

# HUMAN RESOURCES BEST PRACTICES



## CMLS BEST PRACTICES GUIDE FOR THE MLS

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CMLS Best Practices bring together emerging and proven practices from across real estate to align and advance professional standards within the MLS industry.

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## **CMLS Best Practices**

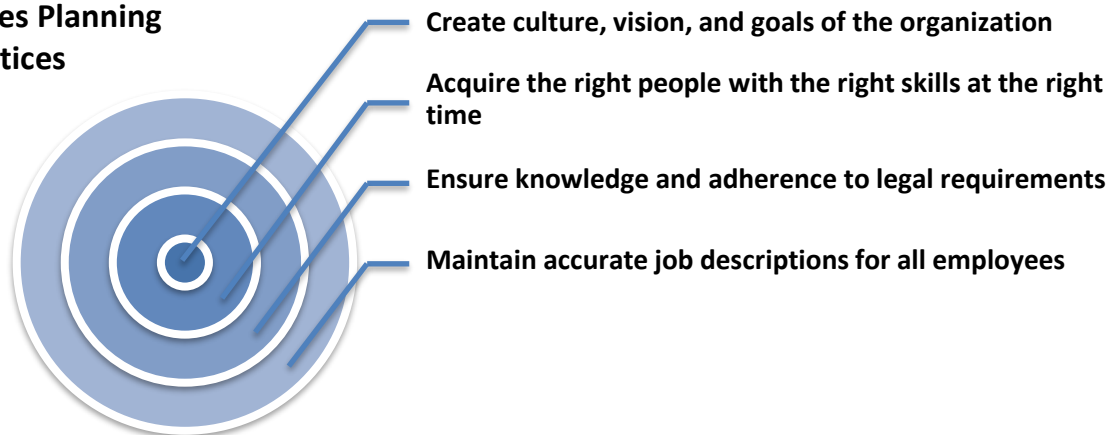
### **OVERVIEW**

It is critical that every organization understands its culture, has a clear vision for the organization, knows its core values and has clearly defined goals. The culture, vision and goals of the organization are an important component of human resources (HR) management. They link HR management directly to the essence of the organization. Organizations routinely complete financial plans to ensure they achieve organizational goals. Equally important are workforce plans as they are essential to the productivity of the organization and a primary component of best practices for HR. It is also critical to know, understand and comply with all local, state and federal regulations regarding employees, policies and practices.

### **HUMAN RESOURCES MANAGEMENT**

The target goal is to use effective HR management strategies, systems and policies to achieve the overall mission and success of the MLS, while meeting the needs of employees and other stakeholders. Key targets for HR planning are to acquire the right people with the right skills at the right time, and to be cognizant of the legal requirements that affect the strategy. Regardless of size, an organization should identify someone responsible for HR management; it may be an HR professional, an outside resource, or the chief executive officer (CEO). It is also recommended to have an attorney available who specializes in human resource and employment law.

#### **Human Resources Planning Best Practices**



#### **Position Requirements**

Creating accurate job descriptions, designating positions correctly as exempt or non-exempt, and accurately analyzing the position requirements are all essential.

#### **Job Descriptions**

Job descriptions are a basic HR management tool that can help to increase individual and organizational effectiveness. Each employee should have a job description that clearly defines their duties and responsibilities. When employees understand the role they play in the company, they are in a better position to absorb how their overall position contributes to the mission of the organization.

If the organization does not have job descriptions or the descriptions are outdated, the immediate goal is to obtain sufficient information to create accurate descriptions. A job analysis is a process for collecting information to help fully understand and describe the duties and responsibilities of a position, as well as the knowledge, skills, and the abilities required to do the job. The aim is to have a complete picture of the position by knowing what is actually done and how. The analysis will provide the information necessary for writing job descriptions. One method of creating this analysis is to have an employee detail every activity they perform for a period of one to two weeks; a cumbersome, but valuable task. Job descriptions are used as the basis of most other HR management practices from

selection to training to performance management. Therefore, it is critical to periodically review the job description with the employee and make the revisions needed to accurately reflect what the employee is doing.

### **Positions Correctly Designated as Exempt or Non-Exempt**

Every position within the organization must be classified as either exempt or non-exempt from overtime pay, by law, according to the Fair Labor Standards Act (FLSA), a federal law. If a worker is classified as non-exempt and works overtime, the employer is compelled to pay the worker at a rate of time-and-a-half. It is a violation of wage laws not to pay overtime. It is important to know which employees are entitled to overtime and which are not. The following will help to categorize employees as exempt or non-exempt, according to the U.S. Department of Labor:

1. In order to be exempt, an employee must:
  - a. Be paid at least \$47,476.00 per year (\$913 per week).
  - b. Be paid on a non-hourly basis.
  - c. Perform job duties that include independent judgment, that meet the legal definition of exempt<sup>1</sup>.
    - i. Several categories exist such as administrative, professional, computer employee, outside sales and highly compensated employee exemption.
2. Adding the classification of each position on the job description

Additionally, all work hours completed by non-exempt employees should be logged in (in writing or electronically). An MLS may have its employees sign a statement each pay period attesting to the fact that the hours listed are the actual hours worked and that all legally required breaks were taken.

If assistance is needed in determining how to classify a particular worker, seek legal assistance or visit the U.S. Department of Labor website.

### **Collecting Position Information**

The types of information collected during job analysis will be specific to each organization. However, typical kinds of information gathered include:

1. Job purpose
2. Summary of duties and responsibilities
  - a. Details of most common duties
  - b. Responsibility for records, reports and files
  - c. Job demands
  - d. Supervisory responsibilities
  - e. Decision making authority
3. Qualifications
  - a. Educational requirements
  - b. Experience
4. Physical requirements
5. Exempt or non-exempt

The information about jobs can be collected using interviews, questionnaires, observations, and activity logs. At this point, armed with a full understanding of the role and a job description, the organization will be able to actively recruit for positions that have been identified to be filled. *For a sample of a job description template, see Appendix A1.*

### ***Hiring***

Employees are typically the largest single expense for an organization. This means that hiring efficiently is crucial. Qualified, committed, and motivated employees help your organization to achieve its mission. Hiring right can be time consuming, but human resources are a substantial investment and limited financial resources mean that hiring missteps

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<sup>1</sup> The employee's primary duty includes the exercise of discretion and independent judgment with respect to matters of significance, according to the U.S. Department of Labor ([www.DOL.gov](http://www.DOL.gov)).

can create a financial burden. The cost can be compounded when a hiring mistake lowers employee morale and disrupts your office.

### **Recruiting**

Clear and measurable selection criteria must be defined for each open position. Supervisors, managers, fellow employees and others who interact with the person in this position can provide valuable input in establishing the selection criteria. This will assist the organization in selecting the best candidate for the job.

### **Job Application**

Employment applications should be completed by every candidate for every job. The employment application can be used to gather consistent data about prospective employees. While the format for resumes and cover letters changes from person to person, the employment application collects consistent information in a uniform format from every applicant. However, there are certain questions that should not be on the application such as social security numbers, birthdays, marital status, children or any information not relevant to work experience skills. Check legal statutes to ensure that the application is in compliance.

An employment application provides a format with the same questions that must be answered by each person who applies for an open position. This allows MLSs to compare applicant credentials that are listed in the same order on a form without bias. The organization will be able to compare credentials without regard for formatting, presentation, overstatement, or embellishment. *For a sample of a job application (see Appendix A2).*

### **Method of Recruiting**

Recruiting for specialized positions may be competitive in some markets. Organizations should be creative in how they attract the right candidates. This creativity may include targeted recruitment for specific positions in media that are MLS or association related.



Methods likely to attract candidates with the best qualifications may include:

- Internet job boards
- College and university internships
- Career fairs
- Professional search and placement services
- Employee referrals (a small bonus may be given for successful candidate referrals)

Internal recruiting should be considered because it gives existing employees the opportunity to apply for the job opening, and it cultivates the mindset among employees that there is an opportunity for growth within the organization. Benefits of internal recruiting include:

- Current employee's capabilities are known
- Ability to reward the employee for past performance
- Gives the employee an opportunity for career development
- Retains the organization's investment in the employee
- Saves time necessary to orient the person to the new position
- Supports positive morale and retention by signaling the possibility of internal progression

## Candidate Selection

The candidate selection process is the accurate screening of applicants to ensure that the most appropriate candidate is hired. The first step in the selection process is to review the information obtained from all of the job applicants to determine which applicants appear to best meet the job requirements.

When contacting job applicants to set up an interview, request that they provide you with their salary history. This will allow you to determine if they are likely to accept the position based on the salary range.

### Hiring Best Practices



## Interviewing

The purpose of an interview is to gain sufficient information to determine the applicant's ability to perform the job. Equally important is to ascertain if the applicant will fit into the culture of the organization. Successful interviewers should learn how to ask the right questions, keep the applicant talking about relevant information, and listen. It is important to keep in mind that some questions cannot legally be asked such as those pertaining to family, health or age. Some positions may require interviews by multiple people. For instance, a senior position may require initial screening followed by an interview with one or two people from the department, management or other departments. The size and structure of the organization may determine those who are appropriate to be included in the interview process.

Organizational culture represents the collective values and principles of the employees and other stakeholders, and is a creation of such factors as the business strategy, history, products, market and technology, the type of employees, management style, and national cultures. One of the key components of good hiring is to incorporate people who fit into the company culture. There are times when it may be better to hire someone with fewer qualifications if they are a great fit.

Much of what is learned about applicants in an interview is based on their past experience. Past performance can be a good indicator of future performance. This does not mean that someone who had performed poorly in the past cannot improve in skills and attitude. Generally, you can see a trend in performance through several jobs or assignments. Sometimes interviewers assume that a candidate who has done something has done it well or that longevity on a position is a sign of success. However, these assumptions are not always right. A reference check can verify the quality of the work performance.

### Interviewing Best Practices



Checking references carefully and thoroughly can be helpful in avoiding hiring the wrong person. It may seem easier to accept letters of recommendation that address a candidate's abilities and experience. However, talking to people will allow you to probe issues to get a fuller sense of the candidate's values, nature, work ethic, and how they interact with others. Telephone interviews can be a good way to get more depth about the candidate's character and background.

Reference checks are a last opportunity to verify information the candidate has provided, validate their personal suitability and explore any areas of concern. It is a good plan to talk to references before you make an offer. Let the candidate know you will be doing this. Try to find out if there is anyone the candidate would prefer you not speak with such as a current boss or current coworkers. Former employer reference checks can only verify title, dates of employment, salary for a prospective employer and whether they would be rehired. It is important, even if a former employer initiates it, not to be a part of discussion that is off the record or talks about perceived negative traits as these could be legally actionable items.

