



TEXAS SOUTHERN UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Human Resources
AREA: Compensation

Number: 02.02.03

SUBJECT: Overtime/Compensatory Time

I. PURPOSE AND SCOPE

This policy provides general guidelines to ensure compliance with the overtime provisions of the Fair Labor Standards Act (FLSA) and the General Provisions of the State of Texas General Appropriations Act. The provisions of this policy apply to all staff employees of Texas Southern University, regardless of the source of funds from which they are paid.

II. POLICY STATEMENT

It is the policy of Texas Southern University to plan, organize, and schedule its activities so that work may be accomplished within the standard forty (40) hour work week, and **overtime work is limited to that which is absolutely necessary as determined by the supervisor**. In unavoidable circumstances, such as emergencies or peak load periods, employees may be compensated for overtime and extra hours worked in accordance with this policy. In those circumstances, managers are responsible for planning staffing requirements to minimize overtime work, and must be apprised and give written approval **before** overtime or extra hours are worked.

III. DEFINITIONS

A. Campus Events: Campus events shall be defined as any campus related activity or event directly associated, sponsored or hosted by any “internal” TSU Department, group or entity which includes, but is not limited to, TSU athletic events, Homecoming events, Graduations, etc. Campus events shall include activities both “on and off” TSU property in accordance with this definition.

B. Compensatory time (or compensatory leave): Leave time earned in lieu of pay for time worked beyond the forty (40) hour standard work week. There are two types of non-exempt compensatory time, with different restrictions:

1. FLSA compensatory time (1.5, overtime): Leave that is earned at one and one-half hours for every hour actually worked in excess of 40 hours in a work week.
 2. Straight-time compensatory time (1.0, state comp. time): Leave that is earned at the rate of one hour for every hour worked, when hours actually worked during a work week are forty (40) or fewer; but total hours for pay including paid leave and holidays exceeds forty (40) hours.
- C. Employee: Any person employed by Texas Southern University and paid through the payroll system. Employee status does not apply to student workers whose enrollment in school is a condition of their student employment.
- D. Exempt employee: An employee that is not subject to the overtime provisions of the FLSA. Exempt employees include professionals, administrators, and executives.
- E. Extra hours: The hours in excess of forty (40), when hours actually worked during a work week are fewer than forty (40), but total hours for pay including paid leave and holidays exceeds forty (40) hours.
- F. Non-exempt employee: An employee that is subject to the overtime provisions of the FLSA. Non-exempt jobs include, but are not limited to, jobs such as Secretarial/Clerical, Technical, Service, and Crafts, as defined by the U.S. Department of Labor.
- G. Overtime: Hours actually worked over forty (40) in the standard work week by a non-exempt employee.
- H. Overtime pay: Cash payment for time actually worked in excess of forty (40) hours in the standard work week by a non-exempt employee. (Compensation is paid at the rate of one and one-half times the employee's regular hourly rate of pay for all overtime worked, when all other provisions of these guidelines are met.)
- I. Regular, full-time employee: A university employee who is employed at 100% FTE on a regular basis for at least four and one-half continuous months, excluding students employed in jobs that require student status as a condition of employment.
- J. Special Events: Special Events shall be defined as any activity or event sponsored or hosted by any "External" company, group and/or entity regardless of participation by TSU campus community members.

- K. Work Week: The expected or actual period of employment for the week, usually expressed in number of hours. Some uses of the term may relate to the outside dimensions of a week (e.g. 7 consecutive days). At Texas Southern University, the normal expected work week is defined as Sunday through Saturday, in which an employee must have worked forty (40) hours of productive time (excludes sick, vacation and other forms of leave).

IV. GENERAL PROVISIONS

- A. All staff employees paid on a full-time basis are required to work a minimum of forty (40) hours per week unless on approved leave status. Employees are required to work whatever hours are necessary to satisfactorily accomplish the job; the acceptance of such a requirement is a condition of employment.
- B. All overtime and extra hours must be authorized in writing and in advance by the dean/director of the department. **Employees may not make unauthorized decisions to work overtime or extra hours.** Working unauthorized time may subject the employee to disciplinary action, up to and including termination. Similarly, compensation, whether in the form of compensatory time off or pay for overtime or extra hours, may not be waived by the non-exempt employee.
- C. Supervisors are responsible for monitoring the work hours of employees under their supervision and for ensuring that information reported on timesheets is complete and accurate.
- D. When an employee works at multiple assignments, the appropriate supervisors are responsible for ensuring that total hours worked in a work week are monitored and the employee is compensated in accordance with this policy.

