

OKLAHOMA STATE UNIVERSITY INSTITUTE OF TECHNOLOGY  
POLICY & PROCEDURES LETTER

<b>Overtime (In Compliance with the Fair Labor Standards Act)</b>	<b>3-005 FISCAL SERVICES July 2009</b>
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POLICY

- 1.01 An integral part of the employment program of Oklahoma State University Institute of Technology is a uniform policy related to the earning of, and compensation for, overtime.
- 1.02 This section deals with policies and procedures developed to comply with the Fair Labor Standards Act work regulations for exempt and non-exempt employees.

UNIVERSITY POLICY AND STATE LAW

- 2.01 The policy of Oklahoma State University Institute of Technology is to comply with the overtime provisions of the Fair Labor Standards Act (FLSA) and its regulations in accordance with the policy of the State of Oklahoma. This includes, but is not limited to, the earning of and payment for overtime, establishment of the official workweek, and record keeping.
- 2.02 The Oklahoma State University Institute of Technology Department of Personnel Services shall post, where appropriate, information about the Fair Labor Standards Act and a copy of this policy to inform covered employees.
- 2.03 The employment and work program of each unit of the University should be managed so that the necessity for overtime work is reduced to a minimum, except for emergency situations.
- 2.04 It is intended, however, that non-exempt employees should be expected to work a reasonable period of overtime when conditions warrant the scheduling of overtime. Notice to employees scheduled to work overtime will be given by the supervisor as early as possible.
- 2.05 Provisions of the Fair Labor Standards Act place a liability upon the employer for the payment of a premium for all hours that an employee not specifically exempt from overtime payment is either requested or permitted to work in excess of the statutory limitation. Therefore, under no circumstances may a nonexempt employee perform work of any nature for Oklahoma State University Institute of Technology at his/her normally assigned work station, or anywhere else on the employer's premises, in excess of his/her normal work schedule, unless such overtime work has been specifically authorized by the supervisor in advance.

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- 2.06 The official workweek of Oklahoma State University Institute of Technology shall be from 12:00 midnight Friday until 12:00 midnight the following Friday. Any variance from the official workweek must be requested in writing and approved by the President of Oklahoma State University Institute of Technology or his/her delegated representative. Such approved variances shall be kept on file in the Office of Human Resources and at the main campus' University Personnel Services.
- 2.07 Overtime shall be calculated on the basis of the official workweek and not on the official workday.

DEFINITIONS

- 3.01 EXEMPT -- The position meets the FLSA tests for exemption from the overtime provisions of the Act, and compensation for overtime is not required. At Oklahoma State University Institute of Technology, generally exempt positions are faculty, graduate assistants, administrative/professional, certain farm and recreation workers, student professional, and temporary professional.
- 3.02 NON-EXEMPT -- The position does not meet the FLSA tests for exemption from the overtime provisions of the Act, and the employee must be compensated for overtime. At Oklahoma State University Institute of Technology, generally non-exempt positions are those in the classified pay plan (except for certain farm and recreation workers) and non-professional student or temporary appointments.

NOTE: Information concerning the exempt or non-exempt status of a specific job is available in the Office of Human Resources.

- 3.03 OVERTIME -- Hours worked in excess of 40 in a workweek. Compensation for overtime hours is one-and-one-half times the employee's regular pay rate (which is multiplied by 1 ½ to get the "premium" rate per hour) may be affected by special situations.
- 3.04 WORKWEEK -- A regular, recurring period of 168 consecutive hours.
- 3.05 PAY PERIOD -- The period of time covered in a paycheck. For employees on the biweekly budget a pay period is two weeks. For employees on the monthly budget a pay period is one month.

