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To: HR Administrators and Labor Relations Officers of All Departments, Institutions, Boards and Commissions

From: Hugh Quill, Director
Department of Administrative Services

Date: February 5, 2008

RE: Time and Attendance Policies

The Department of Administrative Services was recently asked to conduct a review of state time and attendance policies to evaluate those areas that might benefit from statewide standardization. The review, which included input from HR administrators from a small sampling of various-sized agencies, confirmed the obligation to provide superior customer service and accountability to the taxpayers, and outlined the value and necessity of statewide standardization in certain areas related to time and attendance policies. In accordance with these objectives and observations, we set forth the following minimum requirements related to state time and attendance policies. Agencies will have until **Friday, May 2, 2008** to implement these requirements and ensure that any agency-specific policies or procedures are in compliance.

1. Agencies must accurately maintain records of actual hours worked.

The federal Fair Labor Standards Act (FLSA) requires employers to keep certain records on behalf of their employees. The Act requires no particular form for the records, but does require certain identifying information about each employee and precise and accurate data about the number of hours worked and the amount of wages earned. Additionally, there is also a state requirement for employers to keep certain records on behalf of their employees. Under Article II, section 34(a) of the Ohio Constitution and section 4111.14 of the Revised Code, employers in the State of Ohio are required to maintain records of the hours worked for each day worked for at least three years following the last date the employee was employed.

To comply with both the FLSA and state requirements, the following is a list of timekeeping information that each agency is required to record:

- Time of day the employee begins and ends work on any given day
- Hours employee worked each day
- Total hours employee worked each work week

A list of the aggregate hours worked by an employee will not satisfy these requirements. Instead, agencies are required to keep a record of the time of the day the employee begins and ends work on each day the employee is scheduled to work. No one particular method of maintaining these records is required, so employers have some flexibility in accomplishing these requirements, either by time clock, "sign in sheet," employee submission of hours worked, or some other verifiable method of recordation.

Agencies that elect to satisfy this requirement by employee submission of hours worked must have a supervisor approve the employee's submission. Supervisors who approve time in this manner are responsible for verifying the accuracy of the employee's record.



2. Agencies must observe set customer service hours.

“Customer service hours” are defined as inflexible hours of the day and week during which an agency must be functionally staffed. The State of Ohio has elected to adopt customer service hours of 8:00 am to 5:00 pm, from Monday through Friday. At a minimum, agencies must ensure that they are adequately staffed to perform all of their business administrative functions for both internal and external customers during these hours. Business administrative functions may include, but are not limited to, answering telephones, responding to inquiries from the public and other state agencies, etc. Based on the operational or business needs of the agency, it may be advantageous for agencies to extend their customer service hours to 7:30 am to 6:00 pm, especially for those agencies that provide customer service to the general public.

Once an agency has ensured that it is adequately staffed from 8:00 am to 5:00 pm, it may offer employees an alternative work schedule that offers flexibility in the scheduling of hours worked. The decision to offer a flexible work schedule during non-customer service hours remains solely at the discretion of the appointing authority. Agency management retains the right to determine when alternative work schedules are practical and to adjust the number of employees approved for such schedules as appropriate. Service to the public and administrative support services within the agency will be of controlling importance.

If an agency elects to offer employees such flexibility, the following two options are available:

- **Flextime.** Flextime schedules are based on worker needs within set parameters approved by a supervisor.

Examples: An employee must work 40 hours per week and be present on a daily basis, but may:

- Adjust arrival and departure times on a daily basis
- Define new standard working hours (e.g., a set schedule of 7am to 3pm every day or of 7am to 3pm on Tues/Thurs and 10am to 6pm on Mon/Wed/Fri).
- Work extra hours one day to make up for shorter hours worked another day

- **Compressed Workweek.** Employees work full-time hours in less than the traditional 5-day workweek by increasing daily hours worked.

Agencies should use a compressed workweek schedule only when a specific business process warrants such a schedule. For example, a compressed workweek schedule may be appropriate if a specific payroll process requires an employee to work long hours Monday-Thursday, but does not require the employee to work as many hours while the system uploads the data on Friday. The use of a compressed workweek schedule as a performance reward or for recruitment and retention purposes does not constitute a “specific business process” and should not be approved by an agency. In most situations, personal circumstances should not be a factor in the decision to utilize a compressed workweek schedule. If you believe there are extraordinary, temporary personal circumstances that warrant such a schedule, please consult with the Department of Administrative Services, HRD Office of Policy Development prior to implementing such a schedule.

