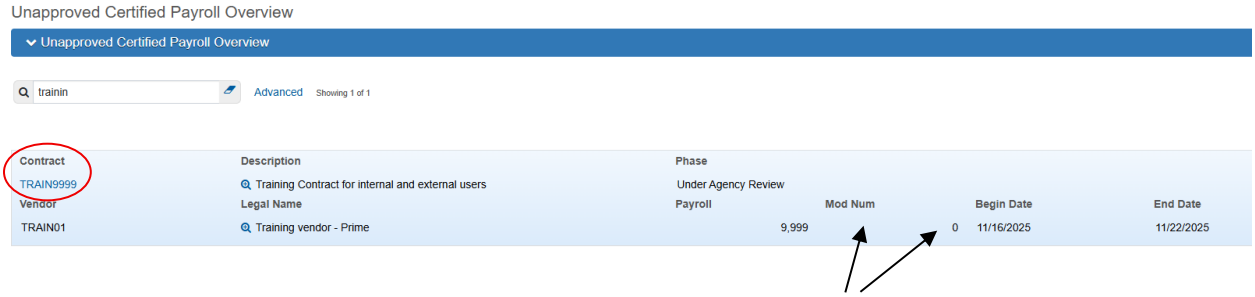
Note:

- The user will be able to see all payrolls regardless of the workflow phase that they are in.

From the Unapproved Payrolls link

If the payroll is under Agency Review, then the user can also use the Unapproved Payrolls option to quickly navigate to the payrolls that need attention from any contractor.

1. Navigate to the **Civil Rights & Labor Component**
2. Click on the **Unapproved Payrolls** link
3. Enter the **contract number** in the search box
    a. The user can also click on Show first 10, then the user can see all contracts assigned to their crew
    b. User can also put their cursor in the search box and hit the Enter key
4. Click on the **Contract Number** of the payroll to open the payroll

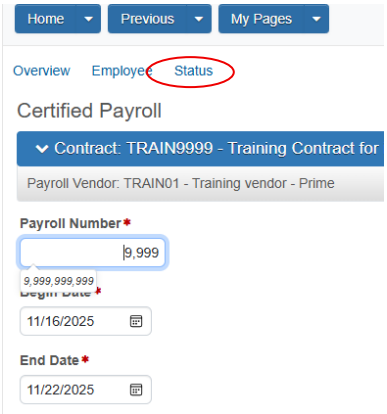


Note:

- The user need watch out for modified payrolls. Modified payrolls are payrolls will be the latest depending on the payroll. This can be found under the Mod Num.

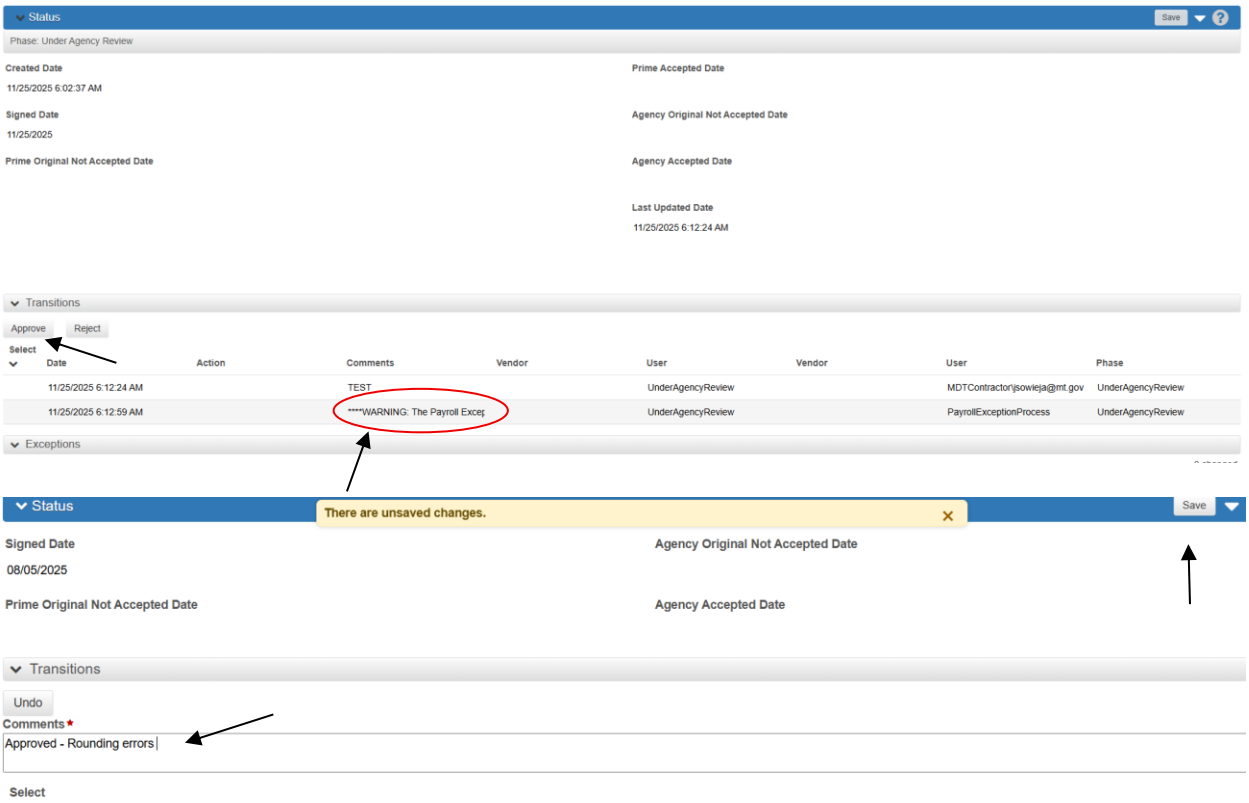
Approving Payrolls

1. After selecting the contract number, this will take the user into the payroll selected
2. Click on the **Status** quick link
    a. This is in the upper left corner under the Previous button



3. Navigate down to the **Exceptions Row**

4. If the exception is acceptable, the user can Enter in the Resolution Comments and Resolution Date
    a. Click on the **Approve** button under the Transitions row
    b. Add **Comments** as appropriate
        i. Example: “Rounding error, approved payroll”
    c. **Save**



Note:

- The user should look at the Transitions and make sure that a Warning notice does not appear. This does happen on occasion, but the user should verify.
- The notice will show as “*WARNING: The Payroll Exception Process was not successful. Check the System Process History for more information.”
- If this warning does show up, then the user will need to run the Payroll Summary report and verify that each employee’s pay is correct. If all the information is correct, then the user will be able to resolve the payroll and approve. If the user verifies that corrections need to be addressed, then the process for Rejecting the payroll will need to be followed. See Section 4 for Rejecting Payrolls for Corrections.

3. Resolving Payroll Exceptions

When a payroll is progressed to Under Agency Review status, the system will automatically validate the payroll for exceptions such as the contract Wage Decision (Wage Rates).
If the system detects payroll data that does not conform to the payroll exception rules, it will cause an exception with the payroll and create a message to inform the user with a message.

Common Exception types can include:

- **Labor** – when wages are inaccurate based on the contractor entered data to the wage decision.
    - *Examples*:
        - Payroll Employee, Project ID, Craft Code 'BLDNGSHMTL', Labor Classification 'Building - Laborer (General or Common) no zone': For Payroll Employee, the Labor Classification (Building - Laborer (General or Common) no zone) does not exist on the Project Wage Decision (MT20250079 010325) Modification Number '2025 Wage Decision' within the Project Counties.
        - Gross Pay of (473.03) for Payroll Employee does not equal the Total Deductions (426.69) plus the Net Pay (1563.59). Gross Pay does not equal the Total Deductions and Net Pay when added together.
- **Fringe** – Fringe benefit calculations are inaccurate based on contractor entered data and system data
    - *Example*:
        - The Total Project Fringe Paid value (0.00) for Payroll Employee does not equal the Calc Total Fringe Benefits (153.24). The system calculated totals does not match the contractor totals