V. REQUESTING AND APPROVING WORK BEYOND THE STANDARD WORK WEEK

- A. Managers are responsible for planning the workload and staffing requirements to minimize any overtime work. Managers shall ensure that any overtime or extra hours are necessary in order to complete a required service or operation.
- B. All overtime and extra hours must be authorized in writing and in advance by the college/department head. The college/department head, in consultation with the Department of Human Resources if necessary, shall

determine how the extra work will be compensated (compensatory leave time or overtime pay) and shall inform the employee of the type of compensation to be received prior to performance of the extra work. Communication to the employee should include that any request for overtime pay is subject to the approval of the Department of Human Resources. Supervisors are also responsible for scheduling the use of compensatory time by the employee.

If the time has already been worked and Human Resources determines that a request for overtime pay is not in compliance with policy and therefore is not approved, compensation for the extra hours worked will revert back to compensatory leave time. Managers are responsible for ensuring that the employee is allowed to take accrued compensatory leave within twelve (12) months of accrual of the time.

- C. In cases where on occasion a full-time employee works an additional part-time job on campus, such as a campus or special event, for a different department, the managers of both areas should be informed in advance, and the manager of the part-time job will be required to certify that the campus event or special event job does not conflict with normal work hours.
- D. Requests for exempt employees to receive Additional Compensation are submitted on the request for Approval of Supplemental Salaries form, available in the Department of Human Resources.
- E. Non-Exempt compensatory leave time is maintained by individual departments. Department heads should designate one central record keeper to maintain compensatory leave records, such as the College or Department Business Administrator or other designee.
- F. Non-Exempt requests for overtime pay, when compensatory leave cannot be taken within guidelines, are submitted on the departmental time sheet, unless the additional hours over forty (40) were worked in the employee's same job, but for a different department (example, special events). In this case, the "Application for Approval of Special Event or Overtime Pay for Non-Exempt Employees" form is completed by the supervisor or departmental record keeper. This form is available in the Department of Human Resources.
- G. When Additional Compensation requests (exempt) or Application for Approval of Special Event or Overtime Pay for Non-Exempt Employees requests are submitted to the Department of Human Resources, they will be supported by the following documentation attached with the request:

1. Time sheet
2. Copy of Normal Work Schedule
3. Description of work performed.
4. Copy of leave forms if employee took vacation, sick or other leave during the work week that the event or overtime took place.

H. The Department of Human Resources should be contacted for assistance with guidelines and details on the calculation of overtime pay where it applies, for employees working overtime or extra hours over forty (40) in the work week.

VI. COMPENSATION FOR OVERTIME - NON-EXEMPT EMPLOYEES

A. Non-exempt employees are subject to the overtime provisions of the FLSA and must be compensated according to FLSA guidelines for all productive hours worked in excess of forty (40) hours in the standard work week. Compensation for non-exempt employees for overtime shall consist of either of the following methods:

1. Compensatory time off (leave) at the rate of one and one-half hours for each overtime hour worked; or
2. Cash payment at the rate of one and one-half time the employee's regular hourly rate of pay for all hours worked in excess of forty (40) in the work week, in addition to the regular pay for the pay period during which it was earned.
 - a. Cash payments may only be paid if the employee is not able to take the compensatory time within twelve (12) months of the time being earned, as noted in § V, B above; or if the employee has worked a campus event or special event job doing the same type of work as their primary job, and with the prior approval of both managers.
 - b. If the employee has worked a campus event or special event job doing different work than the primary job, payment can be based on approved event flat rates. Approval is subject to review by the compensation unit if the Department of Human Resources.