To get the most accurate results, you should prepare a list of questions for references to be used as a guide. *For a sample of questions for references (see Appendix B).*

### **Final Candidate Selection**

It is crucial to evaluate final candidates against each other after you have rated them against the job position criteria and the culture of the organization. The goal should be to identify the best candidate based on skills, worker characteristics and organizational fit. At this stage it is time to review all notes and make the decision that best fits the organization. It is common to call the chosen candidate to inform them they have been selected and to make an offer of employment contingent on a background and credit check. It is also courteous and customary to inform other interviewees or final candidates of the outcome of the recruitment process.

Generally, the candidate receives a verbal offer and agrees they will accept the offer, under the stated terms, before you write the employment offer letter. This saves time and potential hard feelings for all involved in the employment offer. Most organizations confirm the offer and the candidate's acceptance with an offer letter. The candidate's acceptance of the position is tentative until you receive the signed offer letter. The offer letter clarifies the terms of the offer and includes all contingencies. It should be noted that laws differ from state to state, and each organization is responsible to understand and follow the legal requirements and employment practices in the appropriate state. *See sample offer letter in Appendix C.*

### **Background Check**

Once the final candidate is selected, a background check should be conducted. It can be a costly mistake to assume all candidates provide honest information on their resumes or during interviews. Background checks are vital and cost-effective measures that can help protect the organization and its employees. This includes obtaining information on a job candidate's work history, possible criminal record, and personal references. Conducting a background and credit check requires written authorization from the applicant. The Society for Human Resource Management (SHRM<sup>2</sup>) offers surveys, valuable information relating to background checks, and other HR topics.

### **Independent Contractors**

The key significant difference between employees and independent contractors is the extent of control that the organization has over the worker. It is important when working with independent contractors to have defined projects with start and end dates. Independent contractors usually set their own hours, bring their own equipment, and are not dependent upon the organization's schedule of when, where, and how they accomplish their work.

Independent contractors do not qualify for workers' compensation or other employee benefits. There should be a contractual agreement with all contractors that sets forth the elements of the contractor's relationship with the

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<sup>2</sup> SHRM.org

organization. The organization should have clearly defined policies approving the retention and compensation for an independent contractor. *For a sample of an independent contractor agreement(see Appendix D).*

Many states have assessments as to what constitutes an independent contractor. The IRS provides the following information to determine if someone is an independent contractor or an employee:

### IRS Information

Facts that provide evidence of the degree of control and independence fall into three categories:

- Behavioral:** Does the company control or have the right to control what the worker does and how the worker does his or her job?
- Financial:** Are the business aspects of the worker’s job controlled by the payer? (These include things like how worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.)
- Type of Relationship:** Are there written contracts or employee type benefits (i.e. pension plan, insurance, vacation pay, etc.)? Will the relationship continue and is the work performed a key aspect of the business?

Businesses must weigh all these factors when determining whether a worker is an employee or independent contractor. Some factors may indicate that the worker is an employee, while other factors indicate that the worker is an independent contractor. There is no “magic” or set number of factors that “makes” the worker an employee or an independent contractor, and no one factor stands alone in making this determination. The keys are to look at the entire relationship, consider the degree or extent of the right to direct and control, and finally, to document each of the factors used in coming up with the determination.

Upon determining the status of the person receiving payment as an independent contractor, your first step is to request that the contractor fill out a W-9 form. *For a sample of a W-9 form (see Appendix E1).*

### New Employees

A new employee orientation introduces employees to the organization and their new roles. Beyond providing information about the organization’s policies and procedures, an effective orientation can be the opportunity to demonstrate the organization’s commitment. It can also motivate employees, reduce turnover, communicate company policies, fulfill compliance requirements, and improve productivity.

Whether an organization is small or large, a highly motivating employee orientation program can provide the support and tools necessary to help employees better adapt to the organization and new job.

It can be helpful to assign an office mentor to each new employee. This can be a great way to involve a co-worker in the process. This person can interact with the new hire on a more informal basis, filling them in on company values, unwritten expectations (that are part of the culture), as well as facilitating introductions around the workplace. The initial experiences of an employee can greatly influence their ultimate success in the position and contribution to the company.

### New Employee Training

Some states have different types of training that are legally required and dependent upon the size of the organization. Mandatory training topics are typically those that are employee and legally related, especially for managers and supervisors. If the state has required training, it is essential to take the training seriously as the legal consequences of incompetent handling of employee relations issues can be consequential.



The evaluation process may allow an opportunity for the person being reviewed to respond to it. Information in the employee evaluation should not come as a surprise to the employee. Supervisors should make a practice of giving performance feedback on a regular basis not just during the formal evaluation.

### Employee evaluations

Employee evaluations should address the following:

- What the employee is expected to accomplish and in what timeframe.
- Was the employee provided the tools necessary to accomplish these tasks?
- What did the employee actually accomplish?
- How did the employee achieve these accomplishments?
- What was expected of the employee that was not accomplished, and why?
- In what performance areas does potential for improvement exist?
- What are the plans to achieve improvement, if needed?
- What growth or development has the employee achieved since the prior evaluation?
- What future opportunities, if any, might exist for the employee?

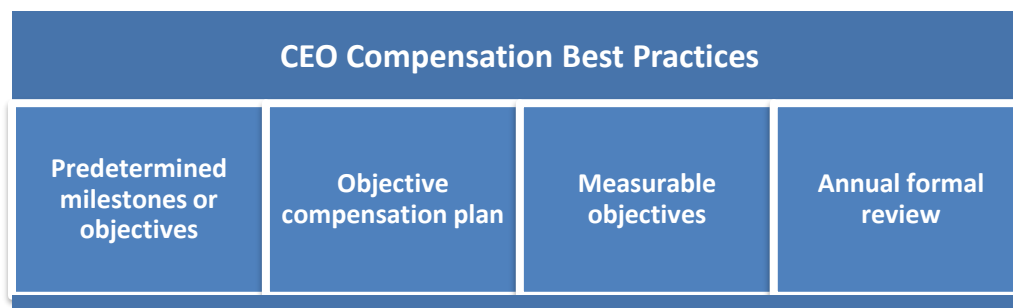
At the end of the review, the focus should be on three or four main areas to target for improvement. It can be helpful to list specific actions that the employee can take to boost their performance in each area of improvement. The aim should not only be to end on a positive note, but also to underscore the fact that the MLS values the employee and has faith in their willingness and ability to turn things around. Often there will be follow-up sessions on the targeted areas of improvement (e.g., 30-, 60-, and 90-day reviews) to monitor performance. *For a sample of an employee performance evaluation see Appendix E3.*

### Executive Compensation or Executive Committee Review

It is recommended that the organization's board have a committee – often the officers or the Executive Committee – to operate as the Executive Compensation Committee. The Executive Compensation Committee should meet in executive sessions when discussing the CEO's annual review and compensation.

The Executive Compensation Committee should be responsible for establishing the compensation for the CEO. In some cases, this will extend to the senior management team, but typically the compensation for those individuals is left to the CEO of the organization within predetermined guidelines.

It is critical that the committee conduct an annual formal review with the CEO. This assists in having the board and the CEO stay in concert, ensures all are in agreement with the goals, provides a way to discuss opportunities to improve the organization, and provides protection for both the organization and the CEO.



In the decision-making process, the Executive Compensation Committee should establish and adhere to a compensation philosophy that reflects the mission of the corporation. Any incentive compensation arrangements should be supported specifically with a description as to how the incentive arrangement furthers the mission and purposes of the MLS. Any potential bonus for the CEO should be defined and made as objective as possible. The kinds of things that can be considered in the bonus component are:

- Meets revenue and expense benchmarks as budgeted
- Customer satisfaction (requires survey to measure and benchmark)
- Shareholder satisfaction (requires survey to measure and benchmark)
- Non-dues revenue
- Product-related goals met, e.g., website traffic, advertising revenues, products sold, etc.

While there will always be a degree of subjectivity in a bonus plan, there should be clearly established goals that are measurable by objective standards.

The Executive Compensation Committee should be authorized (and provided with sufficient funding) to engage outside independent compensation and legal advisors when deemed necessary and advisable by the committee.

The CEO should not be present for or participate in committee deliberations concerning CEO executive compensation (other than to answer questions), but should always participate in the deliberations concerning the compensation of other members of senior executive management if the committee has been asked to review those.

When an organization is recruiting a new CEO and the selection has been narrowed down to a single candidate, the written offer and proposed contract must be reviewed by the Executive Committee and attorney. It is important to incorporate the vision of the organization into any contract. Other kinds of things that should be addressed in the contract are:

- Term and termination (including any automatic extensions, terms of any termination)
- Performance requirements
- Location
- Exclusivity
- Compensation (base salary, bonus, automobile allowance, other cash compensation, increases)
- Benefits (vacation, sick pay, health insurance, life insurance, disability, etc.)
- Confidentiality

Employment contracts are the standard for CEOs in the MLS community. Complex legal issues are sometimes raised in each area of the contract, so be sure to seek legal counsel before execution. Following approval by the chairman of the board, the entire board should approve the hiring of the individual. Depending on the authority that has been granted the committee; the full board may or may not be presented with the final details of the agreement.

## **Employment Practices**

### **Wages, Hours and Benefits**

A high-quality compensation strategy may include a balance between internal equity and external competitiveness. Compensation and benefits affect the productivity and satisfaction of employees, as well as the ability of the organization to effectively realize its objectives. It is valuable to the MLS to ensure that employees are creatively compensated and knowledgeable about the value of their benefits.

An MLS should develop its own compensation philosophy by considering a number of factors. The balance of direct and indirect rewards, the complexity and responsibility of a role, and the individual candidate or employee are just a few factors to be considered.