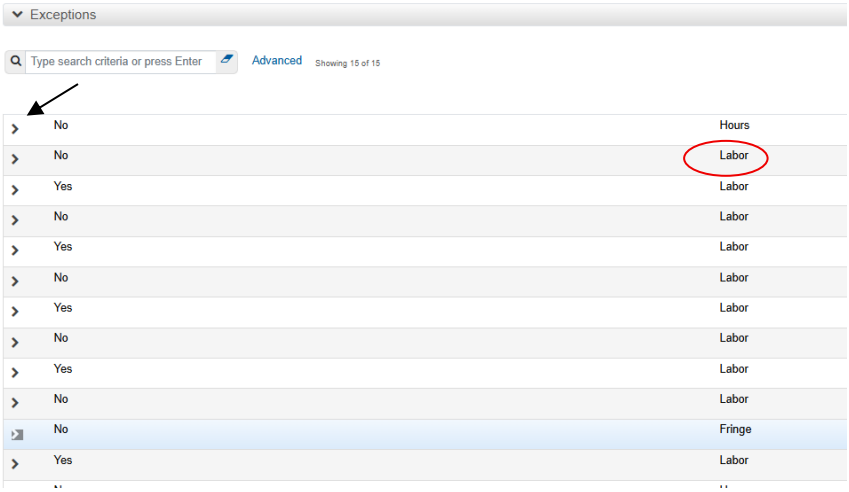
Other exception types can include OJT, Employee, and Payroll

Note:

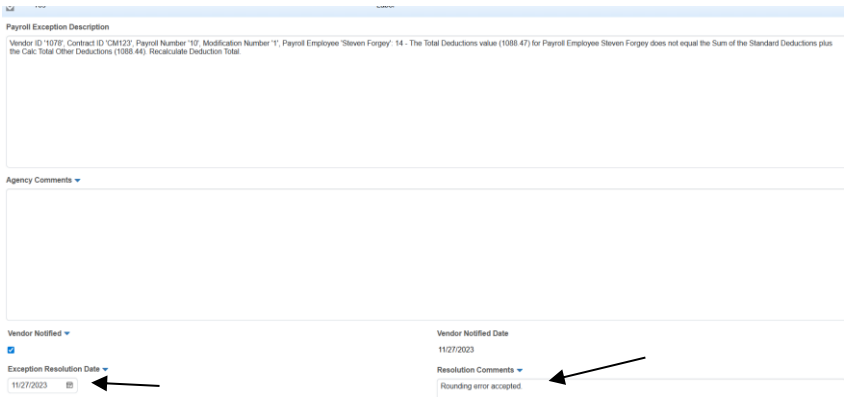
- When the user is verifying exceptions, there will be instances where the error is caused by a Rounding error. Rounding errors are usually associated with Overtime. The user will want to make sure that mathematically, that is the cause.

Exception Type: Labor

1. Navigate to the **Contract payroll** that needs review
2. Select the **payroll number** to open the payroll
3. Click on the **Status** quick link
4. Scroll down the **Exceptions** row



5. Click on the **>** on the left side of the row to expand the exception
6. Review the **Payroll Exception Description**
7. Using the **Payroll Summary report**, review the Employee payroll and validate if the exception is correct
8. **Repeat steps 5-7 for every exception on the payroll**
9. If the exception is acceptable, the user can Enter in the Resolution Comments and Resolution Date
10. If there are valid exceptions, like mathematical errors, then the payroll will **have** to be **Rejected** back to the contractor.
    a. See Section 5 for Rejecting Payrolls for Corrections



11. **Save**

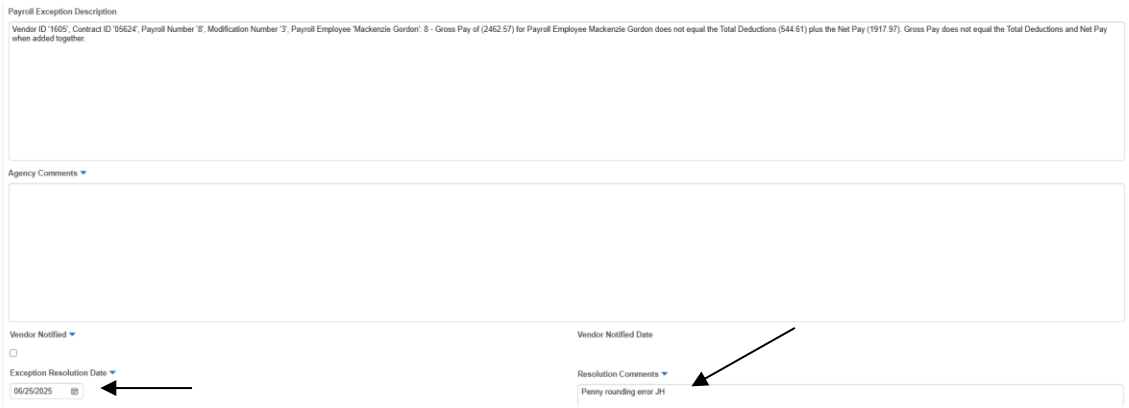
Note:

- If there is a particular error, the user should verify with CAS about an approval. This exception is a system-based error. The user should not automatically approve or reject a payroll based on that exception. Commonly, this exception can be resolved with a comment, but best practice is to verify with CAS.

Error: Craft Code 'BLDNGPLMBR', Labor Classification 'Building - Laborer (General or Common) no zone': For Payroll Employee (Employee name), the Labor Classification (Building - Laborer (General or Common) no zone) does not exist on the Project Wage Decision (MT20230079 042823) Modification Number 'Effec. Letting 51823' within the Project Counties.

Exception Type: Rounding Errors
Rounding errors are generally caused by Overtime calculations. The user should verify that the exception is caused by rounding. If it is a rounding (usually this is by a penny) then the user will be able to approve the exception and/or the payroll if it is the only exception type. Exceptions must be resolved prior to approving the payroll.

1. In the Status screen of the payroll, click on the **>** to expand the exception
2. Review the **Payroll Exception Description**
3. **Verify** the exception is a rounding error
4. If the exception is an acceptable rounding error, enter in a comment in the **Resolution Comments** field
5. Enter in the **Exception Resolution Date**
6. **Follow steps 1 – 5 for all exceptions**
7. If the exception is only a rounding error, then the payroll can be approved
8. Select the **Approve** button
9. Add an **appropriate comment**
10. **Save**



Note:

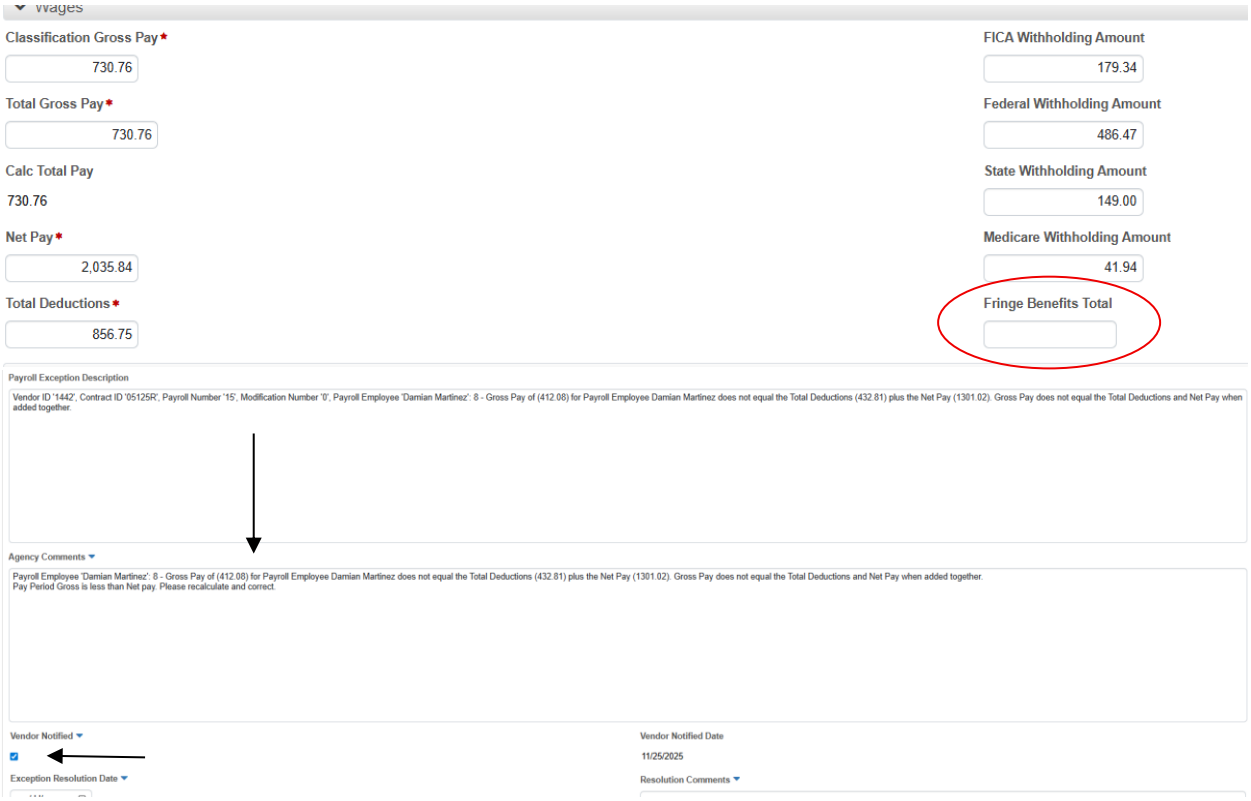
- There will be some exceptions that a user may not be sure if it is rounding. It is **extremely important that the user reads and verifies the exception for accuracy**. Some exceptions do not necessarily need to be rejected based on the exception type.
- *Example:*

"Gross Pay of (2462.57) for Payroll Employee does not equal the Total Deductions (544.61) plus the Net Pay (1917.97). Gross Pay does not equal the Total Deductions and Net Pay when added together. "

  - 2462.57 – 544.61 = 1917.96 (1917.97 was the entered data). This is a penny difference. It was proven to be a rounding error since all the math was correct. The user was able to approve the payroll with a comment stating the difference was due to rounding.