- B. Paid leaves and/or holidays taken are not counted as hours worked for purposes of determining overtime hours. Only productive hours worked during that work week are counted.
 - C. When the non-exempt employee is granted compensatory time under FLSA for overtime work, the following guidelines apply:
 - 1. An employee may not accrue more than 240 total hours of compensatory time for overtime hours worked.
 - 2. In the case of employees involved in public safety, emergency response, or seasonal work, the maximum accrual limit is 480 hours.
 - D. Accrued compensatory time must be taken during the twelve (12) month period following the end of the work week in which the overtime was worked.
 - E. Any FLSA compensatory time not taken within twelve (12) months, or such compensatory time in excess of the applicable 240 or 480 hour accrual maximum, must be paid at a rate equal to 1½ times the employee's current rate. If the accrued compensatory time is not taken or paid in the allotted time, the compensatory time is lost.
 - F. Texas Southern University has the option of paying accrued FLSA compensatory time at any time with the approval of the Associate Vice President of Human Resources/Chief Human Resources Officer (CHRO) or designee.
 - G. Accrued FLSA compensatory time must be paid in cash to the employee upon termination or to the employee's estate upon death.
 - H. When an employee transfers to another job within Texas Southern University, his/her compensatory time must be paid out by the department from which the employee is transferring at the time of the transfer.
- VII. COMPENSATION FOR EXTRA HOURS - NON-EXEMPT EMPLOYEES
- A. Where a non-exempt employee has not worked more than forty (40) hours in a work week, but the total of hours worked and hours of paid leave and/or paid holidays exceeds forty (40) hours, the employee must be compensated for the excess hours over forty (40) by either of the following methods:

1. Compensatory time at the rate of one hour for each extra hour over forty (40) hours; or
 2. Cash payment for the hours in excess of forty (40) on an hour-for-hour basis at the employee's regular rate of pay, in addition to the regular pay for the pay period during which it was earned, when taking compensatory time off would be disruptive to normal teaching, research, or other critical functions.
- B. When the non-exempt employee is granted straight-time compensatory time for extra hours over forty (40), the following guidelines apply:
1. Straight-time compensatory time is subject to the limits defined in this policy.
 2. Compensatory time is limited to 240 or 480 hour maximum accrual limits;
 - a. The compensatory time must be taken in the 12 month period within which the compensatory was accrued.
 3. Under state law, employees may not be paid for any unused straight-time compensatory time. Therefore, accrued leave beyond the stated limits will be forfeited, if not taken within the twelve (12) month period, or upon termination.

VIII. HOLIDAY COMPENSATION

- A. All eligible employees who are required to work on a scheduled holiday are entitled to equivalent time off with pay to be taken during the following twelve (12) month period.
- B. Employees may be paid for holiday compensatory time hours earned on a straight-time basis when the supervisor determines that allowing the employee to take compensatory time off would be disruptive to normal teaching, research, or other critical functions.

IX. REPORTING ADDITIONAL WORK AND COMPENSATORY LEAVE

- A. Non-exempt employees shall report all additional work beyond the standard forty (40) hour work week on the appropriate dates, on the Time and Effort Report, using the correct time reporting category. Shift differential and overtime codes shall be reported, where appropriate.

- B. Overtime pay will be added to the employee's pay for the time period in which it was accrued and reported. The hourly rate for overtime pay will reflect the hourly pay rate recorded in the payroll/personnel system;

State contributions for social security, retirement, and insurance benefits are not included in the calculation for the overtime rate.

- C. When compensatory leave is taken, it should be reported on the timesheets accordingly.

X. **ADDITIONAL COMPENSATION FOR ADDITIONAL UNIVERSITY ASSIGNMENTS**

- A. If a non-exempt employee undertakes on an occasional or sporadic basis, (at the employee's option and approval by both supervisors), part-time employment within Texas Southern University that is in a substantially different capacity from that in which the employee is regularly employed, the hours worked in the additional part-time job shall be excluded in assessing hours worked for overtime purposes.

- B. All requests for payment of event pay or authorized overtime pay must be submitted on the appropriate Texas Southern University forms, in accordance with applicable policy and in accordance with published payroll deadlines. Failure to meet all documentation requirements and deadlines can result in delayed payment or denial of the request for payment.

- C. An employee in a full-time exempt supervisory position will not be allowed to work a non-exempt part-time job within Texas Southern University, because to do so may risk invalidating the FLSA exemption for the position.

- D. All requests for payment of event pay or authorized overtime pay must be submitted on the appropriate Texas Southern University forms, with required support documentation, and in accordance with this policy (Sections V & VI). Failure to meet all documentation requirements and deadlines can result in delayed payment or denial of the request for payment.

XI. **REVIEW AND RESPONSIBILITIES**

Responsible Party: Associate Vice President/ Chief Human Resources Officer

Review: Every 3 years, on or before June 1

XII. APPROVAL

Edward C. Ness
Vice President for Administration and Finance

John M. Rudley
President

Effective Date March 2016