If an individual is hired as an employee and is not an independent contractor, a W-4 form must be completed. The W-4 is an Internal Revenue Service (IRS) form that lets the employer know how much money to withhold for federal taxes from each of the employee's paychecks. *For a sample of a W-4 form, see Appendix E2.*

Compensation is usually defined as the total rewards earned by employees in return for their work product. This may include:

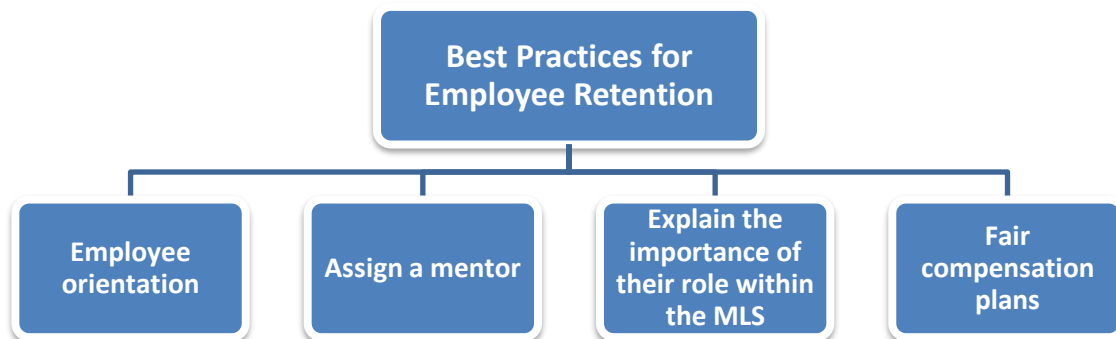
- Direct compensation: pay received such as wages, salaries, bonuses and commissions provided at regular and consistent intervals
- Indirect compensation: includes all financial rewards that are not included in direct compensation such as benefits, leaves, retirement plans, car allowance, and employee services
- Non-financial compensation: such as career development and advancement opportunities

The effectiveness of individual rewards often is dependent upon the unique situation of each employee and should be weighed subjectively. Employees often have different needs or reasons for working, and the most suitable compensation should try to meet these individual needs.

### Compensation Levels Monitored and Reviewed

Creating pay structures for each position in the organization is critical to standardizing the organization's compensation practices as a whole, and establishes the company's pay philosophy. In a larger organization, pay structures may have several grades or levels with each position having a minimum or maximum salary associated with it. Both hourly wages and annual salaries can be used to identify these levels.

The creation of pay structures can be based on internal and external data. One structure is the internal equity method, which structures the compensation for each job according to the jobs above and below it. Another is market pricing, where each job in an organization is tied to the prevailing market rate. Salary ranges for each position are based on criteria outlining experience, skill, potential, and fit. Evaluating the market comparative data usually creates the scale. Placement of the person in the salary range is based on their skill and ability against other employees in the same or similar role. Moving through a salary grade should align with the compensation philosophy of the MLS.



### Full-Time and Part-Time Hours Defined

The Fair Labor Standards Act (FLSA) does not define full-time or part-time employment. Since the definition of part time is up to the employer, many organizations define full time in terms of hours regularly worked each week, and part time as anything less than that. The organization should define the benefits that part time, as opposed to full-time employees, are eligible for and should spell out those benefits or limitations on eligibility clearly in the employee handbook. However, if the organization offers a pension plan covered by the Employment Retirement Income Security Act (ERISA), all employees who work over 20 hours per week must be entitled to participate in the plan providing they meet any other criteria.

### Off-Site or Working From Home Policy

The opportunity to work from home is usually seen as a benefit, not a right, and must be preapproved by the MLS. An organization that allows employees to work both offsite and from home needs to have a clear policy governing how it will work. Consider issues such as:

- The type and amount of work.
- Can management effectively monitor the work?
- Can work productivity be measured?

- Can the work be completed efficiently?
- Can the work be completed without direct supervision?
- Will there be an adverse effect on the provision of customer service?
- Will this work be done in another state? If so, are there legal considerations for the MLS?

Positions that may be considered inappropriate for home-based work include those with supervisory responsibilities or where face-to-face contact on a daily basis with other team members or customers is essential; guidelines should be as follows:

1. Hours of Work: A record of hours worked at the home-based site should be maintained. Unless approved in advance, these hours should be within the staff member's normal span of hours. Overtime needs to be approved in advance.
2. Occupational Health and Safety: The MLS should ensure that the work site conforms with acceptable Occupational Health and Safety (OSHA) standards, and the staff member working from home is aware of the need to maintain a safe working environment.
3. Company Equipment: If MLS equipment is used for off-site work, the MLS should ensure that all equipment is checked out and there is an agreement regarding ownership and maintenance of furniture and equipment.
4. Workers' Compensation: The MLS will need to provide workers' compensation insurance for employees working from home or from another off-site facility. Often, the work-from-home designation needs to be made by the workers' compensation insurance carrier.
5. Approval: It is important, as with other MLS policies, to have a preapproved and thought out plan for work from home to be most efficient.

### **Goal Setting**

Goal setting is both the development and tracking of goals through actions and results. Most organizations see an increase in employee and business performance when they set individual employee goals and closely tie them to the company's overall goals and business strategy.

**SMART** is an acronym for the five steps often used by organizations to go from vague goal setting into an actionable plan for results. The steps are:

- Specific
- Measurable
- Attainable
- Relevant
- Time-bound

Once goals have been established, both company-wide as well as individually, the next step is tracking progress through the performance review process.

### **Performance Evaluations**

Performance evaluation is an ongoing process where the manager and employee work together to plan, monitor and review an employee's work objectives or goals and overall contribution to the organization.

Employee evaluations help organizations accomplish four main goals:

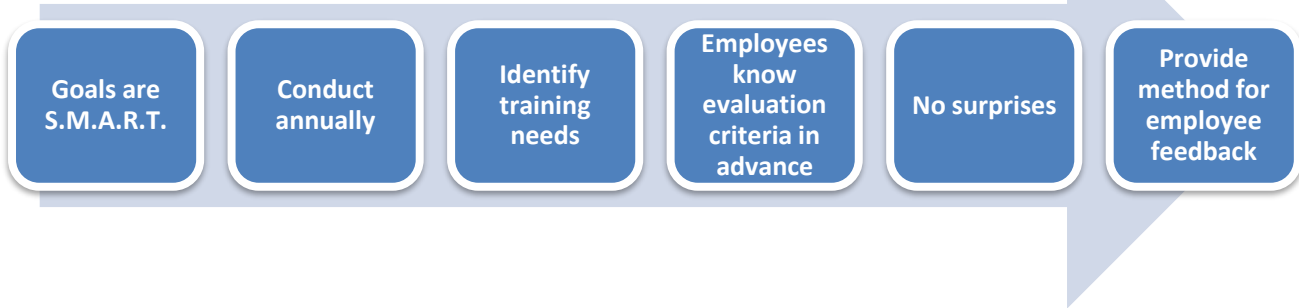
1. Allow the staff and supervisor to communicate about performance expectations and progress.
2. Identify training and/or development needs, or possible opportunities, for the employee.
3. Direct and counsel staff about performance improvement.
4. Determine compensation and position changes.

Timing of performance evaluations should be identified in the employee handbook and in personnel policies. Specific language could include, "within one month of the end of the calendar year," "semi-annually," or "on the

employee's anniversary date of employment." It is also good practice to conduct an employment evaluation for new employees (perhaps at 30-, 60-, or 90-day intervals).

Performance evaluations are important because, if conducted effectively, they provide an opportunity for open communication. The evaluation process should be done with a formal written evaluation. This provides both the employee and the employer with a record of the employee's performance and protects all parties involved.

### Goal Setting and Performance Evaluation Best Practices



### Employee Relations

Excellent employee relations will motivate employees, resolve challenges before they become major issues, and ensure the employees are productive and feel valued. Some guidelines for employee relations include:

1. Communicate and Document
  - Give ongoing clear direction and feedback; have open lines of communication.
  - Intervene early to correct problems when they first occur.
  - Let employees know consequences for poor performance and document it.
  - Do timely evaluations with specific expectations and standards.
  - Be consistent with disciplinary actions.
  - Do regular interim evaluations on employees with continual problems.
2. Carefully Consider
  - What the consequences of the behavior are or could be for your employees.
  - The nature of the offense before determining the appropriate level of discipline.
3. Take Action
  - Consult with management, human resources, or HR advisors early and often, with questions.
  - Find all the facts before acting.
  - Use progressive discipline when appropriate.
  - Consistently follow up on directive instructions to, and monitor behavior of, employees.
4. Be Fair
  - Base decisions solely on business-related criteria.
  - Treat all employees consistently.
  - Follow the organizational policies.
  - Communicate accurately and honestly.
  - Consult a legal expert with questions.

### Dispute Resolutions

Providing an outlet for frustrations in the workplace can be useful for employees as well as the organization. Employees most often feel treated fairly if there was an opportunity to tell their story. MLSs should provide employees with a listener who will offer an objective review of their grievance. This way the organization has the benefit of learning the details of the employee's concerns without getting involved in costly litigation.

Dispute resolution options vary, ranging from a very formal binding arbitration procedure (or more typically) to the informal 'open door' policy favored by most MLSs:

- Open door policy
- Mediation of the dispute by an impartial third party
- Peer review committee
- Alternative dispute resolution using non-binding arbitration
- Binding arbitration

The goal of internal dispute resolution is to solve problems at the lowest possible level so that workplace disputes don't escalate. It is important, whatever internal dispute resolution procedures the organization uses, that employees who use the process will not be retaliated against.

### Whistleblowers

The purpose of the whistleblower policy is to protect an employee and their job if they were to report misconduct by another within the organization (particularly their supervisors). This is directed for the reporting of fraudulent behavior. The whistleblower policy is a written process of dealing with employee complaints and preventing retaliation in the workplace. The whistleblower policy is entirely separate from the regular chain of command. The policy should be clearly posted in the office for all staff to see. This should be a very open policy. *See Appendix F for a sample whistleblower policy.*

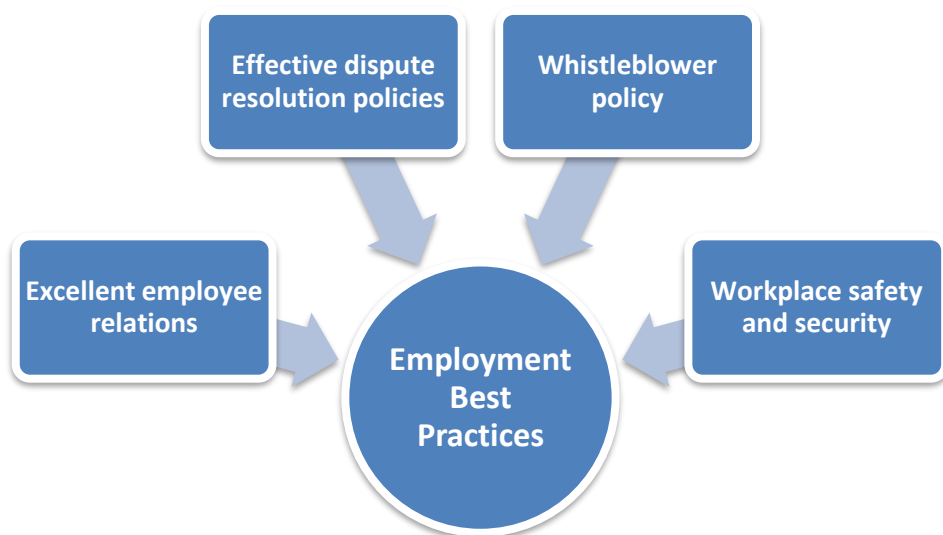
Depending on size, MLSs should consider:

- For small MLSs, it may be as simple as naming the chairman of the board or legal representative as the contact for reporting misconduct.
- Larger MLSs may want to contract with third parties that an employee can call and report their concerns anonymously. Then the contractor can contact a designated individual within the organization to report the misconduct anonymously.