Exception Type: Fringe

Fringe exceptions will have to be rejected back to the contractor for corrections. Normally this is because the fringe rate benefits were not calculated correctly, or the contractor could have left the field blank. See Section 5, Rejecting a Payroll for Corrections.

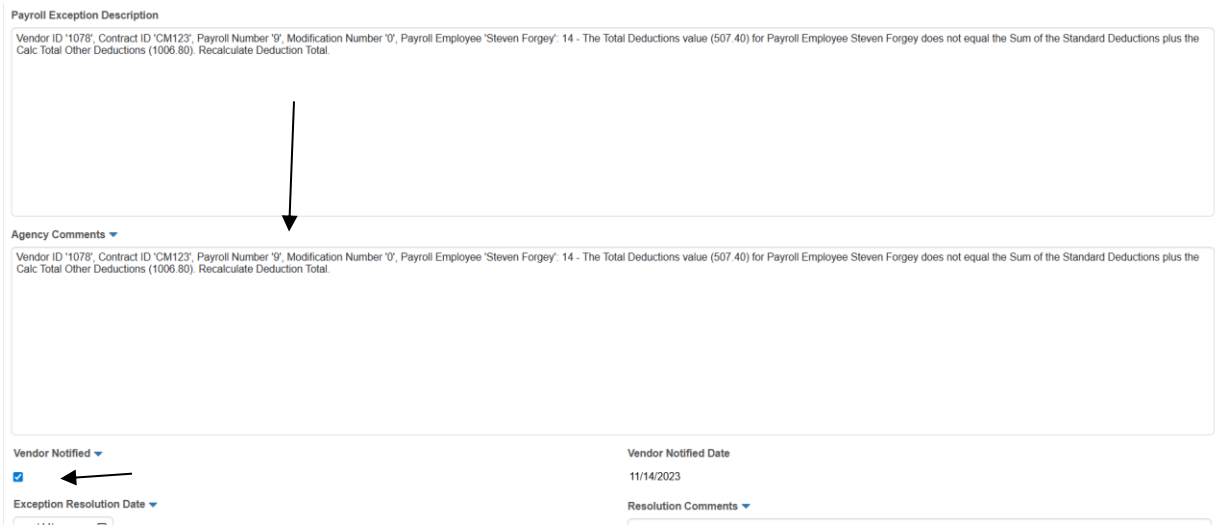


4. Rejecting a Payroll for Corrections

If the user has found that the exceptions are valid, then the payroll will need to rejected back to the contractor for corrections. The contractor will create a modified payroll to correct any exception(s) that are needed.

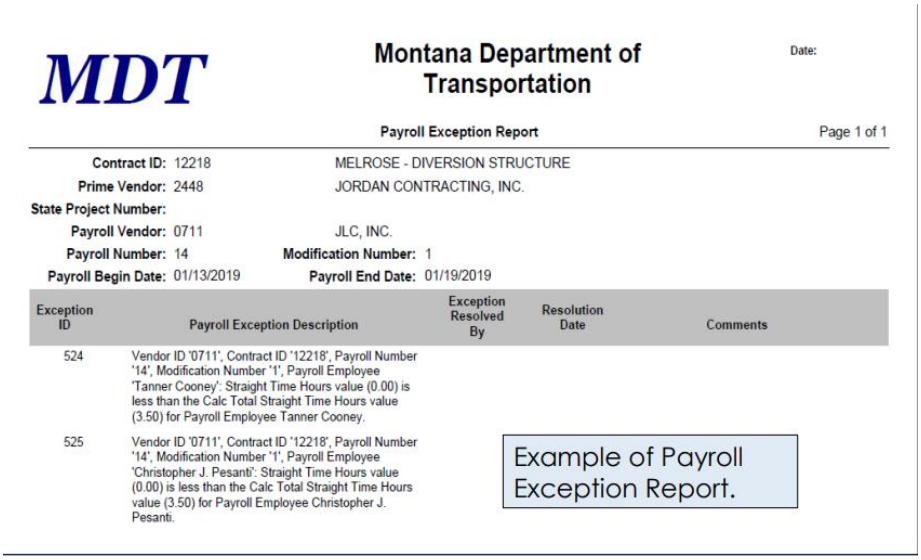
Reject a Payroll

1. **Copy the comment from the Exception Description box to the Agency Comments field**
2. Check the **Vendor Notified** box
3. **Repeat steps for each exception that will be rejected**
4. Select the **Reject** button
5. Enter an appropriate **comment**
    a. The user can enter in a copied exception comment
    b. The user can also comment “Prior to creating a modification, generate the Payroll Exception Report” The user should generate this report to review the exceptions.
6. **Save**



Note:

- It is **EXTREMLY** important that the user selects the Vendor notified checkbox. This is how the contractor gets a notification that there is a rejected payroll that requires their attention.
- This also allows the contractor to generate the Payroll Exception Report. This report shows all the same information on the exceptions that the internal user sees. If the user does not select the Vendor Notified checkbox, then only the exceptions that have the field check marked will show.



MDT

Montana Department of Transportation

Date:

Payroll Exception Report Page 1 of 1

Contract ID: 12218 MELROSE - DIVERSION STRUCTURE
Prime Vendor: 2448 JORDAN CONTRACTING, INC.
State Project Number:
Payroll Vendor: 0711 JLC, INC.
Payroll Number: 14 **Modification Number:** 1
Payroll Begin Date: 01/13/2019 **Payroll End Date:** 01/19/2019

Exception ID	Payroll Exception Description	Exception Resolved By	Resolution Date	Comments
524	Vendor ID '0711', Contract ID '12218', Payroll Number '14', Modification Number '1', Payroll Employee 'Tanner Cooney': Straight Time Hours value (0.00) is less than the Calc Total Straight Time Hours value (3.50) for Payroll Employee Tanner Cooney.			
525	Vendor ID '0711', Contract ID '12218', Payroll Number '14', Modification Number '1', Payroll Employee 'Christopher J. Pesanti': Straight Time Hours value (0.00) is less than the Calc Total Straight Time Hours value (3.50) for Payroll Employee Christopher J. Pesanti.			

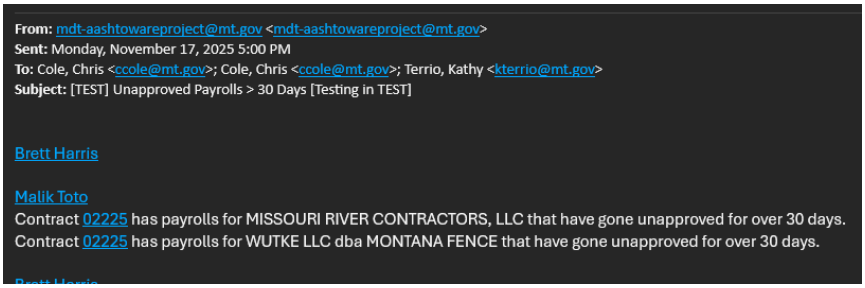
Example of Payroll Exception Report.

5. Notifications and Emails

EPM Emails

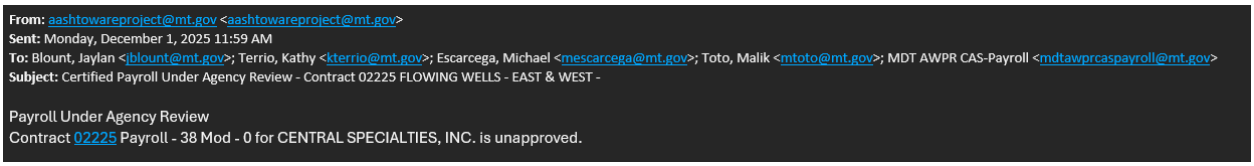
A trigger will generate if payrolls reach 30 days without an action. The Labor Compliance person is also included on these emails.

