



RURAL CAPACITY ASSISTANCE PROGRAM

Labor Standards Compliance Training

SESSION 2

Certified Payroll & Documentation

WH-347 field guide · BOLI Addendum · deductions & fringe · QA and corrections

Wednesday, April 1, 2026 · 10:00–11:30 AM PT · Microsoft Teams

CAP Contract Alliance, LLC · Contract FS2402A · Funded through Business Oregon



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PARTS 1 – 2

Legal Basis & Reporting Thresholds

When certified payroll is required under federal and Oregon law.

When is certified payroll required?

FEDERAL — DAVIS-BACON ACT

- Threshold: \$2,000+ on federal contracts
- Every contractor AND subcontractor must submit
- Frequency: weekly, within 7 calendar days
- Form: WH-347 (current version 01/2020)
- Applies to HUD, USDA-RD, EPA SRF, and all federal assistance

OREGON — PREVAILING WAGE LAW

- Threshold: \$50,000+ on Oregon public works
- BOLI Addendum required alongside WH-347
- Both forms required on dual-jurisdiction projects
- Record retention: 6 years (vs. 3 years federal)
- BOLI updates rates annually on July 1

DUAL-JURISDICTION: when a project is over both thresholds and uses both fund sources, file the WH-347 AND the BOLI Addendum, and retain records for the longer Oregon period.

PART 3

2024 Davis-Bacon Final Rule

What changed — and what is currently enjoined.

2024 Davis-Bacon final rule — key changes

- ✓ **Majority-rule wage rate** Returns to single prevailing rate paid by the majority of workers in a classification; may increase rates in some markets.
- ✓ **Anti-retaliation protections** Workers may not be retaliated against for raising wage concerns; must receive a WD copy upon request.
- ✓ **Change-order WD updates** Significant change orders may trigger a requirement for an updated wage determination.
- ✓ **Conformance process changes** New procedures for requesting unlisted classifications require more documentation (use Template 20).
- ✓ **Record retention clarified** The 3-year retention period start point is clarified to the project completion date.

Active nationwide injunction — know the status

CURRENTLY ENJOINED

- Expanded 'site of work' covering prefabricated / modular components
- Certain retroactive application provisions for in-progress projects
- These provisions are NOT currently enforceable
- Monitor DOL announcements for updates
- Consult OBDD Program Manager or legal counsel

FULLY IN EFFECT

- Majority-rule wage rate methodology
- Anti-retaliation worker protections
- Worker right to receive wage determination
- WD update requirements for change orders
- Conformance process changes
- Record retention clarification

PART 4

WH-347 Complete Field Guide

Every column explained — header through Statement of Compliance.

WH-347 — header & employee information (cols 1–4)

Field	Name	What to enter	Common error
H-1	Contractor Name & Address	Legal entity name + project address exactly as in contract	<i>DBA without legal name; abbreviated address</i>
H-2	Payroll No.	Sequential starting at 1; mark 'Final' on last week	<i>Resetting numbers; not marking Final</i>
H-3	Week Ending	Saturday of the 7-day payroll period	<i>Using check issue date instead of period end</i>
H-4/5	Project / Contract No.	Full project name and agency-assigned contract number	<i>Using internal job number; leaving blank</i>
Col 1	Employee Name & ID	Full legal name; LAST 4 SSN DIGITS ONLY	<i>Writing full 9-digit SSN — privacy violation</i>
Col 2	Withholding Exemptions	Number from employee's W-4	<i>Leaving blank</i>
Col 3	Work Classification	EXACT text from the wage determination	<i>Informal terms: 'worker', 'helper', 'general labor'</i>
Col 4	Daily Hours	ST and OT hours shown separately for each day	<i>Weekly total only — cannot verify OT compliance</i>

WH-347 — wage & benefit cols 5–10 + compliance

Col	Name	What to enter	Common error
5	Total Hours	Sum of all ST + OT hours from Column 4	<i>Omitting travel time between covered sites</i>
6	Rate of Pay	Actual hourly rate paid — NOT the WD rate	<i>Entering WD rate instead of actual rate paid</i>
7	Gross Earnings	$(\text{ST hrs} \times \text{rate}) + (\text{OT hrs} \times \text{rate} \times 1.5)$	<i>Forgetting OT premium; rounding errors</i>
8	Deductions	Each type listed separately (FICA, Fed WH, State)	<i>Lumping all as 'taxes'; omitting voluntary deductions</i>
9	Net Wages	Gross minus all deductions; must match actual check	<i>Net $\neq$ check amount — most common audit flag</i>
10	Fringe Benefits	Cash per hour (cash-in-lieu) OR plan name and \$/hr	<i>Leaving blank; 'see benefits' without specifics</i>

Statement of Compliance (reverse): must be signed by an officer or authorized representative. False certification is a federal crime (18 U.S.C. §1001): up to 5 years imprisonment.