### Safety, Health and Security

Both state and federal legislation<sup>3</sup> regulates the standards of workplace safety with the intent to reduce workplace accidents and injury. This legislation generally requires that the employer do everything they can reasonably do to protect the health and safety of their employees. This includes:

- Providing appropriate training for handling potentially dangerous equipment and/or material.
- Informing employees of potential dangers in the workplace.
- Setting up safe work practices.



<sup>3</sup> See [www.osha.gov](http://www.osha.gov) for specific rules and legislation.

Workplace safety is about preventing injury and illness to employees in the workplace. The goal is protecting the organization's most valuable asset: its employees. By protecting employees, the MLS can reduce money paid out in health insurance benefits, workers' compensation benefits, and the cost of wages for temporary help.

To make the workplace safer, the organization should acknowledge which potential health and safety hazards are present and determine where, what, and how a worker is likely to become impacted. The process should start with analyzing individual workstations and program areas for hazards and the potential for harm. Harm could arise from a faulty electrical cord, repetitive motion, toxic chemicals, mold, lead paint, or lifting heavy objects. A goal of the organization should be for continuous improvement in safety, health, and security that involves seeking better ways to work, measuring performance and reporting against set targets.

### **Security**

Security should be clearly defined and reviewed periodically. It can be an effective strategy to request that local law enforcement do a security assessment of the MLS facility. This is especially helpful in a high-crime neighborhood. The assessment helps the MLS determine if it has done everything it could to secure the premises and provide safety for all (personnel, clients, and visitors). It can also be used to create a list of improvements that can become a strategy. Presenting property that is neatly taken care of may make your MLS less of a target. Action items may include:

- Remove graffiti from walkways, walls, and pavement.
- Collect litter and debris.
- Cut back landscaping from windows, entrances, and exits.
- Enact a buddy system to walk employees to their cars.
- Provide extra strong locks, grills, or grates, or an alarm system on entries to the building.
- Offer classes in crime prevention to staff.

It is a customary business practice, when considering security, to implement an intruder prevention system that controls access via badges and other measures.

### **Employee Involuntary Termination<sup>4</sup>**

Most employers find dismissal of an employee to be a difficult process no matter what the reasons for the dismissal. However, when a dismissal is necessary, it is important for the employer to be informed about and comply with state and federal laws, treat the employee fairly and act in good faith, and handle the termination process in a professional manner that preserves the employee's dignity. Finally, be careful about how much information is communicated to others about the facts and reasons for the termination.

### **Employment and Terminations**

Employment at-will is a legal doctrine that creates the expectation that either an employee or an employer is free to end the employment relationship at any time, for any reason, without notice. This doctrine is generally accepted in the U.S.<sup>5</sup> and has made the use of probationary periods rare. In order to maintain an employment at-will workplace, it may be helpful to clarify in writing and in the employee manual, the employment at-will relationship.

Having an employment at-will workplace does not insulate the employer from employment law claims of wrongful discharge. Even if an employer has done a great job of reinforcing the at-will nature of employment, any employee may claim that their termination was caused by an illegal motive, such as discrimination or retaliation.

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<sup>4</sup> The content in this section is for general information only. It is not legal advice. Consult an attorney for legal advice.

<sup>5</sup> The only state that is not an employment at-will state is Montana.



| <b>Best Practices for Employee Terminations</b> |
|---|
| <b>“Employment-at-will” is understood</b>       |
| <b>Documentation of any performance issues</b>  |
| <b>Exit interview conducted</b>                 |
| <b>Confidentiality maintained</b>               |
|   |
|   |
|   |

Terminations must be clearly thought out. Consider asking the following questions:

- Has this employee failed to meet expectations for performance or conduct?
- Has this employee been provided with notice of what the expectations for performance or conduct are?
- Is there documentation of the fact that notice of expectations was provided to this employee?
- Was this employee provided with a period of time within which to demonstrate or try to meet expectations?
- Have you used a neutral party as a sounding board for the recommendation to terminate?

If there is question remaining whether the termination may encounter issues or be in a protected category such as age or race, it is a sound strategy to seek professional guidance before making a choice that could have negative consequences for the organization.

#### **Exit Interview**

An exit interview with all departing employees is a good opportunity for an organization to gain insight about what they are doing well and what can be improved. The goals should be:

- Identify what the organization is doing well.
- Pinpoint areas where improvement can be made in the organization.
- Confirm the skill sets, experience, and attributes needed for the job.
- Capture useful knowledge from the exiting employee.
- Understand why the employee is leaving.
- Aim to separate on good terms.

An in-person exit interview can be a good time to collect keys, identification badges, and other company property from the exiting employee. Try to enter the meeting on a positive note and thank the exiting employee for their service to your organization. Let them know that the exit interview information is helpful and wish them the best in their new venture.

#### **Outsourcing Human Resources Management**

Many small businesses do not have the resources to provide human resources management or meet the regulatory and documentation guidelines. There are hundreds of companies today who provide these services. In many cases, the companies providing payroll services also provide HR and benefits packages including health insurance. This can free up the busy multi-tasking CEO from administration to focus on serving the members. While it may appear to be more expensive, it can provide a level of checks and balances for a small company as well as ensure that all regulatory requirements are met.

In order to make a decision to use a Professional Employer Organization (PEO), the company needs to accurately determine its current HR costs including staff time and lost opportunities to spend time on other projects. The selection of a PEO should begin with verifying that it is certified by the Employer Services Assurance Corporation, has experience in the industry, and covers the company’s territory. Some PEOs specialize in a Web-based, high-tech, approach, while others are focused on face-to-face support.

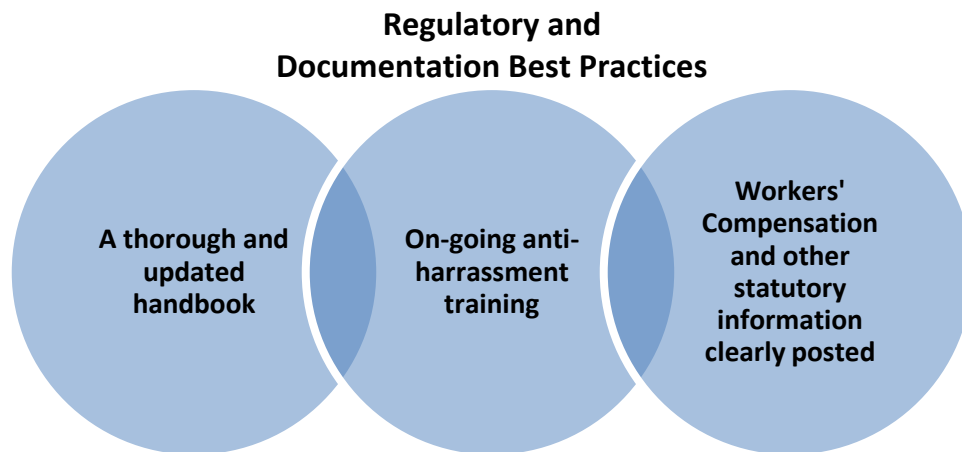


Each PEO is different. Organizational representatives would do well to read the fine print. The selection should be coordinated with finance, because the smaller organization may elect to use the same firm for payroll, HR, and benefits.

## **REGULATORY AND DOCUMENTATION**

### **Employee Handbook**

MLSs should have a written document that describes policies, procedures, benefits, expectations/requirements of employees, e.g., the employee handbook. The employee handbook should be a clear and concise way of communicating expectations to employees.



Handbooks are good for company morale as they provide clarification. They demonstrate that the employer is taking a meaningful approach to employment issues. Having written policies, proof that the employer provided the handbook to the employee, and consistent application of policies described in the handbook can be effective defenses against potential legal claims. It should also be considered that handbooks could cause problems for employers if they are outdated, inconsistent with federal or state laws, or if their procedures are not followed. The employee handbook should be reviewed every three to five years, or as needed, when there are legal or workplace changes. It is recommended to have an attorney review the handbook to ensure compliance with legal regulations.

Statements such as the following should be included in the handbook:

- **Equal Employment Opportunity Statement:** A statement detailing that you will not discriminate against employees or applicants on any legally recognized basis such as race, color, sex, national origin, religion, age, equal pay, disability or genetic information.
- **Americans with Disabilities Act:** A statement detailing that you are committed to providing equal employment opportunities to otherwise qualified individuals with disabilities.
- **Non-Harassment Policy:** A policy stating that all employees have a right to work in an environment where the dignity of each individual is respected. For that reason, we expect all employees to accomplish their work in a business-like manner with concern for the well-being of their co-workers. Any harassment of employees by fellow employees is not permitted, regardless of their working relationship or supervisory status.

Typically, the following are included in employee handbooks:

- Payroll practices
- Time off policies such as holidays, vacation, sick leave, disability
- Benefits including medical and life insurance, 401(k) or investment plans

- Workers' compensation, social security and unemployment
- General office policies regarding dress standards, meals and breaks, visitors, outside employment, safety and security, phone calls, social media guidelines, electronic communications, etc.
- Performance expectations, termination policies and employee records
- Explanation of proprietary information and confidentiality of company work product

### **Discrimination and Employee Rights**

#### **Harassment**

Anti-harassment policies should be drafted broadly in order to raise awareness about these prohibitions. It is a strong business practice to set aside a staff meeting to train employees on your organization's policy and the law. The policy language should be broadly worded to encompass harassment in general as opposed to specifically focusing on sexual harassment.

It is important that the written policy also prohibits retaliation against someone who has raised a claim of harassment. Retaliation claims are on the rise in the U.S. as the primary discrimination claim.

- Anti-discriminatory policies
- Employment practices and anti-discrimination law

Harassment and employment discrimination is illegal under federal law. Protected classes include:

- Religion
- Race
- Color
- Sex
- National origin or ancestry
- Age
- Physical or mental disability
- Veteran status
- Genetic information
- Citizenship

There are states that require training on sexual harassment. In other states it is still a prudent risk management strategy because the prohibitions against harassment are not limited to sex or gender.