Payrolls need to be reviewed weekly and must be resolved in a timely manner as not to affect the Contract's Payment Estimate.



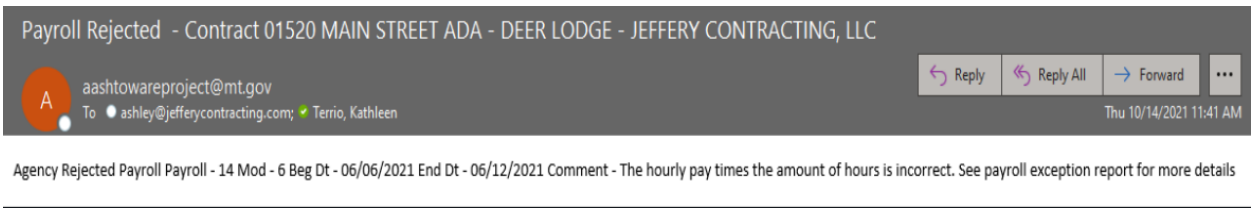
FOP(s) Email

When a payroll from the contractor is advanced to **Under Agency Review**, the personnel listed as FOP(s) will also receive an email notification.



Contractor Email

If a payroll has been rejected, the contractor will receive an email that lets them know that the payroll(s) has been rejected. This allows the contractor to address the exceptions in a timely manner. It is important that the user uses clear comments as to what the exceptions are. The Vendor Notified checkbox ensures that this email gets sent out to the contractor.



6. Labor Compliance Spot Checks

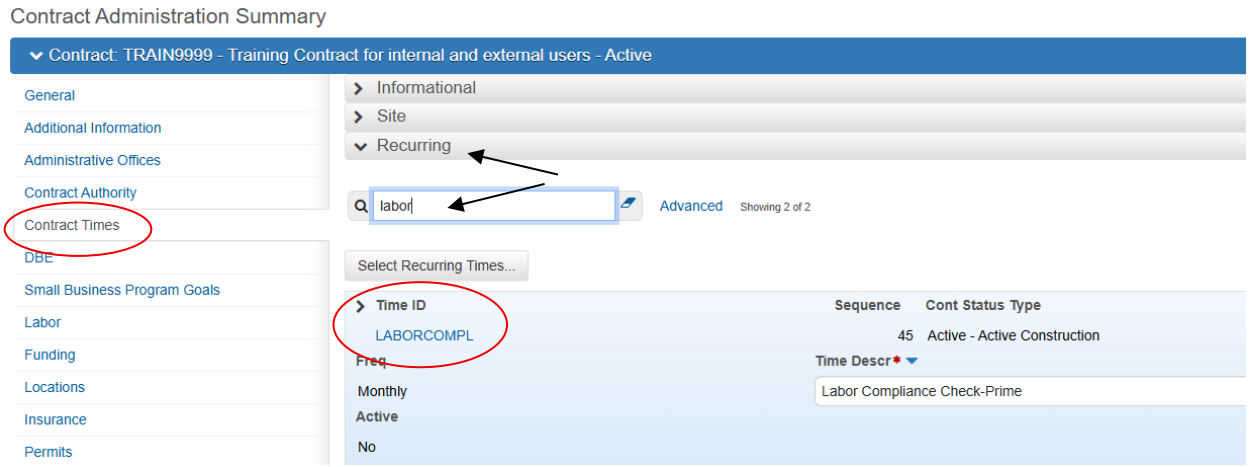
Labor Compliance Spot checks **MUST** be completed with every contractor, every month. Spot checks can be compared to the payroll for verification of reported information from the contractor crews. The inspector role can view a payroll in a “Read Only” format but cannot approve/reject a payroll. The user can also generate the Payroll Summary Report to review a payroll without having to be in AASHTOWare.

Spot checks are still saved on the Shared drive for the contract under the **09B_LABOR_COMPLIANCE** folder.

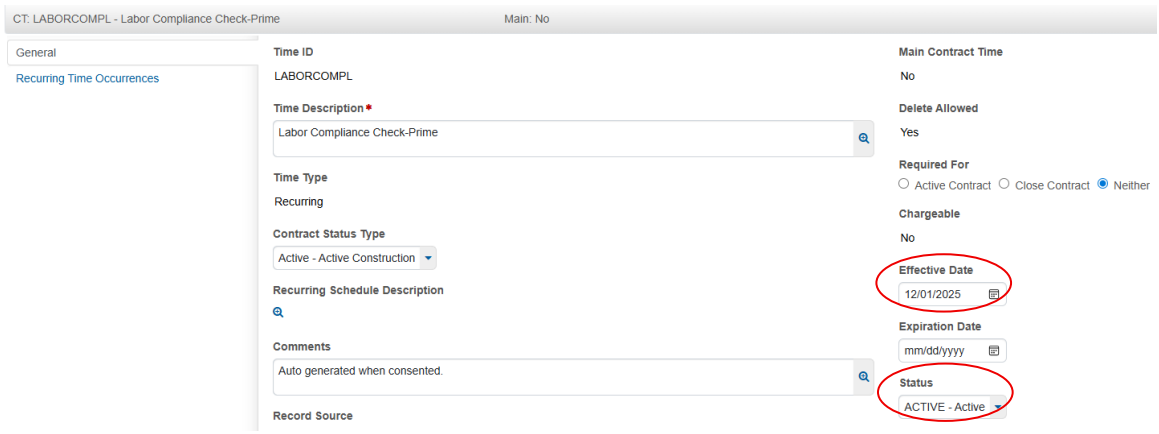
Labor Compliance Schedule – FOP Role

When a contract or sub-contract is consented, the Recurring Time Rows will populate automatically for each contractor. This information can be found in the Contract Time under the Contract Administration Link.

1. From the Home Screen, scroll down to **Contract Administration**
2. Enter the **Contract number** in the search box
    a. The user can also place their cursor in the box and hit enter to bring up all contracts they have access too
3. Select the appropriate **Contract ID**
4. Click on the **Contract Times** Tab
    a. Left side of the screen
5. Navigate to the **Recurring** row
    a. The user can also type Labor in the search box to narrow down the choices
6. Click on the Time ID **LABORCOMPL** Time ID



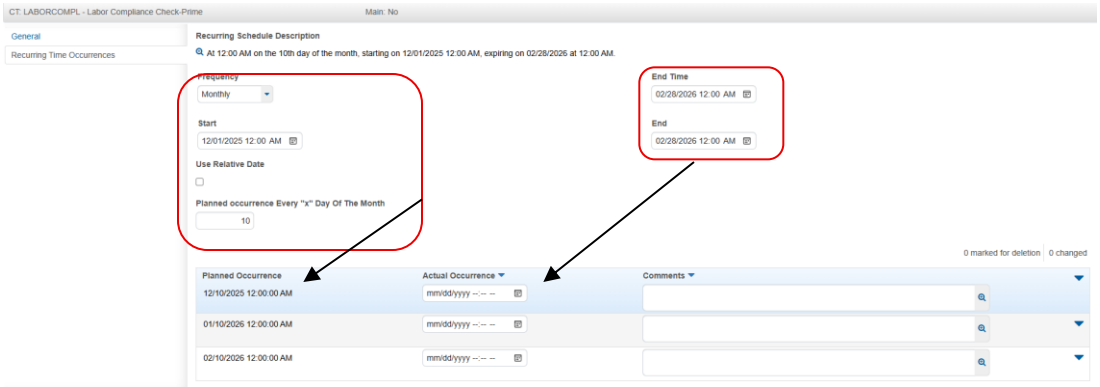
7. On the General Tab, verify that the **Effective Date** is filled out and the **Status** is set to Active



8. Select the **Recurring Time Occurrences** Tab
9. Select a **Start Date**
    a. This can be the first day that specific contractor is on site or the beginning date that work begins
    b. Verify with CAS or the EPM on which date can be used
10. Planned occurrences are defaulted to the 10th of each month.
    a. This can be changed to the user preference
    b. Some crews do like to set to the beginning of the month or the end of the month
    c. Verify with the EPM on which date they would like to use
11. Enter a date for the **End Time & End fields**
    a. Generally using the end of the year works well
    b. These dates can be changed later if necessary
    c. End Time and End are the same date

Note:

- Start and the End Time/End dates are what populates the Occurrence Row schedule



Note:

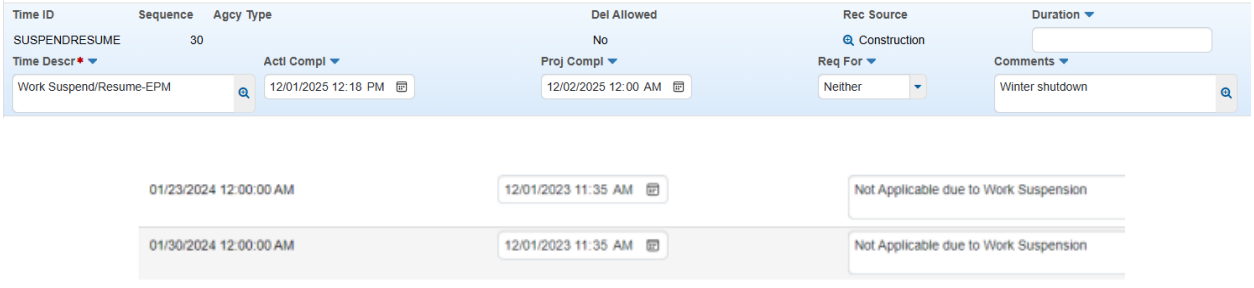
- Times will need to be entered for every contractor on the project.

