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# EAST TENNESSEE STATE UNIVERSITY

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## **Pay and Timekeeping**

# Policy Name: Pay and Timekeeping

## Policy Purpose

This policy specifies paydays, timekeeping, compensatory time, worked holidays, paid overtime, and time clock usage.

## Applicability

This policy is applicable to Exempt and Non-exempt Regular employees, Adjunct Faculty, Temporary employees, and Graduate Assistants.

## Responsible Official, Office, and Interpretation

The Assistant Vice President for Human Resources is responsible for the review and revision of this policy. For questions about this policy, please contact the Office of Human Resources. The Chief Operating Officer, in consultation with the Office of University Counsel, has the final authority to interpret this policy.

## Defined Terms

*A defined term has a specific meaning within the context of this policy.*

### Absence

Absence refers to a period of time in which the employee is not working during the employee's normal working hours.

### Adjunct Faculty

Adjunct faculty members teach on a per-course contract based on instructional demand each semester.

### Compensatory Time

Under the Fair Labor Standards Act (FLSA), compensatory time (comp time) is paid time off in lieu of overtime pay for non-exempt employees. Compensatory time is earned at 1.0 hours earned for hours worked under 40 hours per week, and is earned at 1.5 hours earned for hours worked over 40 hours per week.

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## Employee

An employee is anyone employed by the university in any capacity except for student workers.

## Exempt

Employees who are ineligible for overtime pay and compensatory time per the provisions in the Fair Labor Standards Act and ETSU policy.

## Graduate Assistant

Graduate Assistants are enrolled in graduate academic programs with the primary purpose of being ETSU students. Graduate Assistants may work limited hours for their respective departments (not to exceed 20 hours per week).

## Non-Exempt

Employees who are eligible for overtime pay or compensatory time according to the provisions of the Fair Labor Standards Act.

## Paid Overtime

Paid overtime is pay that is given to non-exempt employees for any time worked in a week that is over their regularly scheduled weekly minimum. Paid Overtime for any hours worked in excess of 40 per week is earned at one and a half times the regular pay rate.

## Regular Employees

Personnel whose salary and benefits are budgeted on a recurring basis whether through grant or state funds, who are employed on a continuing basis, and who are eligible for full benefits (pro-rated based on percentage of effort).

## Student Workers

Federal Work Study students or Regular Work Study students are enrolled at the university and employed through Financial Aid and Scholarships to provide services to various departments. The Financial Aid and Scholarships Office maintains information about these employees.

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## Temporary Employees

Temporary employees are initially appointed or expected to serve less than one year, and they are considered to be either hourly or professional. Some temporary employees are eligible for benefits according to the Affordable Care Act.

## Time Clock

A time clock is a tool for hourly employees to use for clocking in and out.

## Worked Holiday Time

Worked holiday time is compensated for through a corresponding amount of time off for exempt and non-exempt employees who are required to work on official ETSU holidays.

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## Policy

### 1. Pay days.

ETSU employees are paid on the schedule and in the manner that is designated for their employee classification.

#### 1.1. Non-Exempt Employees.

Non-exempt employees are considered hourly employees at ETSU. Non-exempt employees are paid on a regularly published schedule based on the hours recorded through the Time Clock.

#### 1.2. Exempt Employees.

Exempt employees are paid on a salary basis on a regularly published schedule. Exempt employees must be paid a set amount of money that does not change each week regardless of the quantity or quality of work performed. Exempt regular employees who are separating from ETSU are paid through their last working day unless instructed otherwise by Human Resources.

### 2. Time Clock.

All non-exempt employees are required to use the official time clock in order to receive payment for their work.

#### 2.1. Employee Responsibilities.

Employees must clock in at the beginning of their shift when work begins. Any time reflected in the Time Clock system more than seven minutes will be compensated.

Employees must clock out for any tasks that are not related to work, including lunch breaks, and clocking back in when the work is resumed. Clocking out/in is not required during two fifteen (15) minute rest periods each day, if applicable.

Employees must clock out punctually at the end of the workday. Employees must report any errors to the supervisor immediately.

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Employees who repeatedly fail to use the time clock appropriately may face progressive discipline.