PART 5

Oregon BOLI Addendum & Higher Wage Rule

Dual-jurisdiction compliance for Oregon public works.

BOLI Addendum — Oregon-specific required fields

CCB License Number

Must be current and active. Verify at contract award AND during payroll review.

Workers' Compensation

Policy number and carrier. Workers without WC coverage cannot legally work on the project.

OR Withholding Account

Oregon Dept. of Revenue employer withholding number. Must register before beginning work.

Apprentice Registration

Program name, BOLI-approved number, current step. Without docs, journeyworker rate is owed.

Fringe Benefits (Oregon)

Same as WH-347 Col 10. Oregon and federal WDs may differ — the higher amount applies.

Subcontractor List

All subcontractors on the project must be listed on the prime contractor's BOLI Addendum.

The higher wage rule — dual-jurisdiction projects

THE RULE: on dual-jurisdiction projects, pay the HIGHER of the Oregon prevailing wage or the federal Davis-Bacon rate for each classification. Compare classification by classification — not an overall average.



Oregon rate is higher

Pay the Oregon rate. Note the federal rate for reference on the WH-347.



Federal rate is higher

Pay the federal rate. Note both rates on the certified payroll for the audit trail.



Classification in federal WD only

Use the federal rate. Consult BOLI before work begins.



Classification in Oregon WD only

Use the Oregon rate. Submit a conformance request (Template 20) to DOL.



Rates are identical

Note the match on payroll. No additional documentation needed.

PART 6

Deductions — Permissible & Prohibited

What can and cannot be withheld from prevailing wages.

Deductions from prevailing wages

✓ PERMISSIBLE DEDUCTIONS

- Federal, state, local income tax withholding
- FICA (Social Security & Medicare)
- Health insurance premiums (employee share, written consent)
- Union dues (CBA authorized)
- Pension / retirement (employee share, written consent)
- Court-ordered garnishments / child support
- Voluntary charitable contributions (freely authorized)
- Repayment of bona fide loans / advances

⚠ PROHIBITED DEDUCTIONS

- Tools, equipment, or uniforms required for the job
- OSHA / OR-OSHA required safety equipment
- Transportation to / from the job site
- Meals or lodging (unless freely accepted at fair market rate)
- Kickbacks to supervisors or employer
- Damaged tools from normal wear and use
- ANY deduction reducing net pay below the prevailing wage rate

PART 7

Fringe Benefits — Calculation & Documentation

Annualization, bona fide plans, and awardee documentation requirements.

Three ways to satisfy the fringe benefit obligation

1 METHOD 1

Cash in lieu of benefits

Pay the full WD fringe rate as additional cash wages on every paycheck. Simplest method — no plan documentation required. The additional cash is taxable income to the worker.

2 METHOD 2

Bona fide plan contributions

Contribute to a qualifying health, pension, vacation, or apprenticeship plan at a rate $\geq$ the WD fringe rate per hour. The plan must be third-party administered and provide genuine benefits.

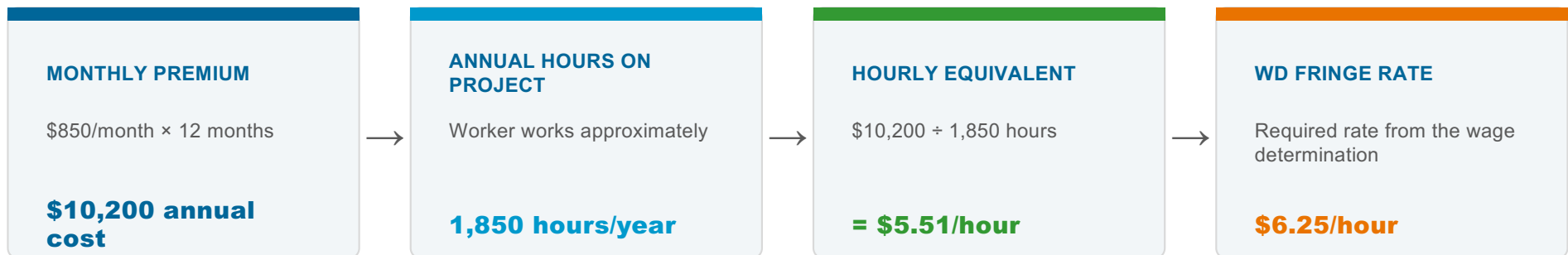
3 METHOD 3

Combination method

Pay part of the fringe obligation in cash and satisfy the remainder through approved plan contributions. Both combined must equal or exceed the WD fringe rate.

