



HR Solutions for Small Business, LLC

Stacey Etherson

The “HR-Lady” for Nonprofits & Small Businesses

This checklist identifies for a small business or nonprofit organization basic policies for the employee handbook. Comments in italics represent context for the leader who chooses to write the handbook on their own. HR Solutions for Small Business is available to provide guidance.

Personal letter to employees which represents your mission and values for the organization.

EEO/Title VII policy – to prevent discrimination on all the protected classes unless job related.

Hours of Operation – state the hours the organization is open.

Work Week – state the official work week. *You may be asking why this is necessary. Wage and Hour regulations state overtime is required when a non-exempt employee works more than 40 hours in a work week. Examples of a work week are Sunday – Saturday, Monday – Sunday, etc.*

Pay Dates – what day of the week will you pay employees? What is the time period employees will be paid? *For example, if you pay on Friday June 30, does this cover the days worked from Monday June 19 -Saturday June 23 (which is a week in arrears)? Or, do you pay current (Monday June 26 – Saturday July 1)?*

Full- and Part-time work hours – define how many hours reflect a full or part-time employee.

Recording Hours Worked – how do non-exempt and part-time employees record time to reflect hours worked? What is the deadline to record hours? Where do they record (online or paper or excel)? Include a statement which indicates that by signing (or entering online or sending you the excel template), they are acknowledging that they reported all hours worked. *Where possible, I would include this either on the paper form or excel template.* Employees who falsify time records will be disciplined up to and including immediate termination. *While this may sound harsh, unrecorded hours place you at risk for wage and hour claims.*

As you grow and have full-time staff who receive paid time off, they will need to document also.

Extra hours – employees must obtain approval from *(state who approves overtime)* in advance of working more hours than scheduled including working more than 40 hours in a work week.

Overtime – will be paid at 1.5 times the employee’s regular rate of pay when more than 40 hours are worked in a work week. Remember to obtain approval in advance of working the over time.

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Job Descriptions – indicate how you communicate job responsibilities to your employees.

Performance Coaching – when and how do you evaluate and coach performance? Is there a form you use to facilitate and document the discussions?

Inclement weather – state your process for deciding when to close the business for inclement weather and how you will communicate to your staff.

Cell Phone Usage – state what is permitted during normal work hours for personal purposes. Do you allow ear buds or listening to music while performing the job?

Dress Policy – Describe your dress policy (e.g. no open toed shoes or flip flops; professional or casual dress, etc.).

Time off – Describe the paid time off. *Explain how employees request time off in advance and report it for recordkeeping purposes. Omit those below not offered to employees.*

Many smaller organizations provide a bank of paid days off to cover vacation and sick days. While this is easier to manage, sick days become an entitlement when included in paid time off.

-Personal/Sick days – do you provide any personal time off with pay?

-Vacation – as you grow, decide on what the paid vacation policy may look like. Typically, after the first full year of employment through five years of employment, consider 5 or more days paid vacation for full-time employees (*or you may pro-rate for less than 40 hours a week*). For a very part-time staff, this is less of a need.

-Holidays – indicate days you are closed for holidays and state whether these are paid.

-Bereavement time – do you provide a set number of days off with pay (e.g. up to 3 days paid leave for immediate family, spouse, parent)?

-Jury duty – employee should provide a copy of the jury summons to support request for time off; file in employee's file.

Confidentiality – what does confidentiality of information mean for your small business?

Safety – are there any employee safety policies that should be considered?

Other employment – indicate if and how you want employees to report other employment; will you hire staff who work for competing organizations?

At -Will – Pennsylvania is an at-will state. *While this officially allows companies of any size to terminate for any reason or no reason, the organization is better protected when you document performance problems to support termination. This is becoming more difficult to defend in PA.*

Acknowledgement for receiving the policy handbook is signed by the employee and returned to you for filing in the employee file. The acknowledgment can be as simple as the following.

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“I acknowledge that I have received the ‘company ABC’ Employee Handbook and agree to abide by the policies. I understand that ‘company ABC’ may add, replace or change its policies at any time and will communicate changes to me. I agree to return the policy handbook upon termination of my employment.”

Employee Name _____ Date _____

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