Suspend/Resume Time

When a contract is shut down, usually for winter shut down, then the Informational Date Suspend/Resume can be used to shut down the triggers for Bulletin Board, Labor Compliance, Time Assessment, 7AOJT and Contractor Schedule. The following steps **must** be completed to push the notification triggers forward. If the steps are not followed, email notifications will still be sent out. This does **not** apply to occurrence dates prior to the Suspend/Resume date. If the steps are followed correctly, a comment will populate “Not Applicable due to Work Suspension” in the date range for the suspend/resume.

Contract Administration – Contract Times Tab

1. Navigate to the **Informational** row
2. Scroll down to the **SUSPENDRESUME** Time ID
3. Enter a date in the **Actl Date** field
    a. This is the actual date the suspend is effective
    b. Normally the current date
4. **Save**
5. Hit the **F5 key** to refresh the screen
6. Enter a date in the **Proj Compl** field
    a. This is a projected date that the user thinks work will start again
7. **Save**
8. Enter any Comments as applicable
    a. An acceptable comment can be “Winter shut down”
9. **Save** after comments are added



7. Daily Work Reports (DWR's)

In the AASHTOWare 4.6 upgrade, the Payroll Not Required Checkbox was added to the Daily Work Report Contractor's Tab. Certified Payrolls are extremely important as these are Federal Requirements for Contracts using Federal Funds.
This change ties into the Contractor On-site drop-down options. These options are Yes – On Site and No – See Comments.

Yes – On Site: This should be used for every contractor that is doing work on a project.
Yes – On Site: There are times that the Payroll Not Required checkbox could be used. Survey work, an Owner of a Company is on site and not working in a Prevailing wage classification, Engineering/Consultant services ect. The user should verify the contractor/work to **Table 108-1** to see if a payroll will be required. If a payroll is not required, then the Yes can be used and the Payroll Not Required checkbox checked.
No - See Comments: Comments are now being required anytime this option is selected. The user will need to comment on why they are not requiring a payroll for a specific contractor.

Example comments: "Payroll not required. Survey work only"
"Pay items only, no payroll required"
"Materials Acceptance actions only, no payroll required"
"Theodore Chipmunk, owner of Chipmunk Enterprises out on site to view progress"

It is important that the user verifies the DWR for accuracy and compares them to the payrolls for that time week to ensure compliance.

Whenever in doubt, ask.

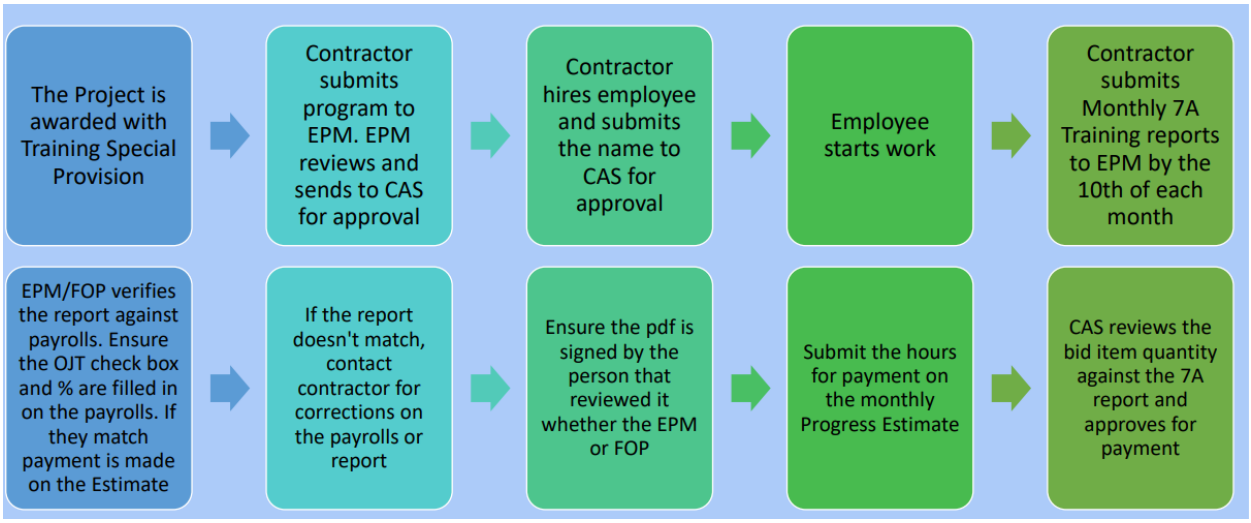
8. On-The-Job Training (OJT) Compliance

The primary objective of the OJT program is used Train and upgrade minorities and women toward a journeyperson status. This follows specification **109.12**.

The Training Program requirements, if applicable, will be called out in the contract special provisions.

6. TRAINING PROGRAM [102] (REVISED 7-15-21 M)
Provide on-the-job training for 1 trainees. For more information and requirements of the job training program, see Subsection 109.12.

How it Works:



A training program will need to be submitted by the Contractor to CAS for approval a minimum of 15 calendar days prior to commencing any training-related construction activities. This includes the number of trainees, the work classification and expected start dates for each employee. Approval or acceptance of the program will need to be obtained before any work related to the Training Program.

07A – OJT Monthly Training Reports

Each month, the contractor is responsible for submitting the 7A – OJT Monthly Training Report. This report is due by the 10th of each month. The report for the contractor's can be found at: [Prevailing Wage/On-the-Job Training (OJT) Compliance | Montana Department of Transportation (MDT)]

MDT-CON-109-12 Rev.10/2021
Page 1 of 3

Montana Department of Transportation
07A-OJT Monthly Training Report

Submit to: Project Manager

INSTRUCTIONS: Submit to the Project Manager.
Report is due 10 calendar days following month end. Example: March hours are due April 10th.
Capture only one month and one trainee per report.
electronic signatures recommended.
Program Manager: Kathy Terrio 406-475-2258 kterrio@mt.gov

Project Description: **Prime Contractor:**

Fed/State Project Number: **MDT Project Manager:**

Contract ID:

Trainee Name: **Start Date:** **Contractor: Prime Sub**

Replacement: Yes: No: **Trainee received copy of Training Program: Yes: No:**

Trainee received copy of Training Report: Yes: No:

Trainee Classification: **Apprentice? Yes: No: Union? Yes: No:**

Reporting Month:

Note:

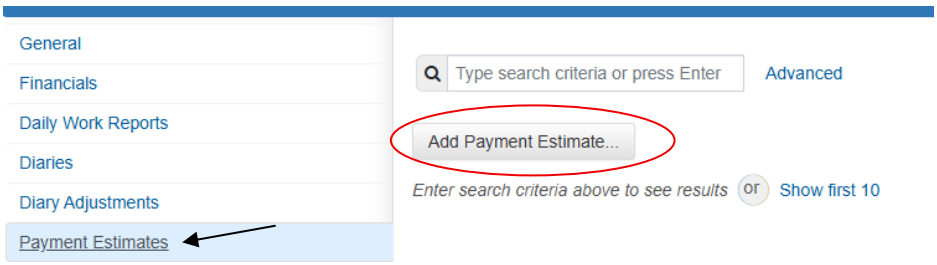
- Information on the OJT report should be verified against the certified payrolls for the month to ensure accuracy. This will allow for accurate reporting to the Training Program for hours paid on the estimate.