#### **Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) prohibits discrimination against people with disabilities in employment, transportation, public accommodation, communications, and governmental activities. The ADA also establishes requirements for telecommunications relay services.

The U.S. Department of Labor's provides publications and other technical assistance on the basic requirements of the ADA.

### **Workers' Compensation**

Under the workers' compensation rules in the U.S., employers are required to purchase insurance that provides benefits to employees who suffer work-related injuries and illnesses. The goal is to provide compromise between employers and employees where employees get benefits regardless of who was at fault. Employers get protection from lawsuits by injured employees who would otherwise be liable for damages for pain and suffering or mental anguish.

State, not federal law, governs workers' compensation, and each state's system differs slightly in the details. The structure of the overall workers' compensation system is very similar from state to state. The main differences are the

rates paid to injured employees and the procedural rules employers, employees, and insurance companies must abide by.<sup>6</sup>

### **Workers' Compensation Coverage**

Workers' compensation laws cover work-related injury or illness. However, the injury or illness does not necessarily have to occur in the workplace. As long as it's job-related, it's covered.

### **Not Included Under Workers' Compensation**

Not all problems that occur in the workplace are covered. Coverage may be denied in situations involving:

- Injuries caused by intoxication or drugs
- Self-inflicted injuries
- Injuries from a fight started by the employee
- Injuries resulting from horseplay or violation of company policy
- Felony-related injuries
- Injuries an employee suffers off the job
- Injuries claimed after an employee is terminated or laid off
- Injuries to an independent contractor

### **Employer Liability**

Employers aren't protected from all employee lawsuits related to injuries. If the employee is injured because of the employer's intentional or reckless actions or the employer did not have workers' compensation insurance, the employee can bypass the workers' compensation system to sue the employer in court for a full range of monetary damages, including punitive damages, pain and suffering, and mental anguish. Employees may also be able to seek recourse from outside third parties, such as when the employee is involved in a car accident that is someone else's fault or the employee was injured by a defective piece of equipment.

### **Employer's Responsibilities for Workers' Compensation**

Employers have a number of obligations under the workers' compensation system. If these requirements are not met, employers can be fined and injured employees may be able to hold the employer liable in court for punitive money damages.

- Carry workers' compensation insurance.
- Post notices and advise employees of their legal rights.
- Provide the name of the company's workers' compensation carrier, or the fact that the employer is self-insured, as well as who is responsible for claims adjustment.
- Injured workers have the right to receive medical treatment and to select or change treating doctors.
- Provide details about available workers' compensation benefits.
- Provide claim forms to injured employees within 24 hours of receiving notice of the injury.

### **Recordkeeping and Other Documentation**

Employers should retain documentation of compliance with state and federal regulations and records pertaining to the life cycle of an employee.

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<sup>6</sup> Contact your state department of industrial relations or workers' compensation to find out details in your state. Information on state workers' compensation laws is also available at the U.S. Department of Labor's website at [www.dol.gov](http://www.dol.gov).

### **I-9 Forms**

The Immigration Reform and Control Act (IRCA), bans the employment of illegal aliens. Employers must complete an I-9 –the Immigration and Naturalization Service’s employment eligibility verification form. They must include the identity and authority to work of all employees. Failure to comply can lead to civil and even criminal penalties. Maintaining copies of supporting identification and work authorization documents in addition to the I-9 forms is advised, although it is not mandatory according to the U.S. Department of Homeland Security<sup>7</sup>. *For a sample of an I-9 form, see Appendix G.*

Records should be retained for all active employees and one year after termination for inactive employees. The records should be placed together in a common file or stored electronically for all employees together rather than in separate personnel files.

### **Employee Benefits Data**

The Employee Retirement Income Security Act (ERISA)<sup>8</sup> governs retirement and other employee benefits. Employers must maintain records supporting the data in summary plan descriptions, COBRA notices, annual reports for all benefit plans and records pertaining to eligibility for benefits under ERISA.

Records should generally be retained for six years after the end of employment, although records pertaining to eligibility determination for benefits should be saved for as long as relevant.

### **Family and Medical Leave Act (FMLA)**

FMLA allows eligible employees up to 12 weeks of unpaid leave within a 12-month period, based on specific medical and family criteria. It is important that each organization look to its state for guidance as many states have leave programs that are in excess of or combine with FMLA leave.

General documentation of requests should be stored in personnel files. Specifics of medical necessities and request details including diagnosis should be sent to employee medical or health files. Relevant documentation should be retained for a period of four years based on state and federal guidelines.

### **Employee Health Records**

Employee health records include all records of job injuries, deaths, drugs and alcohol testing records, pre-employment physicals and specific medical records.

Records of any medical examination resulting from exposure to toxic or hazardous substances or required by OSHA should be saved for 30 years after the employee terminates employment. Information from medical exams is confidential and should be placed separately from other records. Each MLS should check with the department of labor from its state as states vary on how long employee health records should be retained.

### **Workers’ Compensation**

Each work injury claim must be documented in a file that includes the worker’s name, the date of injury, the claim administrator’s claim number, an indication of whether the claim is an indemnity or medical-only claim, a note if there has been a denial and a certificate of consent to self-insure if appropriate.

Records relating to workers’ compensation should be saved for five years from date of injury or one year from the date compensation was last provided to the employee.

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<sup>7</sup><http://www.uscis.gov/i-9>

<sup>8</sup> For an overview of employee benefits under ERISA see <http://www.dol.gov/compliance/laws/comp-erisa.htm>

## **Labor Posters**

Federal and state laws require employers to clearly display official labor and employment posters detailing federal and applicable state labor laws. Both federal agencies such as, the U.S. Department of Labor and state agencies provide posters at no cost to employers.<sup>9</sup>

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<sup>9</sup> Workplace poster information can be found at <http://www.dol.gov/oasam/boc/osdbu/sbrefa/poster/matrix.htm>

## **APPENDICES**

### **Appendix A1: Sample Job Description Template**

This template provides the major categories that you should include in your job descriptions along with an explanation of what to include in each category.

#### **Job Title:**

#### **Reports to:**

#### **Job purpose**

Provide a brief description of the general nature of the position, an overview of why the job exists, and what the job is to accomplish.

- The job purpose is usually no more than four sentences long

#### **Duties and responsibilities**

List the primary job duties and responsibilities using headings and then give examples of the types of activities under each heading. Using headings and giving examples of the types of activities to be done allows you to develop a flexible job description that encourages employee to work outside the box and, within reason, discourages “that’s not my job.”

- Identify between three and eight primary duties and responsibilities for the position
- List the primary duties and responsibilities in order of importance
- Begin each statement with an action verb
- Use present tense verbs
- Use gender-neutral language such as s/he
- Use generic language such a photocopy instead of Xerox
- Where appropriate, use qualifiers to clarify the task – where, when, why or how often. For example, instead of “greet visitor to the office” use “greet visitors to the office in a professional and friendly manner.”
- Avoid words that are open to interpretation. For example, instead of “handle incoming mail” use “sort and distribute incoming mail.”

#### **Qualifications**

State the minimum qualifications required to successfully perform the job. These are the qualifications that are necessary for someone to be considered for the position. All qualifications must comply with provincial human rights legislation.

Qualifications may include:

- Education
- Specialized knowledge
- Skills
- Abilities
- Other characteristics
- Professional certifications
- Experience

#### **Working conditions**

If the job requires a person to work in special working conditions, this should be stated in the job description. Special working conditions cover a range of circumstances from regular evening and weekend work, shift work, working outdoors, working with challenging clients, and so forth.

#### **Physical requirements**

If the job is physically demanding, this should be stated in the job description. A physically demanding job is one where the incumbent is required to stand for extended periods of time, lift heavy objects on a regular basis, do repetitive tasks with few breaks, etc.

## Direct reports

List by job title any positions to be supervised in role.

**Approved by:**

**Date approved:**

**Reviewed:**

# Job Application

[Company Name]

[Street]  
[City, St Zip]

Phone:  
Fax:

| Personal Information   |                          |   |   |
|--|--------------------------|---|---|
| Last   | First                    | MI  | Email   |
| Street Address   | City                     | ST  | Zip   |
| Are you entitled to work in the United States? <input type="checkbox"/> Yes <input type="checkbox"/> No  |                          |   | Are you 18 or older? <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Have you been convicted of a felony or been incarcerated in connection with a felony in the past seven years? <input type="checkbox"/> Yes <input type="checkbox"/> No |                          |   | If yes, please explain:   |
| Military Service? <input type="checkbox"/> Yes <input type="checkbox"/> No   | Branch                   | Are you a veteran? <input type="checkbox"/> Yes <input type="checkbox"/> No | War   |
| What position are you applying for?  |                          | How did you hear about this position?                                       |   |
| Expected Hourly Rate   | Expected Weekly Earnings | Date Available  |   |

| Prior Work Experience        |  |    |  |    |
|------------------------------|--|----|--|----|
|                              | Current or Most Recent                                   |    | Prior  |    |
| Employer                     |  |    |  |    |
| Address                      |  |    |  |    |
| City, ST, ZIP                |  |    |  |    |
| Telephone                    |  |    |  |    |
| Name of Immediate Supervisor |  |    |  |    |
| Dates of Employment          | From   | To | From   | To |
| Position / Job Title         |  |    |  |    |
| Pay                          |  |    |  |    |
| Reason for Leaving           |  |    |  |    |
| May We Contact               | <input type="checkbox"/> Yes <input type="checkbox"/> No |    | <input type="checkbox"/> Yes <input type="checkbox"/> No |    |

| Education  |               |                    |        |                   |
|--|---------------|--------------------|--------|-------------------|
|  | Name/Location | Last Year Complete | Degree | Major or Emphasis |
| High School  |               | 9 10 11 12         |        |                   |
| College/University   |               | 1 2 3 4            |        |                   |
| Trade School   |               |                    |        |                   |
| Other  |               |                    |        |                   |
| List any applicable special skills, training or proficiencies. |               |                    |        |                   |

| Personal References |             |             |             |
|---------------------|-------------|-------------|-------------|
|                     | Reference 1 | Reference 2 | Reference 3 |
| Name                |             |             |             |
| Address             |             |             |             |
| City, ST, ZIP       |             |             |             |
| Telephone           |             |             |             |

|  |           |      |
|--|-----------|------|
| Disclaimer - By signing, I hereby certify that the above information, to the best of my knowledge, is correct. I understand that falsification of this information may prevent me from being hired or lead to my dismissal if hired. I also provide consent for former employers to be contacted regarding work records. | Signature | Date |
|--|-----------|------|



## **Appendix B: Sample Questions for References**

### Background questions

- How long have you known X?
- What was your relationship with X?
- When did you work with X and for how long?

