Payroll Review Flow Chart

Subcontractors submit copies of payrolls, weekly, to prime for review

Prime contractor submits sub payrolls and copies of its own payroll to consultant for review--weekly. Three possible scenarioes:

Scenario One: Consultant or MEDC staff finds Error involving restitution

or

Two: Consultant or MEDC staff finds error but error does not involve restitution

or

Three: There is no error detected

CWHSSA, regarding overtime violations, is involved.

or

No CWHSSA, only DB error

Notification by Consultant to Prime Contractor of restitution due, need for certified correction payroll, calculation of Liquidated Damages and two options

Notification of need for Certified Correction Payroll

Notification by Consultant to Prime of the need for corrected payroll(s)

Option 1
Pay Liquidated Damages

Or

Option 2
Request Waiver of Liquidated Damages (LD)

and

Contractor prepares a Certified Correction Payroll, pays restitution and provides documentation of such actions to Consultant

Corrected payroll prepared by contractor or minor inaccuracy can be corrected by Consultant with Contractor approval.

Contractor pays Liquidated Damages by electronic wire transfer and notifies consultant, by traceable communication of payment made

E-mail or letter from Contractor to consultant requesting waiver of Liquidated Damages. Include the reason for request

Reporting Requirements

Consultant communicates Contractor's request to MEDC & expresses opinion about request

Is restitution from Davis-Bacon Or CWHSSA at least $1,000 for any contractor?

No

MEDC opinion is attached to waiver request and sent to HUD. HUD's responds with *"Pay" or "Waive"*

Yes

A Labor Standards Enforcement Report must be prepared by the consultant and sent to MEDC. This is done when most or all of the corrective action has been completed.

or

Response to Consultant then to Contractor

Enforcement for CWASSA is Complete

A Final Wage Compliance Report is sent with the closeout documents. It will also indicate all restitution amounts.

Definitions:

Consultant: The Labor Compliance Officer for grant recipient
CWHSSA: Contract Work Hours & Safety Standards Act
HUD: U. S. Dept of Housing and Urban Development
MEDC: _____