9. Overdue Payroll Exceptions - Estimates

Overdue Payroll exceptions will appear on the estimate when a contractor has not submitted their payrolls in a timely manner. Payrolls should fall off the following estimate, if it has been approved. It is extremely important that the payrolls are submitted in a timely manner to keep compliance. The user should verify payrolls have been submitted prior to the end of estimate cycle on the 25th of each month.

Run the estimate

1. Select **Contract Progress**
2. Select the **appropriate contract**
3. Navigate to **the Payment Estimates Tab**
    a. Left side of the screen
4. Click on the **Add Payment Estimate** button



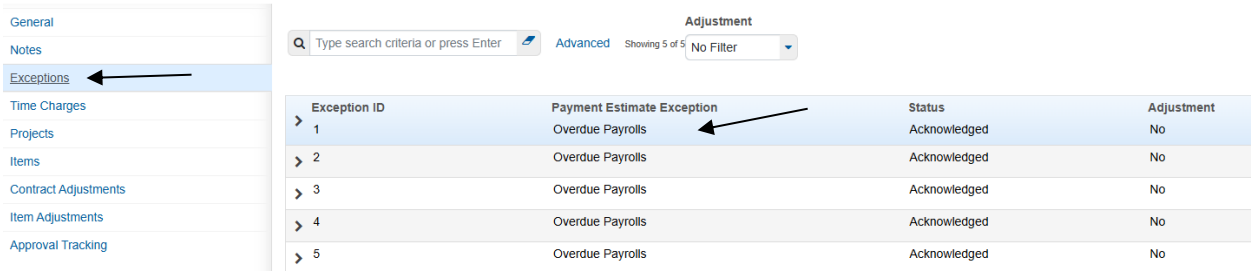
5. Change the **Period End Date** to the 25th of the current month
6. Select the **Add Payment Estimate** button on the component ribbon

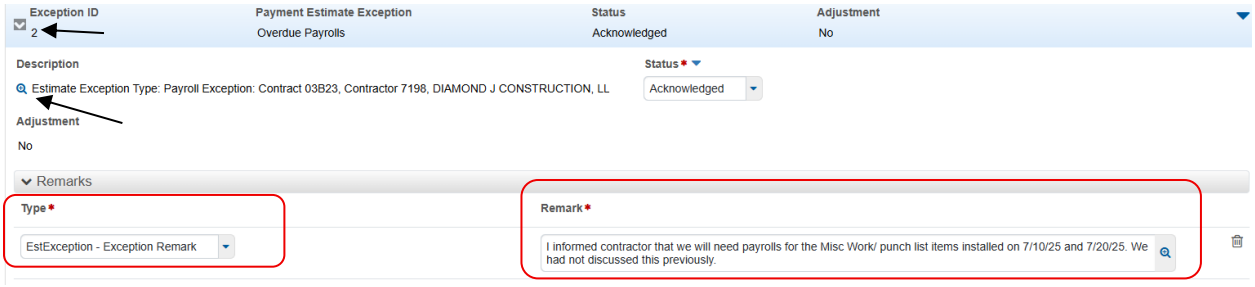


Note:

- The Type will default to Progress.
- If this is a Final estimate, the user will need to select the Final in the drop menu. The user will need to change the date to the 25th (this will open the Add Payment Estimate button), then select the date needed for the estimate generate date.
- The User can select the Payment History Overview quick-link to verify that there are no errors to the estimate.

7. Navigate back to Contract Progress and the Payment Estimates Tab
8. Select the **Show first 10** link
    a. The user can also place their cursor in the search box and hit enter
9. Click on the **Payment estimate number**
10. Select the **Exceptions tab**
11. Expand the **>** and click on the **magnifying glass** to see the exception
12. Select the appropriate **Status**
13. In the **Type** field, select the **EstIException – Exception Remark**
14. Add **appropriate remarks**
    a. If a payroll is not required, a comment stating why a payroll is not required
        i. *Example*: Surveyor only on site. Payroll not required
    b. If a payroll is required, then the user must document the steps taken to resolve the exception.
        i. *Example*: Contractor is missing a payroll for dates 6/15 – 6/21. Email to the contractor on 6/23 asking for them to submit their payroll.
15. **Save**





Estimate Exception Type: Payroll Exception: Contract 03B23, Contractor 7198, DIAMOND J CONSTRUCTION, LLC, DWR Dates 7/10/2025.

Estimate Exceptions – Lag Days

Overdue Payroll Lag dates are calculated by the system by subtracting the Payment Estimate End date by the number of Lag Days. MDT has the lag days set to 14 days.

Progress Estimates vs Final Estimate

Progress Estimates: Exceptions on a Progress estimate must be **ACKNOWLEDGED.** The EPM/FOP will need to check the date(s) on the exception to the DWR(s) for the contractor on the exception. If the date(s) are missing payrolls, the user will need to contact the contractor. This information, including the date of the communication, should be documented in the Remarks section of the exception.
Example:
Missing payrolls for 6/1 to 6/7, 6/8 to 6/14 & 6/15 to 6/21. Emailed Chipmunk Construction on 6/25 for missing payrolls

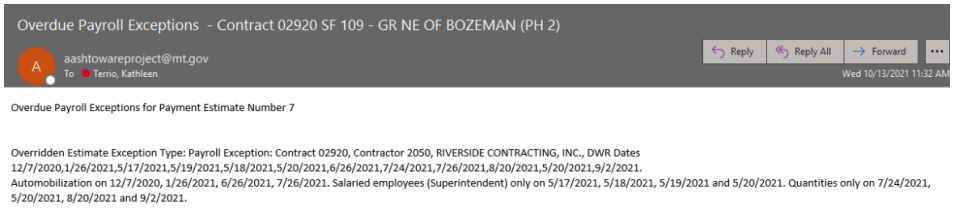
If the payroll is not missing and there was an error on the DWR, or it was a material acceptance/pay item only DWR, then a comment should reflect that information.
Example:
6/1 to 6/7 payroll not required. Pay item only
6/8 to 6/14 payroll not required. Contractor was not on site. Should have used Not on site drop down option.
6/15 to 6/21 payroll not required. Material Acceptance actions only.

Final Estimates*:* Exceptions on a final estimate must be **OVERRIDDEN.** Final estimates cannot be processed with missing payrolls. If payroll(s) are missing, then the user needs to reach out to the contractor to resolve as soon as possible. This process is similar to the Progress estimate.

Each date on the exception will need to be researched and comments addressing each date will need to be listed in the exception Remarks section. This includes Pay items or Material Acceptance only. Payroll(s) must be received before the following estimate.

Exceptions that are acknowledged, an email is sent to the Labor Compliance Program. The email informs that the contractor is not within compliance for their payroll(s). While things do come up, which MDT understands, the Contractor must still meet the requirement for timely payrolls. If the Contractor is still in non-compliance, the user should reach out to their district CAS personnel to discuss the possibility of Payroll Withholding from the Prime Contractor.

If an estimate is approved with Overdue Payroll exceptions, an email is received by CAS to verify that the exception is handled with complete and accurate remarks.


Overdue Payroll Exceptions - Contract 02920 SF 109 - GR NE OF BOZEMAN (PH 2)

A aashtowareproject@mt.gov
To Terrio, Kathleen

Reply | Reply All | Forward | ...
Wed 10/13/2021 11:32 AM

Overdue Payroll Exceptions for Payment Estimate Number 7

Overridden Estimate Exception Type: Payroll Exception: Contract 02920, Contractor 2050, RIVERSIDE CONTRACTING, INC., DWR Dates 12/7/2020,1/26/2021,5/17/2021,5/19/2021,5/18/2021,5/20/2021,6/26/2021,7/24/2021,7/26/2021,8/20/2021,5/20/2021,9/2/2021. Automobilization on 12/7/2020, 1/26/2021, 6/26/2021, 7/26/2021. Salaried employees (Superintendent) only on 5/17/2021, 5/18/2021, 5/19/2021 and 5/20/2021. Quantities only on 7/24/2021, 5/20/2021, 8/20/2021 and 9/2/2021.

* See 2025 Standard Specification for updated guidance.

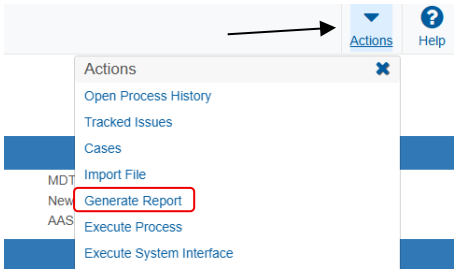
10. Overdue Payroll - Estimate Withholding Process

A specification change allows the EPM/FOP to withhold up to 10% on an estimate. This is done as a Contract Adjustment on any estimate.
This follows the direction from Legislative Audit to increase Internal Controls regarding Certified Payrolls and Contractor Payment Compliance. MDT created a process will follow Federal (29 CFR 3.3 & 5.5) and State Law (Montana Code Annotated 28-2-2103).