## 2.2. Supervisor Responsibilities.

Supervisors must monitor and approve work hours to ensure fair and accurate pay. Supervisors must make adjustments if needed when employee errors occur.

Supervisors must ensure there is sufficient funding to cover any overtime expenses before overtime is incurred. Human Resources and Payroll will provide guidance, but the primary responsibility lies with the supervisor to manage overtime and avoid exceeding budgets.

## 2.3. Correcting and Approving Time Entries.

Retroactive corrections can be made within 60 days in the system.

## 2.4. Falsification of Time Clock Records.

Altering, falsifying and/or tampering with time records, including clocking in/out for another employee, will result in disciplinary action, up to and including termination of employment.

## 3. Compensatory Time, Paid Overtime, and Worked Holidays.

ETSU compensates non-exempt employees for working overtime at the rate required in the provisions of the Fair Labor Standards Act.

ETSU compensates Non-exempt Regular Employees for work performed on an ETSU official holiday by giving an equivalent amount of Compensatory Time to time worked.

ETSU compensates Exempt Regular Employees who are required by their supervisor to work on an ETSU official holiday by allowing them to use that holiday on another day with approval from the supervisor.

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## 3.1. Supervisor Responsibilities.

Supervisors will decide if overtime hours are banked as compensatory time or paid overtime. Overtime will automatically default to compensatory time if no action is taken by the supervisor. If an employee wants to use their compensatory time, they can request time off using the Absence module. The amount of compensatory time or paid overtime is automatically calculated with the appropriate system.

## 4. Absences.

ETSU provides time off for Exempt and Non-exempt Regular Employees according to the terms of their employment and consistent with university leave policies. All regular employees use the centralized online system to track leave.

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## Procedures

### 1. Cascading of Leave for Approved Absences.

If employees record leave in a category for which the leave balance is insufficient, the online system automatically deducts from the other leave balances in the following order:

- 1.1. For Non-exempt regular employees: (1) if the sick leave balance is insufficient, the hours are taken from the compensatory time balance, (2) if the compensatory time balance is insufficient, the hours are taken from the annual leave balance, (3) if the annual leave balance is insufficient, the paycheck is docked.
- 1.2. For Exempt regular employees: (1) if the sick leave balance is insufficient, the hours are taken from the worked holiday balance, (2) if they worked holiday balance is insufficient, the hours are taken from the annual leave balance, (3) if the annual leave balance is insufficient, the paycheck is docked.

### 2. Deductions for Benefits.

Non-exempt employees. A portion of the deduction for benefits will be subtracted from each bi-weekly paycheck unless the person is separating from ETSU, in which case the entire next month's premiums will be taken from the final paycheck.

Exempt employees. Deductions for benefits for the following month will be paid from each month's paycheck.

### 3. Hourly Employees Who Travel or Have Special Assignments.

For non-exempt employees who need to record time while traveling or on special assignments, departments can provide the necessary technology for clocking in and out. If this is not available, employees have the option to check out a laptop from the ITS Helpdesk or use their personal device to clock in and out.

### 4. Payment for Paid Overtime and Annual Payment of Compensatory Time.

If paid overtime is chosen, it will be included in the next available paycheck. Compensatory time will be paid out in May each year if not used.



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## **5. Time Clock Rounding.**

A 15-minute rounding rule has been set up; all time will round to the nearest 15-minute increment.

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### **Applicable Forms and Websites**

N/A

### **Authority and Revisions**

**Authority:** TCA § 49-8-203, et seq.; Fair Labor Standards Act

**Previous Policy:** Time Clocks for Non-Exempt Employees

The ETSU Board of Trustees is charged with policy making pursuant to TCA § 49-8-203, et seq. On March 24, 2017, the Board delegated its authority to ETSU's President to establish certain policies and procedures for educational program and other operations of the University, including this policy. The delegation of authority and required process for revision to this policy can be found on the [Policy Development and Rule Making Policy webpage](#).

To suggest a revision to this policy, please contact the responsible official indicated in this policy. Before a substantive change to the policy section may take effect, the requested changes must be: (1) approved by the responsible office; (2) reviewed by the Office of University Counsel for legal sufficiency; (3) posted for public comment; (4) approved by either Academic Council or University Council; and (5) approved by ETSU's President.

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