### Validating interview or resume information

- What type of projects was X involved with?
- How did X contribute to the projects?

### Focusing on the candidate's competencies

- How did X interact with co-workers?
- Can you give examples of X taking the initiative to help a colleague without first being asked?
- Please describe two examples of X going beyond the call of duty.

### Please rank, on a scale of one to ten, the following abilities

- Writing skills – ability to concisely and clearly synthesize and craft complex reports and proposals
- Verbal presentations
- Professionalism
- Ability to work in teams
- Leadership qualities
- Ability to work under pressure or respond to competing deadlines

### Conflict resolution skills

- Can you provide an example of a time that X was required to use strategic thinking skills?
- What are three of X's strengths?
- In what areas do you feel X may need further development?

### Assessing personal suitability

- What is the ideal career/perfect job for X?
- In what type of work environment would X thrive? Where would X struggle?
- Why did X leave your group?
- If you had the option would you hire X again?
- Is there anything else we should know before we make a hiring decision?

**One important question you should always ask is: Would you rehire this person?**

**Appendix C: Sample Offer Letter**

Address  
City, State, ZIP  
Dear \_\_\_\_\_:

This is an offer of employment as a customer support specialist at (Company Name). This offer is contingent upon our receipt of your college transcripts to confirm your degree and (any other contingencies you may wish to state). Your title will be customer support specialist if you accept this employment offer. You will report to, manager of customer support.

In the role of customer support specialist, you will be expected to carry out the duties and responsibilities described in the enclosed job description, which is periodically updated to reflect customer service needs.

We are offering you a base salary of \$41,600.00, payable weekly at a rate of \$800.00, which will be subject to deductions for taxes and other withholdings as required by law or the policies of the company.

For employment with (Name of Company), you are required to sign the enclosed standard confidentiality agreement, which must be signed prior to start.

The current standard company health, life, disability, vision, and dental insurance coverage are offered with this agreement per company policy. Your eligibility for other benefits, including the 401(k) and bonus potential, will take place per company policy. The company benefit offerings and employee contribution to payment for benefit plans are determined annually.

As an employee of (Company Name), you will receive paid holidays determined annually by the company. You are eligible to accrue vacation time off at \_\_\_ hours (vacation time off increases per company policy) per pay period. This is equivalent to two weeks on an annual basis.

Personal days are accrued at \_\_\_ per pay period per company policy, and total seven days annually. All employee benefits are subject to periodic company review and can be changed with or without notice.

You have agreed to start your employment on (date) Please report to the customer service department where you will begin your onboarding process at 9:00 a.m.

Your employment with (Company Name) is at-will and either party can terminate the employment relationship at any time with or without cause and with or without notice.

You acknowledge that this employment offer letter, (along with the final form of any enclosed documents), represents the entire agreement between you and (Company Name) and that no verbal or written agreements, promises or representations that are not specifically stated in this employment offer letter, are or will be binding upon (Company Name).

If you are in agreement with the above employment offer details, please sign below and return this employment offer to the company. This employment offer is in effect for five business days.

**Signatures:**

\_\_\_\_\_  
(For the Company: Signature)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(For the Company: Printed Name)

\_\_\_\_\_  
Date

## Appendix D: Sample Independent Contractor Agreement

### Independent Contractor Agreement

This Independent Contractor Agreement (“Agreement”) is made and entered into by the undersigned parties: **NAME** (known as the “Company”) and **NAME** (known as the “Contractor”).

In consideration of the promises, rights and obligations set forth below, the parties hereby agree as follows:

#### **1. Term**

The term of this Agreement shall begin on **DATE** and continue until **DATE**, unless terminated earlier as set forth in this Agreement. The term of this Agreement may be extended by mutual agreement between the parties.

#### **2. Services**

The Contractor will provide the following services:

*Insert description of services*

The Contractor shall take direction from **[report]** or as directed by Company’s board of directors. Additional services or amendments to the services described above may be agreed upon between the parties.

#### **3. Compensation**

Subject to providing the services as outlined above, the Contractor will be paid the sum of **\$XX** per *day/week/month/upon completion of the services*, plus GST. The Company will be invoiced *weekly/biweekly/monthly/upon completion of the services*, with payment due within **XX** business days of receipt of the invoice.

#### **4. Relationship**

The Contractor will provide the Contractor’s services to the Company as an independent contractor and not as an employee.

Accordingly:

- The Contractor agrees that the Company shall have no liability or responsibility for the withholding, collection, or payment of any taxes, employment insurance premiums, or pension plan contributions on any amounts paid by the Company to the Contractor or amounts paid by the Contractor to its employees or contractors. The Contractor also agrees to indemnify the Company from any and all claims in respect to the Company’s failure to withhold and/or remit any taxes, employment insurance premiums, or pension plan contributions.
- The Contractor shall provide proof of coverage for both workers’ compensation and liability insurance up to an agreed amount naming the Company as an additional insured, as the Contractor will not be covered under such plans by the Company.
- The Contractor agrees that, as an independent contractor, the Contractor will not be qualified to participate in or to receive any employee benefits that the Company may extend to its employees.
- The Contractor is free to provide services to other clients, so long as such other clients are not in competition with the Company and so long as there is no interference with the Contractor’s contractual obligations to the Company.
- The Contractor has no authority to and will not exercise or hold itself out as having any authority to enter into or conclude any contract or to undertake any commitment or obligation for, in the name of or on behalf of the Company.

#### **5. Confidentiality and Intellectual Property**

The Contractor hereby acknowledges that it has read and agrees to be bound by the terms and conditions of the Company’s confidentiality and proprietary information agreement attached hereto as Schedule “A” and which forms an integral part of this Agreement. If the Contractor retains any employees or contractors of its own who will perform services hereunder, the Contractor shall ensure that such employees or contractors execute an agreement no less protective of the Company’s intellectual property and confidential information than the attached agreement.

The Contractor hereby represents and warrants to the Company that it is not party to any written or oral agreement with any third party that would restrict its ability to enter into this Agreement or the Confidentiality and Proprietary Information Agreement or to perform the Contractor’s obligations hereunder and that the Contractor will not, by providing services to the Company, breach any non-disclosure, proprietary rights, non-competition, non-solicitation or other covenant in favor of any third party.

The Contractor hereby agrees that, during the term of this Agreement and for one (1) year following the termination hereof, the Contractor will not (i) recruit, attempt to recruit or directly or indirectly participate in the recruitment of, any Company employee or (ii) directly or indirectly solicit, attempt to solicit, canvass or interfere with any customer or supplier of the Company in a manner that conflicts with or interferes in the business of the Company as conducted with such customer or supplier.

**6. Termination**

The independent contractor relationship contemplated by this Agreement is to conclude on **DATE** unless terminated earlier as set forth below. The Contractor agrees that no additional advance notice or fees in lieu of notice are required in the event the relationship terminates on **DATE**.

The Contractor agrees that the Company may terminate this Agreement at any time without notice or any further payment if the Contractor is in breach of any of the terms of this Agreement.

The Company may terminate this Agreement at any time at its sole discretion, upon providing to the Contractor **XX** calendar days advance written notice of its intention to do so or payment of fees in lieu thereof.

The Contractor may terminate this Agreement at any time at its sole discretion upon providing to the Company **XX** calendar days' notice of Contractor's intention to do so. Upon receipt of such notice the Company may waive notice in which event this Agreement shall terminate immediately.

**8. Obligations Surviving Termination of this Agreement**

All obligations to preserve the Company's confidential information, intellectual property and other warranties and representations set forth herein shall survive the termination of this Agreement.

**9. Entire Agreement**

This Agreement, together with the Confidentiality and Proprietary Information Agreement, represents the entire agreement between the parties and the provisions of this Agreement shall supersede all prior oral and written commitments, contracts and understandings with respect to the subject matter of this Agreement. This Agreement may be amended only by mutual written agreement of the party.

**11. Assignment**

This Agreement shall inure to the benefit of and shall be binding upon each party's successors and assigns. Neither party shall assign any right or obligation hereunder in whole or in part, without the prior written consent of the other party.

**12. Governing Law and Principles of Construction.**

This Agreement shall be governed and construed in accordance with \_\_\_\_\_ law. If any provision in this Agreement is declared illegal or unenforceable, the provision will become void, leaving the remainder of this Agreement in full force and effect.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by their duly authorized representatives, effective as of the day and year first above written.

COMPANY REPRESENTATIVE

CONTRACTOR

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Form **W-9**  
(Rev. December 2014)  
Department of the Treasury  
Internal Revenue Service

**Request for Taxpayer Identification Number and Certification**

**Give Form to the requester. Do not send to the IRS.**

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification; check only **one** of the following seven boxes:  
 Individual/sole proprietor or single-member LLC  
 Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ \_\_\_\_\_  
**Note.** For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner.  
 Other (see instructions) ▶ \_\_\_\_\_

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):  
 Exempt payee code (if any) \_\_\_\_\_  
 Exemption from FATCA reporting code (if any) \_\_\_\_\_  
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) Requester's name and address (optional)

6 City, state, and ZIP code

7 List account number(s) here (optional)

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Social security number**

|  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|

or

**Employer identification number**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

**Part II Certification**

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

**Sign Here**      Signature of U.S. person ▶      Date ▶

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

**Purpose of Form**

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding?* on page 2.

- By signing the filled-out form, you:
- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued).
  - Certify that you are not subject to backup withholding, or
  - Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
  - Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

## Form W-4 (2016)

**Purpose.** Complete Form W-4 so that your employer can withhold the correct federal income tax from your pay. Consider completing a new Form W-4 each year and when your personal or financial situation changes.

**Exemption from withholding.** If you are exempt, complete only lines 1, 2, 3, 4, and 7 and sign the form to validate it. Your exemption for 2016 expires February 15, 2017. See Pub. 505, Tax Withholding and Estimated Tax.

**Note:** If another person can claim you as a dependent on his or her tax return, you cannot claim exemption from withholding if your income exceeds \$1,050 and includes more than \$350 of unearned income (for example, interest and dividends).

**Exceptions.** An employee may be able to claim exemption from withholding even if the employee is a dependent, if the employee:

- Is age 65 or older,
- Is blind, or
- Will claim adjustments to income; tax credits; or itemized deductions, on his or her tax return.

The exceptions do not apply to supplemental wages greater than \$1,000,000.