Overdue Payroll Process

Overdue Payroll Report for Internal Users
Prior to generating the Progress Estimate, the EPM or FOP should generate the Overdue Payroll Report for Internal Users at least 10 days prior to the end of the estimate cycle.

1. Navigate to the **Actions** button
    a. Top right corner
2. Select the **Generate Report** Option



3. In the search field, enter **Payroll**
    a. The user can also scroll down the list
4. Select the **Overdue Payroll Report for Internal User**
5. Enter the **Contract number** in the search box
6. Select the **Contract**
7. In the **Settings row, click on the blue → arrow**

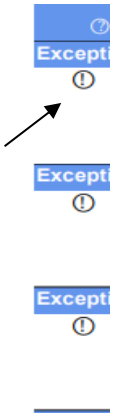


8. Select the **Period End Date**
9. Click on the **Execute button**

Reading the Overdue Payroll Repot
Any Contractor that is listed on the report will not have **Approved Payroll(s**) within AASHTOWare. The report will break down each exception to its own row. It will show DWR date that specific contractor was chosen, the vendor and if they are Prime or Subcontractor. It will then break down to the count, hours, personnel and any comments added in the Contractor Comments field. There are 3 different indicators in the report to help the user understand what stage of compliance the payroll is at.

The report symbols are located on the left side of the row under Exception. They show as one of the following:

- **N/A** = not late yet, DWR documentation is current
- (?) = Getting close to being late (not 21 days overdue yet)
- (!) = Late payroll (over 21 days overdue



- The user should verify which payrolls are late and contact the Prime Contractor. The user should also communicate that the Prime or the Subcontractor(s) have not met the Federal requirement.
- Email communications/documentation about the contract adjustment should be saved in the 04_Estimates folder on the shared drive for that specific contract.
- If there is an estimate adjustment due to non-compliance, the user should also document the Adjustment in the naming convention as well as the date.
    - *Example*: ABC_Contracting_Est_1_Adjustment_10152025

Note:

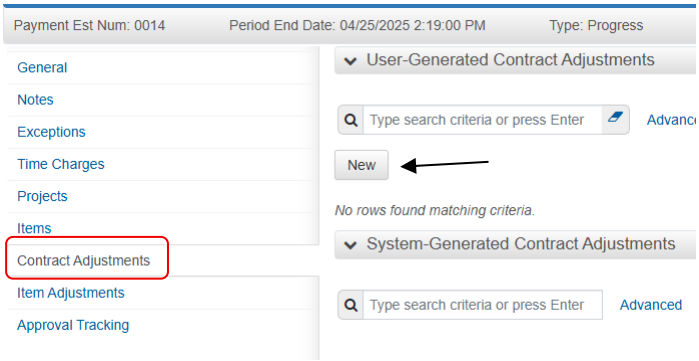
- AASHTOWare is set to report an overdue payroll **21** days after the employee has worked and recorded on a DWR.
    - This is set to allow the contractor time to process their payroll and report the weekly project work.
- If the contractor has not submitted their late payrolls by the estimate cutoff date (25th) they will be in non-compliance.

Contract Adjustments on the Estimate

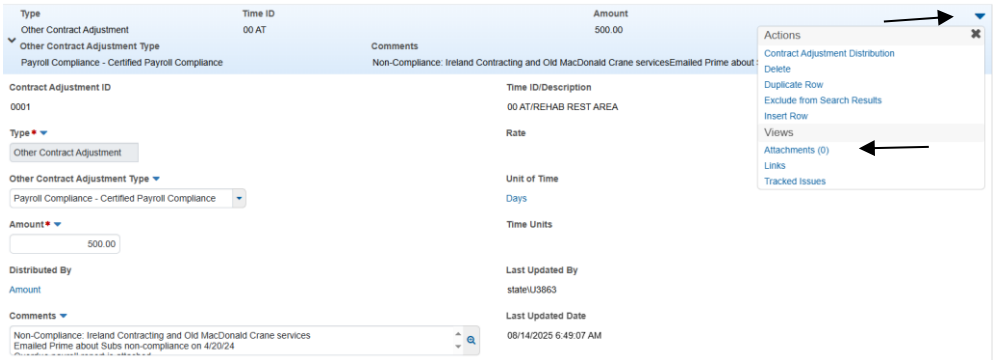
Once the overdue payroll(s) have been verified for non-compliance, the user will need to notify the Contract Administration Specialist (CAS) to determine the appropriate withholding amount. Not exceeding 10% of the total estimate (per Section 105.09, subsection 4). When an amount as been decided, then the user will create a Contract Adjustment on the current estimate.

Contract Adjustment

1. Navigate to the correct **Contract Estimate**
2. Select the **Contract Adjustments Tab**
    a. Left side of the screen
3. Under the User-Generated Contract Adjustments row, select the **New** button
4. In the **Type** field of **Other Contract Adjustment**



5. In the **Other Contract Adjustment Type** field Select the **Payroll Compliance – Certified Payroll Compliance** option
6. In the Amount field, enter in the dollar value of the withholding
7. Add **Comments** as appropriate
    a. Prime/ Sub Contractor(s) should be noted in the comments section
        i. *Example*: Non-compliance: Ireland Contracting and Old MacDonald Crane services
    b. Comment about what the user has done to assist the contractor with their requirements
    c. **Attach a copy of the Overdue Payroll report to the Adjustment row action**
8. **Save**



Note:

- The Adjustment will be withheld from the Prime Contractor who can then withhold from their Subcontractor.
    - This follows MCA 28-2-2103 & 28-2-2115
- The Prime **must** be notified by the EPM that the withholding will be completed on the Progress estimate or until the Prime or Subcontractor(s) are determined to be within Compliance.
- This process follows the applicable rules, regulations and laws governing Certified Payroll Compliance on DBRA (Davis Bacon and Related Acts) covered contracts.
- Federal regulations are noted below.

Federal Regulations

Title 29 Code of Federal Regulations

3.3 Certified Payrolls
(a) [Reserved]
(b) Each Contractor or subcontractor engaged in the construction, prosecution, completion or repair of any public building or public work, or building or work financed in whole or in part by loans or grants from the United States, each week must provide a copy of its weekly payroll for all laborers and mechanics engaged on work covered by this part and part 5 of this chapter during the preceding weekly payroll period.

5.5 Contract provisions and related matters
(iii) *Certified Payroll Requirements* –
(A) *Frequency and method of submission*. The contractor or subcontractor must submit weekly, for each week in which any DBA or Related Acts – covered work is performed, certified payrolls to the Owner.

The Prime Contractor is responsible for the submission of all certified payrolls by all subcontractors.

Title 29 Code of Federal Regulations
5.6 Enforcement
(a) Agency responsibilities.
(1)
(i) No payment, advance, grant, loan or guarantee of funds will be approved by the Federal agency unless it ensures that the clauses required by § 5.5 and the appropriate wage determination(s) are incorporated into such contracts. Furthermore, no payment, advance, grant, loan or guarantee of funs will be approved by the Federal agency after the beginning of construction unless there is on file with the Federal agency a certification by the contractor that the contractor and its subcontractors have complied with the provisions of § 5.5.

MCA- Title 28, CONTRACTS AND OTHER OBLIGATIONS

Chapter 2, Contracts

Part 21. Payment of Construction Contractors and Subcontractors
28-2-2103 Payment to Contractor and Subcontractor. Payment to contractor and subcontractor (1)(a) Except as provided in **28-2-2115** (c)The owner may disapprove the request for payment or a portion of the request based upon a claim of:

(1)(c)(v): failure to comply with the material provisions of the construction contract or accompanying documents, including but not limited to **payroll certifications**, lien releases, warranties, material certifications, and test data;

(2)(c): Prior to submitting a monthly or final pay application to the owner, the general contractor may disapprove the subcontractor's request for payment, or a portion of the request based upon a written claim of any of the conditions listed in subsection (1)(c).