Examples:

- A worker works 10-hour days, 4 days per week (e.g., Monday-Thursday, 8am-6pm)
- Over each two-week span, an overtime-exempt worker works 9-hour days Monday through Thursday of each week and takes every other Friday off (i.e., works an 8-hour day on the Friday of the first week and does not work the Friday of the second week)

Regardless of the option, the employee’s work schedule must be approved in advance by the employee’s manager or supervisor and should be kept on file at the agency level. Similarly, changes in schedules for bargaining unit staff will be governed by the applicable collective bargaining agreement. Issues such as notice requirements, as well as whether or not seniority is a factor in changing an employee’s schedule, must be considered in order to avoid a grievance.



3. Overtime exempt employees who are required to be in an active pay status for more than 40 hours in any calendar week must accrue compensatory time on an hour for hour basis. (Comp Time)

Allowing overtime exempt employees to accrue compensatory time offers a number of benefits to the State of Ohio:

- 1) It allows the state to attract and retain quality state employees. Since many new employees are not entitled to use vacation leave until after they have been with the state for a year, the ability to use and accrue compensatory time provides newly hired overtime exempt employees with an appealing benefits package.
- 2) It alleviates some of the concerns relating to pay compression and rewards hard-working managers, supervisors and other employees for the extensive number of hours that they work.
- 3) Finally, it allows the State of Ohio to ensure that the number of hours worked by a particular employee is accurately tracked and maintained, and that the employee is appropriately compensated and rewarded accordingly for that work.

Under the current DAS Directive 06-06 on compensatory time, overtime exempt employees accrue compensatory time for any time over 40 hours a week they were required to be in active pay status. Agencies must adhere to this statewide standard, and may not adopt an alternative policy that grants compensatory time to employees only after they have been required to work an additional number of hours (i.e. 45 hours/week, 50 hours/week, etc.) However, agencies may adopt a policy that allows overtime-exempt employees to work a flexible work schedule within a pay period instead of within a week. Such a policy has the potential to limit the amount of compensatory time accrued by an individual employee, but would provide the employee with benefits similar to those gained with such accrual.

Consistent with DAS Directive 06-06, the maximum amount of compensatory time that an overtime exempt employee may accrue is 120 hours. Any compensatory time accrued by an overtime exempt employee must be used within 180 days after accrual. Agencies must adhere to these standards and may not adopt a policy that either allows the employee to accrue hours above the 120 hour maximum or retain leave longer than the 180 day timeline.

4. Agency customer satisfaction surveys must include a question about employee availability.

The general purpose of conducting customer satisfaction surveys is to document how well the State of Ohio is progressing toward the goal of service improvement. By asking customers about their level of satisfaction with employee availability, the State can produce a set of quantitative measurements or ratings of agency performance at various points in time. Managers and supervisors must take such measurements into account when establishing and approving employee schedules. For example, if a customer returns a survey indicating that they experience great difficulty in obtaining assistance from employees on Friday afternoons, the agency should take this information into account before approving a schedule that would remove a large number of employees from the office on a Friday afternoon.

5. Agencies must provide training to managers/supervisors and new employees about how to properly maintain records of actual hours worked.

The enforcement and implementation of time and attendance policies are left largely the responsibility of appointing authorities. At a minimum, agencies must provide training to managers/supervisors and new employees about how to properly maintain records of actual hours worked. Agencies who offer orientation sessions for their new employees must include information on the applicable time and attendance expectations in place at the agency and should refer employees to any available tutorials which set forth how to utilize the individual timekeeping mechanisms in place at their agency (TimeKeep, Oracle, Kronos, etc).



Managers and supervisors should become familiar with agency time and attendance policies and procedures, and should receive training on the responsibilities of the supervisor, timekeeper and employee in such procedures. Managers and supervisors should be able to identify the records required for audit purposes and should understand how to overcome common time and attendance problems.

6. Agencies must receive prior approval from the Department of Administrative Services prior to adopting and implementing a teleworking policy.