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PROCEDURES

4.01 Overtime Payment

A. Non-exempt

1. Non-exempt personnel shall receive compensation by check or warrant or by released time at the rate of time and one-half their regular rate for all hours worked in excess of 40 hours in any workweek. Each workweek shall stand-alone and may not be averaged.
2. Payment for overtime by check or warrant should be made within the same pay period, if possible, or no later than the pay period following the one in which the overtime hours were worked. Exception: Payment may be later if the hours have first been accumulated for compensatory time.
3. If compensation for overtime worked is paid in released time, it will be given according to the following:
  - a. The maximum compensatory time which may be accrued by any affected employee shall be 480 hours for those engaged in public safety, emergency response, or seasonal activity; and 240 hours for all other non-exempt employees. The maximum is not an annual accumulation and is not a one-time accumulation. Once the maximum is accumulated, and then time is used, the amount may build to the maximum again, perhaps several times in the duration of the employee's tenure. Holiday hours worked and straight-time compensatory time, as distinct from hours worked over 40, are not counted in the 480 hours or 240 hours maximum.
  - b. An employee whose current accrual is the maximum number of compensatory hours shall be paid overtime compensation by check for any additional overtime hours of work, according to the procedure in (2) above.
  - c. The use of accumulated compensatory time will be permitted within a reasonable period after the employee requests the time, when it will not be disruptive to unit operations. Upon reasonable notice, a unit leader may request that an employee use a portion of the accrued compensatory time when this is deemed advisable.
  - d. At termination of employment, payment for accrued FLSA compensatory time shall be calculated at the average regular rate of the employee's pay for the final three years of employment, or the final regular rate received by the employee, whichever is higher.

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- e. When an affected employee transfers to a non-exempt position in another unit, accumulated compensatory time may be transferred to the new unit, taken as time off before the effective date of the transfer, paid by check, or a combination of these. The employee's wishes will be considered; however, the decision will also be based on the budgets and operational needs of the two units involved. If the decision is to pay by check for part or all of the accumulated compensatory time, the rate shall be calculated as in (d) above.
  - f. When a non-exempt employee changes to exempt status, every effort should be made to clear accumulated compensatory time by payment, taking the time off, or a combination of these. If the change involves moving to another unit, a cooperative decision by the two unit leaders may be necessary.
4. When circumstances permit payment by compensatory time off, an agreement or understanding between the supervisor and the employee shall be arrived at before the performance of the work. Such agreement will involve consideration of three factors: (1) the employee's preference, (2) the operational needs of the unit, and (3) the fiscal constraints which might preclude payment for overtime by check.
  5. A non-exempt employee may not "volunteer" to his/her own agency services of the same type the employee is to perform.

B. Exemptions

1. Certain farm workers and recreation workers shall be compensated hour-for-hour for overtime in released (compensatory) time. This compensation is not required by the FLSA; therefore, the number of hours accumulated and taken at a time that is mutually agreeable, is not restricted. It may not be paid by check or warrant during employment or at termination.
2. The Faculty, Administrative, and Professional employees may only be compensated for work in excess of their regular workweek if the individual has been approved by the appropriate administrator(s) for an "Overload or Special Payment" by completing the "Part-time Employment Agreement" form. As is the case with exempt employees of the University, they are expected to spend whatever hours are necessary over and above the basic workweek in completing their regular work assignments.

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4.02 Record Keeping

- A. Records of time worked shall be made and preserved for each non-exempt employee. The records shall include full name, social security number, birth-date if under 19, occupation, workweek beginning day/time, rate(s) of pay, hours worked each workday for each workweek, total hours to be paid for straight time, approved leave, and overtime. These time records shall be kept available for inspection for three years.
- B. The work for which non-exempt employees must be paid (at the rate of at least the current minimum wage) and which must be counted in computing liability for weekly overtime pay is described as: the time the employee is actually at work or required to be on duty.
- C. Counted as working time, in addition to time actually worked, are rest periods lasting 15 minutes or less, lectures, meetings, and training programs when attendance is required by the supervisor, and travel time (time en route) as set out below:
  - 1. Travel time from job site to job site during a workday, after reporting for the day's work.
  - 2. Travel time from home to work and return on a special one-day assignment in another city. Deduct the usual time from home to regular work site and return, and deduct the meal time(s).
  - 3. Travel time for out-of-town assignments of more than one day. The travel time that coincides with the employee's normal workday schedule is counted as time worked. This applies to any day of the week.
  - 4. Travel time for work performed while traveling. The time is counted as hours worked whether or not it occurs within the employee's normal working hours.
- D. Not counted as working time are bona fide meal periods, vacation, sick leave, other leave, holidays not worked, and certain travel time not listed in (C) above.

Approved: August 1996  
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