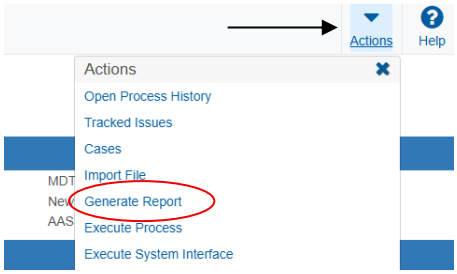
MDT Specifications
Standard Special 108.01.4 Certified Payroll Compliance and tie into 105.09 Authority and Duties of the Project Manager, AASHTOWare – Progress Estimate

11. Final Payroll Review & Certification

The Final Payroll review is completed when the contract reaches Conditional Final Acceptance. The Overdue Payroll Report must be ran for the project using the 25th of the month.

Overdue Payroll Report

1. Navigate to the **Actions** button
    a. Top right corner
2. Select the **Generate Report** Option



3. In the search field, enter **Payroll**
    a. The user can also scroll down the list
4. Select the **Overdue Payroll Report for Internal User**
5. Enter the **Contract number** in the search box
6. Select the **Contract**
7. In the **Settings row, click on the blue → arrow**



8. Select the **Period End Date**
9. Click on the **Execute button**

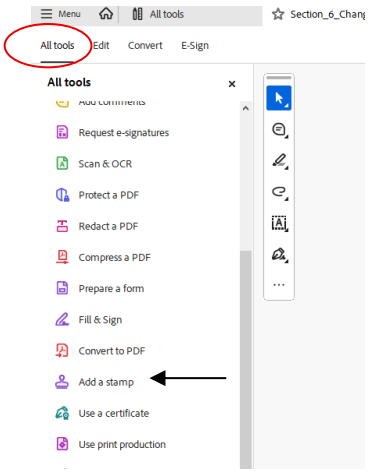
Vendor	Total Number of Approved Payrolls	Is Prime
KNIFE RIVER CORPORATION - BLGS	26	☑PRIME
KENITZER CONCRETE PUMPING INC	0	☐PRIME
MORRISON MAIERLE INC - BLGS	0	☐PRIME
RIMROCK ENGINEERING INC	0	☐PRIME
STREET SMART RENTALS LLC	0	☐PRIME
AMERICAN CONCRETE TBKB, INC.	1	☐PRIME
JMS CRANE & RIGGING LLC	1	☐PRIME
ROBINSON GRINDING & PROFILING, LLC	1	☐PRIME
YELLOWSTONE ENVIRONMENTAL CONTRACTING, LLC	1	☐PRIME
A-CORE OF IDAHO, INC.	2	☐PRIME
MIDSTATE RECLAMATION SD, LLC, dba SURFACE CYCLE	2	☐PRIME
FULL ROD CONSTRUCTION INC	3	☐PRIME
3 BULL CONTRACTING, LLC	4	☐PRIME
L & J CONSTRUCTION GROUP, LLC	4	☐PRIME
WESTERN MUNICIPAL CONSTRUCTION, INC.	4	☐PRIME
HARDSCAPE CONSTRUCTORS	5	☐PRIME
HIGHMARK TRAFFIC SERVICES, INC.	5	☐PRIME
MILLENNIUM ELECTRIC	26	☐PRIME
MOUNTAIN WEST HOLDING COMPANY	26	☐PRIME
OMEGA CAISSON DRILLING, INC	10102025	☐PRIME

If there are exceptions on the report or if there is a 0 (zero) next to a contractor, the user will need to determine if payrolls are missing or if there are errors. Add the appropriate comment(s) for those contractors.

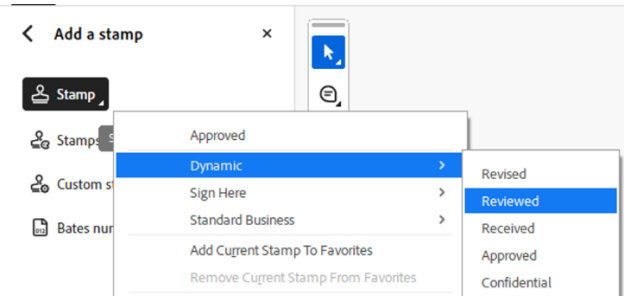
The user will need to add a **REVIEWED BY** stamp to the report. Save a copy of this report in the 06_FINAL_FORMS\FINAL_FORMS\FIELD on the shared drive for the project. Name the file (contract #)_Final_Payroll_(Review_date of the review)

Create a Dynamic Stamp – Adobe

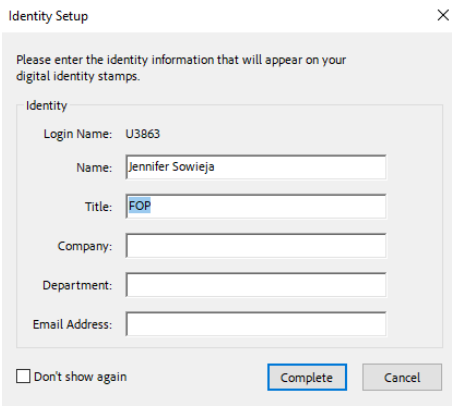
1. Navigate to the saved report on the shared drive
2. In the All Tools on the left toolbar, select Add a stamp
    a. The user may have to click on the View More
3. Click on the Stamp option



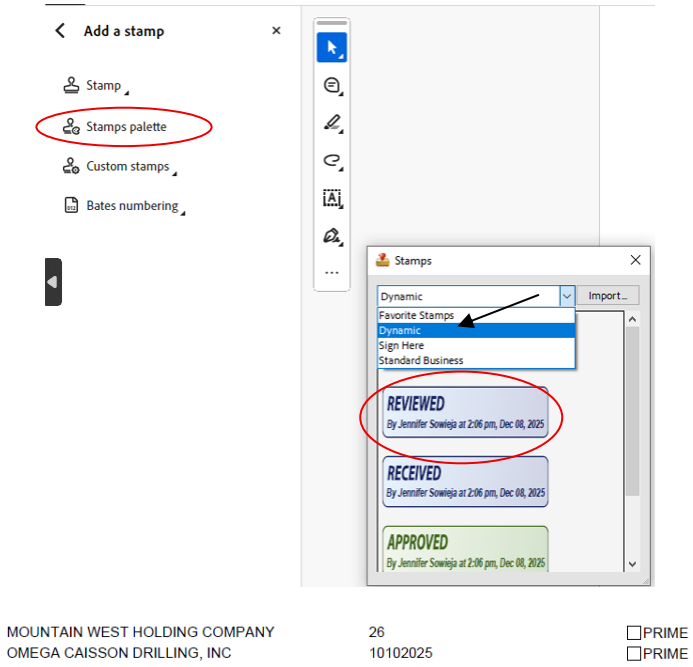
4. Click on Stamp
5. Hover over the Dynamic option
6. Click on the Reviewed option



7. Fill in the user's name
8. In the title field, the user role (FOP or EPM)
9. Select the Complete button



10. This will allow the user to add the stamp directly to the report.
11. If the user closes the document prior to adding the stamp, navigate back to the Tools option
12. Select the Stamps palette
13. Select the Dynamic option in the drop-down menu
14. Click on the Reviewed stamp
15. Place at the bottom of the report





Once the Reviewed by stamp and correct verbiage is added to the report, CAS will review and add in their Approved stamp and verbiage.

12. Force Accounts

Wages paid on a certified payroll are eligible for reimbursement on a Force Account or Agreed Price item. The contractor will need to submit a payroll for those items.

Per Specification 109.04.2, Section A:

> **109.04.2 Force Account Basis**
>
> Approved extra work paid for on a force account basis will be accounted for daily. The daily report sheets are the true record of extra work. The payments below are full compensation and include profit and overhead. No additional profit will be added. Extra work on a force account basis ordered by the Project Manager in writing, under Section 104, is paid for as follows:
>
> **A. Labor.** The Contractor is paid at the applicable USDOL Wage Decision classification rate for all labor and foremen assigned exclusively to performing the extra work for the total hours worked on-site plus 80% of the total unless it can be shown on a certified payroll that the individual performing the force account work is normally paid at a higher rate than the classification rate. Then, the hourly rate paid will be increased to the normally paid rate. If the force account work puts the employee into overtime, the Contractor will be reimbursed at the overtime rate.
>
> Submit evidence of the actual wage rates paid. Only labor on certified payrolls is eligible. The rate paid will be that which is listed on the certified payroll. For salaried employees on-site to manage the contract, submit a certified payroll report from the contractor's payroll system showing the supervisor's salaried rate.

Salaried Employees:
One thing to note, is agreeing to the wage for a salaried employee before the Force Account work is done benefits MDT and we are not paying a salaried individual his salaried rate plus 80% surcharge and not the Davis Bacon classification wage rate for the work done.

If a user has questions about Force Account/Agreed Price work with a salaried employee, the user should reach out to their CAS person for clarification and direction.