**Basic instructions.** If you are not exempt, complete the **Personal Allowances Worksheet** below. The worksheets on page 2 further adjust your withholding allowances based on itemized deductions, certain credits, adjustments to income, or two-earners/multiple jobs situations.

Complete all worksheets that apply. However, you may claim fewer (or zero) allowances. For regular wages, withholding must be based on allowances you claimed and may not be a flat amount or percentage of wages.

**Head of household.** Generally, you can claim head of household filing status on your tax return only if you are unmarried and pay more than 50% of the costs of keeping up a home for yourself and your dependent(s) or other qualifying individuals. See Pub. 501, Exemptions, Standard Deduction, and Filing Information, for information.

**Tax credits.** You can take projected tax credits into account in figuring your allowable number of withholding allowances. Credits for child or dependent care expenses and the child tax credit may be claimed using the **Personal Allowances Worksheet** below. See Pub. 505 for information on converting your other credits into withholding allowances.

**Nonwage income.** If you have a large amount of nonwage income, such as interest or dividends, consider making estimated tax payments using Form 1040-ES, Estimated Tax for Individuals. Otherwise, you may owe additional tax. If you have pension or annuity income, see Pub. 505 to find out if you should adjust your withholding on Form W-4 or W-4P.

**Two earners or multiple jobs.** If you have a working spouse or more than one job, figure the total number of allowances you are entitled to claim on all jobs using worksheets from only one Form W-4. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest paying job and zero allowances are claimed on the others. See Pub. 505 for details.

**Nonresident alien.** If you are a nonresident alien, see Notice 1392, Supplemental Form W-4 Instructions for Nonresident Aliens, before completing this form.

**Check your withholding.** After your Form W-4 takes effect, use Pub. 505 to see how the amount you are having withheld compares to your projected total tax for 2016. See Pub. 505, especially if your earnings exceed \$130,000 (Single) or \$180,000 (Married).

**Future developments.** Information about any future developments affecting Form W-4 (such as legislation enacted after we release it) will be posted at [www.irs.gov/w4](http://www.irs.gov/w4).

### Personal Allowances Worksheet (Keep for your records.)

|          |  |          |  |          |               |
|----------|--|----------|--|----------|---------------|
| <b>A</b> | Enter "1" for <b>yourself</b> if no one else can claim you as a dependent . . . . .  | <b>A</b> | <u>      </u>  |          |               |
| <b>B</b> | Enter "1" if:<br><table border="0" style="display: inline-table; vertical-align: middle;"> <tr> <td style="font-size: 3em; vertical-align: middle;">{</td> <td> <ul style="list-style-type: none"> <li>• You are single and have only one job; or</li> <li>• You are married, have only one job, and your spouse does not work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</li> </ul> </td> </tr> </table>  | {        | <ul style="list-style-type: none"> <li>• You are single and have only one job; or</li> <li>• You are married, have only one job, and your spouse does not work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</li> </ul> | <b>B</b> | <u>      </u> |
| {        | <ul style="list-style-type: none"> <li>• You are single and have only one job; or</li> <li>• You are married, have only one job, and your spouse does not work; or</li> <li>• Your wages from a second job or your spouse's wages (or the total of both) are \$1,500 or less.</li> </ul>   |          |  |          |               |
| <b>C</b> | Enter "1" for your <b>spouse</b> . But, you may choose to enter "-0-" if you are married and have either a working spouse or more than one job. (Entering "-0-" may help you avoid having too little tax withheld.) . . . . .  | <b>C</b> | <u>      </u>  |          |               |
| <b>D</b> | Enter number of <b>dependents</b> (other than your spouse or yourself) you will claim on your tax return . . . . .   | <b>D</b> | <u>      </u>  |          |               |
| <b>E</b> | Enter "1" if you will file as <b>head of household</b> on your tax return (see conditions under <b>Head of household</b> above) . . . . .  | <b>E</b> | <u>      </u>  |          |               |
| <b>F</b> | Enter "1" if you have at least \$2,000 of <b>child or dependent care expenses</b> for which you plan to claim a credit . . . . .   | <b>F</b> | <u>      </u>  |          |               |
| <b>G</b> | <b>Child Tax Credit</b> (including additional child tax credit). See Pub. 972, Child Tax Credit, for more information.<br><ul style="list-style-type: none"> <li>• If your total income will be less than \$70,000 (\$100,000 if married), enter "2" for each eligible child; then less "1" if you have two to four eligible children or less "2" if you have five or more eligible children.</li> <li>• If your total income will be between \$70,000 and \$84,000 (\$100,000 and \$119,000 if married), enter "1" for each eligible child . . . . .</li> </ul> | <b>G</b> | <u>      </u>  |          |               |
| <b>H</b> | Add lines A through G and enter total here. ( <b>Note:</b> This may be different from the number of exemptions you claim on your tax return.) ►  | <b>H</b> | <u>      </u>  |          |               |

For accuracy, complete all worksheets that apply.   
 • If you plan to **itemize or claim adjustments to income** and want to reduce your withholding, see the **Deductions and Adjustments Worksheet** on page 2.   
 • If you are **single and have more than one job** or are **married and you and your spouse both work** and the combined earnings from all jobs exceed \$50,000 (\$20,000 if married), see the **Two-Earners/Multiple Jobs Worksheet** on page 2 to avoid having too little tax withheld.   
 • If **neither** of the above situations applies, **stop here** and enter the number from line H on line 5 of Form W-4 below.

Separate here and give Form W-4 to your employer. Keep the top part for your records.

|  |   |   |
|--|---|---|
| Form <b>W-4</b><br>Department of the Treasury<br>Internal Revenue Service  | <h3>Employee's Withholding Allowance Certificate</h3> <p>► <b>Whether you are entitled to claim a certain number of allowances or exemption from withholding is subject to review by the IRS. Your employer may be required to send a copy of this form to the IRS.</b></p> | OMB No. 1545-0074<br><br><div style="font-size: 2em; font-weight: bold; text-align: center;">2016</div>   |
| 1 Your first name and middle initial _____ Last name _____   |   | 2 Your social security number _____   |
| Home address (number and street or rural route) _____  |   | 3 <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate.<br><b>Note:</b> If married, but legally separated, or spouse is a nonresident alien, check the "Single" box. |
| City or town, state, and ZIP code _____  |   | 4 If your last name differs from that shown on your social security card, check here. You must call 1-800-772-1213 for a replacement card. ► <input type="checkbox"/>   |
| 5 Total number of allowances you are claiming (from line H above or from the applicable worksheet on page 2) _____   |   | 5 _____   |
| 6 Additional amount, if any, you want withheld from each paycheck _____  |   | 6 \$ _____  |
| 7 I claim exemption from withholding for 2016, and I certify that I meet <b>both</b> of the following conditions for exemption.  |   |   |
| <ul style="list-style-type: none"> <li>• Last year I had a right to a refund of <b>all</b> federal income tax withheld because I had <b>no</b> tax liability, <b>and</b></li> <li>• This year I expect a refund of <b>all</b> federal income tax withheld because I expect to have <b>no</b> tax liability.</li> </ul> If you meet both conditions, write "Exempt" here. . . . . ► 7 _____ |   |   |
| Under penalties of perjury, I declare that I have examined this certificate and, to the best of my knowledge and belief, it is true, correct, and complete.  |   |   |
| Employee's signature<br>(This form is not valid unless you sign it.) ► _____   |   | Date ► _____  |
| 8 Employer's name and address (Employer: Complete lines 8 and 10 only if sending to the IRS.) _____  |   | 9 Office code (optional) _____  |
|  |   | 10 Employer identification number (EIN) _____   |

For Privacy Act and Paperwork Reduction Act Notice, see page 2.

Cat. No. 10220Q

Form **W-4** (2016)

**Appendix E3: Sample Employee Performance Evaluation**

| <b>Employee Performance Evaluation</b>   |  |     |  |
|--|--|-----|--|
| Employee name:   |  |     |  |
| Job title:   |  |     |  |
| Time period spent at current job position:   |  |     |  |
| Name of Manager:   |  |     |  |
| Previous evaluation carried out from:  |  | to: |  |
| Current evaluation carried out from:   |  | to: |  |
| <p><i>V. Good    Good    Average    Poor    V. Poor</i></p> <p>Your work _____ Your skills _____ Your knowledge _____</p> <p>Managerial skills _____ Communication skills _____</p> <p>Interpersonal skills _____ Attendance _____ Punctuality _____</p> <p>Dependability _____ Goal setting abilities _____</p> |  |     |  |
| Manager's comments on employee's performance:  |  |     |  |
|  |  |     |  |
| Employee's comments about their performance:   |  |     |  |
|  |  |     |  |
| State the goals you have set for the next year:  |  |     |  |
|  |  |     |  |
| What are some of the things which could improve your job performance?  |  |     |  |
|  |  |     |  |

## **Appendix F: Sample Whistleblower Policy**

A whistleblower as defined by this policy is an employee of (Name of Company/Organization) who reports an activity that he/she considers to be illegal or dishonest to one or more of the parties specified in this policy. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

Examples of illegal or dishonest activities are violations of federal, state or local laws; billing for services not performed or for goods not delivered; and other fraudulent financial reporting.

If an employee has knowledge of or a concern of illegal or dishonest fraudulent activity, the employee is to contact his/her immediate supervisor or the Human Resources director. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Whistleblower protections are provided in two important areas -- confidentiality and against retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense. The company will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any whistleblower that believes he/she is being retaliated against must contact the Human Resources director immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

All reports of illegal and dishonest activities will be promptly submitted to the vice president of Human Resources, who is responsible for investigating and coordinating corrective action.

Employees with any questions regarding this policy should contact the director of Human Resources.





## Employment Eligibility Verification

Department of Homeland Security  
U.S. Citizenship and Immigration Services

USCIS  
Form I-9  
OMB No. 1615-0047  
Expires 03/31/2016

**▶ START HERE.** Read instructions carefully before completing this form. The instructions must be available during completion of this form.  
**ANTI-DISCRIMINATION NOTICE:** It is illegal to discriminate against work-authorized individuals. Employers **CANNOT** specify which document(s) they will accept from an employee. The refusal to hire an individual because the documentation presented has a future expiration date may also constitute illegal discrimination.