Fringe annualization — converting annual cost to hourly

FORMULA: Hourly Equivalent = Annual Cost of Benefit ÷ Hours Worked Per Year



Shortfall: \$6.25 – \$5.51 = \$0.74/hour owed to the worker as a cash supplement to meet the full WD fringe rate.

PART 8

Overtime on Prevailing Wage Projects

Oregon's stricter daily rule and correct rate calculation.

Oregon overtime rule — more protective than federal

ORS 279C.540: OT = over 8 hours any day OR over 40 hours any week → apply whichever produces more OT for the worker.

WORKED EXAMPLE

Mon	10 hrs	2 OT
Tue	10 hrs	2 OT
Wed	8 hrs	
Thu	8 hrs	
Fri	8 hrs	

Daily OT: $2+2+0+0+0 = 4$ OT hours · Weekly OT: $44-40 = 4$ hours

Result: 40 ST hrs + 4 OT hrs

OT RATE CALCULATION

- Base rate: \$35.00/hr
- Cash fringe: +\$8.50/hr
- OT rate = base $\times$ 1.5 = $\$35.00 \times 1.5$

= \$52.50/hr OT rate

OT is computed on the BASE rate — NOT $\$43.50 \times 1.5$ (fringe is excluded).

PART 9

The 12 Most Common Certified Payroll Errors

Prevention and correction guidance for every one.

The 12 most common errors (1–6)

1

Wrong / vague classification

Fix: Use exact WD language. Use Template 20 if classification is unclear.

2

Rate below WD

Fix: Pull the current WD from SAM.gov. Re-verify when change orders are issued.

3

OT miscalculated

Fix: Check Column 4 for daily hours. Oregon's 8-hr daily rule applies.

4

BOLI Addendum missing

Fix: Include in contract. Provide a blank form at the pre-construction meeting.

5

Final payroll not marked 'Final'

Fix: Add to closeout checklist. Send a reminder 2 weeks before completion.

6

Late or missing payroll

Fix: Use Template 03 to track. Issue Template 04 notice on day 8.

The 12 most common errors (7–12)

7

Statement of Compliance unsigned

Fix: Identify the authorized signatory in the contract. Reject unsigned payrolls.

8

Full SSN on payroll

Fix: Provide only the current WH-347 (01/2020). Redact any full SSNs received.

9

Unregistered apprentice at apprentice rate

Fix: Require registration docs at project start. Verify with BOLI.

10

Column 10 fringe benefits blank

Fix: Provide instructions at pre-construction. Require Template 19.

11

WD not updated after change order

Fix: Check SAM.gov for WD updates when change orders are issued.

12

Sub payrolls not flowing through prime

Fix: Specify flow requirements in the prime contract. Track all in Template 03.

PARTS 10 – 11

Electronic Submission & Software Integration

e-SCNP, the Oregon BOLI process, and common payroll platforms.

Electronic submission: e-SCNP & Oregon BOLI process

FEDERAL — DOL e-SCNP

- dol.gov/agencies/whd/.../e-scnp
- Free registration using FEIN
- Manual entry or XML upload from payroll software
- Built-in validation flags missing fields and sub-WD rates
- Generates a confirmation number — retain as proof
- Some funding agencies require e-SCNP as a contract condition

OREGON — BOLI ADDENDUM

- No centralized electronic portal currently available
- Submit BOLI Addendum + WH-347 directly to the awardee
- Awardee reviews and retains originals in the project file
- BOLI may request copies during compliance review
- Confirm awardee's preferred method before project start
- Watch for BOLI portal announcements at oregon.gov/boli

Payroll software — what awardees should know



LCP Tracker

Best-in-class. Generates WH-347 + BOLI Addendum. Direct e-SCNP integration.



Sage 100/300 CRE

Construction-specific accounting with built-in prevailing wage modules.



QuickBooks + add-on

QuickBooks alone lacks WH-347 output. Needs a third-party add-on or LCP Tracker.



ADP Workforce Now

Limited prevailing wage capability. Typically requires manual WH-347 completion.