Teleworking is a flexible work arrangement where employees are directed or permitted to work remotely from a designated alternative work location. It includes field working arrangements, and is also defined to include those circumstances where an employee receives compensation for work completed from home during an approved leave of absence or during hours that are outside of the employee's regular work schedule (i.e. afterhours or on the weekend). The State of Ohio has not adopted a statewide teleworking policy for a number of reasons. First, the teleworker works in a gray area of coverage for things like workers' compensation and insurance claims. Oftentimes, it is difficult to determine who is liable for an employee's injury when that employee is working from an alternative work location. Second, there are concerns about the accessibility of teleworkers, the employer's loss of control over the teleworkers, and the potential for a reduction in employee productivity. Finally, it becomes increasingly more difficult for an employer to track, verify and maintain hours worked when the employee is working from an alternative off-site work location.

A recent survey conducted by the Office of Collective Bargaining revealed that there are currently eleven agencies that have adopted an agency-specific teleworking policy (see Appendix A). While we recognize that teleworking may be a suitable alternative for positions that require employees to travel across the state, work from a remote location (i.e. perform field work), the vast majority of positions in state government will not be positions that are suitable for teleworking due to the operational needs and demands of state government and its workforce. For example, positions that require the employee's physical presence on the job; require extensive face-to-face contact with their supervisor, other employees, clients or the public; or require access to material, equipment or secured information that cannot be moved from the regular office would not be positions suitable for teleworking.

Agencies must submit proposed teleworking policies to the Department of Administrative Services, HRD Office of Policy Development, for their approval prior to adopting or utilizing teleworking. Additionally, agencies who are currently utilizing teleworking policies without the approval of the Department of Administrative Services must immediately submit their current policies to the Office of Policy Development for their review. At a minimum, the proposed policies should specify:

- The positions or classifications eligible to participate in teleworking
- The criteria agencies will use to select the individual employees, positions or classifications that will participate in teleworking
- The alternative work location
- Specific hours and days per week to be worked at the alternative work location
- Pertinent office equipment to be provided and by whom
- Method of communication to be used between the official work location and the alternative work location
- Duties to be performed by the employee and methods of evaluation to be employed
- How Workers' Compensation claims and other injuries will be documented and handled

Upon request, the Department of Administrative Services will provide sample policies of what would meet the criteria.

Teleworking policies are separate and apart from continuity of operation plans. Continuity of operation plans typically refer to the preparatory policies or procedures agencies make to ensure that agency business functions continue to operate during potential catastrophic events or emergency situations. Prior to adopting or utilizing continuity of operation plans, agencies must subject their proposed policies to the Office of Policy Development for their review.

If you have any additional questions, please contact the Department of Administrative Services, HRD Office of Policy Development at (614) 752-5393 or DASHRD.HRPolicy@das.state.oh.us.

**APPENDIX A:
State Agency Teleworking Survey**

| Yes (# of EEs, Unions)* | No | No, but interested | No, but working on creating |
|---|---|---|-----------------------------|
| RSC (39 EEs, OCSEA/1199) | CSWMFT Board | State Board of Psychology | MRDD |
| APA (110 EEs, 1199) | Public Safety | Unemployment Compensation Review Commission | DRC |
| OHFA (9, OCSEA) (pilot) | Ohio Board of Dietetics | | Health |
| Commerce (FOP)* | Secretary of State | | Insurance |
| Medical Board (21, OCSEA) | Auditor of State | | |
| OVH (0) | Liquor Control Commission | | |
| Board of Embalmers & Funeral Directors* | Mental Health | | |
| DNR (FOP*) (0 under policy) | Ohio Sanitarian Registration Board | | |
| Chiropractic Board (2) | Lottery Commission | | |
| BWC (217) | Agriculture | | |
| Education (1) | Youth Services | | |
| | Expo Commission | | |
| | EPA | | |
| | ODOT | | |
| | Environmental Reviews Appeal Commission | | |
| | OBM | | |
| | Adjutant General | | |
| | Industrial Commission | | |
| | Development | | |
| | Board of Pharmacy | | |
| | Accountancy Board | | |
| | DAS (isolated instances) | | |
| | Ethics Commission | | |

*Yes includes agencies who have employees who have home offices, even if it is not done under a "telecommuting" policy