**Section 1. Employee Information and Attestation** *(Employees must complete and sign Section 1 of Form I-9 no later than the first day of employment, but not before accepting a job offer.)*

|                                  |   |                         |             |                |                           |  |          |
|----------------------------------|---|-------------------------|-------------|----------------|---------------------------|--|----------|
| Last Name (Family Name)          |   | First Name (Given Name) |             | Middle Initial | Other Names Used (if any) |  |          |
| Address (Street Number and Name) |   |                         | Apt. Number | City or Town   |                           | State<br><div style="text-align: right;">▼</div> | Zip Code |
| Date of Birth (mm/dd/yyyy)       | U.S. Social Security Number<br>[ ][ ]-[ ][ ]-[ ][ ][ ][ ] | E-mail Address          |             |                | Telephone Number          |  |          |

I am aware that federal law provides for imprisonment and/or fines for false statements or use of false documents in connection with the completion of this form.

I attest, under penalty of perjury, that I am (check one of the following):

- A citizen of the United States
- A noncitizen national of the United States *(See instructions)*
- A lawful permanent resident (Alien Registration Number/USCIS Number): \_\_\_\_\_
- An alien authorized to work until (expiration date, if applicable, mm/dd/yyyy) \_\_\_\_\_. Some aliens may write "N/A" in this field. *(See instructions)*

*For aliens authorized to work, provide your Alien Registration Number/USCIS Number OR Form I-94 Admission Number:*

1. Alien Registration Number/USCIS Number: \_\_\_\_\_

**OR**

2. Form I-94 Admission Number: \_\_\_\_\_

3-D Barcode  
Do Not Write in This Space

If you obtained your admission number from CBP in connection with your arrival in the United States, include the following:

Foreign Passport Number: \_\_\_\_\_

Country of Issuance: \_\_\_\_\_  

▼

Some aliens may write "N/A" on the Foreign Passport Number and Country of Issuance fields. *(See instructions)*

|                        |                    |
|------------------------|--------------------|
| Signature of Employee: | Date (mm/dd/yyyy): |
|------------------------|--------------------|

**Preparer and/or Translator Certification** *(To be completed and signed if Section 1 is prepared by a person other than the employee.)*

I attest, under penalty of perjury, that I have assisted in the completion of this form and that to the best of my knowledge the information is true and correct.

|                                      |  |                         |   |
|--------------------------------------|--|-------------------------|---|
| Signature of Preparer or Translator: |  | Date (mm/dd/yyyy):      |   |
| Last Name (Family Name)              |  | First Name (Given Name) |   |
| Address (Street Number and Name)     |  | City or Town            | State<br><div style="text-align: right;">▼</div> Zip Code |

**Appendix H: Sample Best Practices Checklist for Human Resources**

| <b>HUMAN RESOURCES</b>  | <b>YES</b> | <b>NO</b> | <b>COMMENTS</b> |
|---|------------|-----------|-----------------|
| <b>Management</b>   |            |           |                 |
| Culture, vision, goals integrated with HR knowledge and adherence to legal requirements |            |           |                 |
|   |            |           |                 |
| <b>Positions Requirements</b>   |            |           |                 |
| HR goals in line with those of the organization   |            |           |                 |
| Job descriptions exist for all jobs   |            |           |                 |
| Job descriptions up to date   |            |           |                 |
| Positions correctly designated as exempt or non-exempt                                  |            |           |                 |
|   |            |           |                 |
| <b>Hiring</b>   |            |           |                 |
| Employment applications refrain from requesting protected information                   |            |           |                 |
| All applicants required to fill out and sign an application form                        |            |           |                 |
| Selection processes used with reference to uniform guidelines                           |            |           |                 |
| Applicant references checked  |            |           |                 |
| Job openings offered to current employees   |            |           |                 |
| Applicant identities checked  |            |           |                 |
| All new hires reported to the IRS timely  |            |           |                 |
| W-4 forms sent to the IRS, if required  |            |           |                 |
| Independent contractors accurately identified   |            |           |                 |
| Written policies on working from home   |            |           |                 |
|   |            |           |                 |
|   |            |           |                 |
| <b>New employees</b>  |            |           |                 |
| New employees fill out W-4 and I-9 form with supporting documentation                   |            |           |                 |
| Workplace policies in place that focus on your workplace                                |            |           |                 |
| Orientation plan  |            |           |                 |
| Employees trained on policies and work rules  |            |           |                 |
| Employees trained on discrimination and harassment issues                               |            |           |                 |
| Executive compensation review   |            |           |                 |
| – Formal policy   |            |           |                 |
| – CEO compensation  |            |           |                 |
|   |            |           |                 |
|   |            |           |                 |

|   | YES | NO | COMMENTS |
|---|-----|----|----------|
| <b>AND</b>  |     |    |          |
| Compensation levels monitored and reviewed  |     |    |          |
| Compensation levels or ranges established for each position                               |     |    |          |
| Work weeks identified and defined   |     |    |          |
| Full-time and part-time hours defined   |     |    |          |
| Shifts defined  |     |    |          |
| Open communications to and from the HR department   |     |    |          |
| Workplace policies flexible   |     |    |          |
| Positions correctly designated exempt/non-exempt per FLSA                                 |     |    |          |
| Formal pay structure that is reviewed regularly   |     |    |          |
| Working time documented   |     |    |          |
| Paid time off (vacation, holidays, etc.) structures developed and equally enforced        |     |    |          |
| Non-exempt employees compensated at least one and one-half times their hourly rate of pay |     |    |          |
| Wage for any hours worked beyond 40   |     |    |          |
| Compensation plan communicated to all employees   |     |    |          |
| Appropriate payroll withholdings performed and forwarded                                  |     |    |          |
|   |     |    |          |
| <b>Benefits</b>   |     |    |          |
| Employees informed about their benefits   |     |    |          |
| Summary plan descriptions provided to plan participants                                   |     |    |          |
| Benefits administrator  |     |    |          |
| General COBRA notices provided to plan participants                                       |     |    |          |
| Employees allowed up to 12 weeks of leave under FMLA if company meets requirements        |     |    |          |
| Retirement plan, if any, in compliance with Department of Labor and ERISA rules           |     |    |          |
| If there is a health plan, information kept private and secure                            |     |    |          |
|   |     |    |          |
| <b>Employee relations</b>   |     |    |          |
| Policies communicated   |     |    |          |
| Communication documented  |     |    |          |
| Policies enforced   |     |    |          |
| Employee handbook   |     |    |          |
| Employee handbook specific to workplace   |     |    |          |
| Goal setting defined  |     |    |          |
| System for performance evaluation   |     |    |          |

|   |            |           |                 |
|---|------------|-----------|-----------------|
| The system checks for effectiveness of the evaluation   |            |           |                 |
| Quality and quantity of work evaluated  |            |           |                 |
| <b>EMPLOYEE RELATIONS</b>   | <b>YES</b> | <b>NO</b> | <b>COMMENTS</b> |
| Disciplinary actions for violating workplace policies flexible  |            |           |                 |
| Process for employees to lodge complaints   |            |           |                 |
| Variety of individuals to whom employees may lodge complaints (supervisor or HR representative)   |            |           |                 |
| Whistleblower policy in effect  |            |           |                 |
|   |            |           |                 |
| <b>Safety and security</b>  |            |           |                 |
| Safety hazards reported to the appropriate personnel  |            |           |                 |
| Workplace accidents, injuries, and illnesses reported and investigated  |            |           |                 |
| Measures in place to prevent intruders from entering the grounds or buildings   |            |           |                 |
| Bright, effective lighting installed indoors and outdoors   |            |           |                 |
| Measures in place (access badges, traffic control, etc.) to keep unauthorized persons from entering the facility through normal entrances |            |           |                 |
| Employees encouraged to promptly report incidents, and suggest ways to reduce or eliminate risks  |            |           |                 |
| Structures readily accessible to disabled employees   |            |           |                 |
| State and federal rules adhered to  |            |           |                 |
|   |            |           |                 |
| <b>Discrimination and employee rights</b>   |            |           |                 |
| Employees trained on discrimination issues  |            |           |                 |
| Supervisors and managers trained in anti-discriminatory practices   |            |           |                 |
| Employment practices in line with the various anti-discrimination laws  |            |           |                 |
| Effective policies in place that prohibit retaliation against employees who exercise their rights   |            |           |                 |
| State and federal employment posters displayed in common areas  |            |           |                 |
|   |            |           |                 |
| <b>Workers' compensation</b>  |            |           |                 |
| Injuries/incidents investigated   |            |           |                 |
| Follow-up remediation performed where appropriate   |            |           |                 |
| Employees workers compensation files kept secure and separate from their employee files   |            |           |                 |
| Regular contact made with employees out on workers' compensation  |            |           |                 |
| Contact made with medical providers   |            |           |                 |

|  |            |           |                 |
|--|------------|-----------|-----------------|
| Insurance premiums and competitive quotes reviewed on a periodic basis |            |           |                 |
| Workplace environment maintained with safety in mind                   |            |           |                 |
| State (new and existing) requirements monitored                        |            |           |                 |
|  |            |           |                 |
| <b>EMPLOYEE TERMINATION</b>  | <b>YES</b> | <b>NO</b> | <b>COMMENTS</b> |
| Exit interviews take place   |            |           |                 |
| Separation and COBRA notices provided on time                          |            |           |                 |
| Final paychecks provided on time                                       |            |           |                 |
|  |            |           |                 |
| <b>Recordkeeping and other documentation</b>                           |            |           |                 |
| Personnel files current  |            |           |                 |
| All appropriate labor posters displayed in a conspicuous place         |            |           |                 |
| Posters updated  |            |           |                 |
| Documents regarding employees kept for their required duration         |            |           |                 |
| I-9 forms and acceptable documentation reviewed annually               |            |           |                 |
| I-9s and medical information kept separately from personnel files      |            |           |                 |
|  |            |           |                 |

## **Appendix I: Reference List and Contributing Organizations**

### Reference List

Alliance for Nonprofit Management  
Bizjournals.com  
Contact and conflict in intergroup encounters  
Council of Small Business  
International dimensions of organizational behavior  
Management for Small Business / Harvard University  
Small Business Association  
Society for Human Resources Management (SHRM.org)  
Statistics for psychology  
Handbook of industrial and organizational  
The Wallace Foundation

### Contributing Organizations

Arizona Regional Multiple Listing Service (ARMLS)  
California Regional Multiple Listing Service (CRMLS)  
Delaware Valley Real Estate Information Network (TREND)  
Heartland Multiple Listing Service and Kansas City Regional Association of REALTORS®  
Metropolitan Regional Information Services (MRIS)  
Multiple Listing Service Property Information Network (MLSPIN)  
My Florida Regional Multiple Listing Service (MFRMLS)  
Northern Nevada Regional Multiple Listing Service (NRMMLS)  
Northwest Multiple Listing Service (NWMLS)