Certified Payroll Solution

Dedicated Davis-Bacon platform. Generates state addendums and e-SCNP XML.



Manual / spreadsheet

Error-prone. Allocate extra review time. Always provide the current WH-347 PDF.

PARTS 12 – 13

Quality Assurance, Red Flags & Corrections

The 10-step review workflow and when back wages are required.

Awardee payroll review — 10-step workflow

Complete within 3 business days of each payroll receipt.

1

Log receipt in Template 03

Contractor, period end, date received, payroll number, date due

3

Verify wage rates

Column 6 actual rate $\geq$ WD base rate for each classification

5

Check deductions

No prohibited deductions; net wages in Col 9 match the check

7

Verify classifications

All use exact WD language; flag non-standard classifications

9

Stamp and file

Date-stamp; initial; file; update Template 03 status

2

Completeness check

Both sides of WH-347; BOLI Addendum (OR \$50K+ projects)

4

Verify overtime

Column 4 shows daily hours; OT premium at 1.5 $\times$ base rate

6

Check fringe benefits

Column 10 rate $\geq$ WD fringe rate; cross-reference Template 19

8

Confirm signatory

Statement of Compliance signed by officer/rep, with title and date

10

Issue deficiency notice if needed

Complete Template 04 same day; log; set follow-up reminder

Red flags during payroll review



All workers classified as 'Laborer' regardless of actual work performed — possible misclassification



Every payroll shows exactly 8 hrs/day, 40 hrs/week — may indicate artificially clean records



Net wages equal gross wages with no deductions listed anywhere



Fringe benefit column shows identical round numbers for all workers every week



Large unexplained deductions in Column 8 — possible kickbacks or prohibited charges



No subcontractor payrolls during weeks when subs were observed on site



Worker count fluctuates dramatically week to week with no explanation

Correction vs. full restatement — when each applies

CORRECTION SUFFICIENT

- Clerical error: wrong date, transposed number, misspelled name
- Informal classification name but the rate was correct for that craft
- BOLI Addendum omitted but no wage discrepancy exists
- Statement of Compliance missing date/title but properly signed

Submit an amended WH-347 marked 'Corrected' with the correction date. Retain the original in the file.

FULL RESTATEMENT + BACK WAGES

- Worker paid below the applicable WD base rate
- Misclassification into a lower-paying classification
- Overtime not paid or calculated incorrectly
- Prohibited deductions reduced net pay below prevailing wage
- Unregistered apprentice paid at the apprentice rate

Contractor calculates back wages, pays workers directly, and submits corrected payrolls + proof of payment to the awardee. Notify OBDD promptly.

PARTS 14 – 15

Awardee Review Checklist & Quick Reference

Tools to take back to your project.

10-point payroll review checklist

Apply to every certified payroll within 3 business days of receipt.

- | |
|--|
| <div>1</div> <p>Is the WH-347 the current version (revised 01/2020)?</p> |
|--|

2

Quick reference card — take this back to your desk

WHEN REQUIRED

Federal: \$2,000+ • Oregon: \$50,000+
Dual-jurisdiction: WH-347 + BOLI Addendum
Every contractor AND subcontractor

DEADLINE

Weekly • within 7 calendar days
of each payroll period end
Final payroll: mark 'Final'

OVERTIME (OR)

> 8 hrs/day OR > 40 hrs/week
Apply whichever produces more OT
OT rate = base rate × 1.5

FRINGE BENEFITS

Must ≥ WD fringe rate
Cash, bona fide plan, or combination
Annualize annual costs to an hourly rate

TOP 5 ERRORS

Wrong classification • rate below WD
OT not calculated correctly
BOLI Addendum missing • not marked Final

2024 RULE NOTE

Majority-rule method: IN EFFECT
Anti-retaliation protections: IN EFFECT
Expanded site of work: ENJOINED

BOLI: 971-673-0839 · DOL/WHD: 1-866-4-US-WAGE · WH-347: dol.gov/whd/forms/wh347 · Wage Determinations: sam.gov

NEXT IN THE SERIES

SESSION 3

Worker Interviews & Record Keeping

Wednesday, May 6, 2026 · 10:00–11:30 AM PT · Microsoft Teams

SESSION 3 TOPICS

- Federal and Oregon worker interview requirements
- HUD Form 11 and interview documentation (Template 05)
- Worker Interview Schedule and on-site logistics (Template 06)
- Site Visit Report documentation (Template 07)
- Posting verification and record keeping (Templates 08 & 24)