

**CharterSAFE**

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**2019 CCSA Poster Session**

**SELF-AUDIT YOUR HUMAN RESOURCES/PAYROLL  
POLICIES, PRACTICES & PROCEDURES**

**Presentation Handout**

**Introduction**

A self-audit of a school's Human Resources and payroll policies, practices and procedures is a practical first step to assess your organization's compliance with current federal, California and local statutes. The performance of a self-audit is a cost-effective strategy to gauge your school's level of compliance. The results of this self-audit will help guide your organization's use of specialized resources (attorneys, back-office providers, CPAs, brokers, consultants, etc.) to assist in the further identification and resolution of possible compliance issues.

**Objective & Learner Outcome**

Demonstrate understanding of business justification for civility policy in the workplace and receive training material for adoption and implementation of a civility policy. Demonstrate knowledge of HR and payroll policies, practices and procedures by understanding the use of an audit checklist to assess an organization's compliance with current federal, California and local statutes. Effective utilization of external resources in a cost-efficient manner to assist with the identification and resolution of possible compliance issues. Review of an audit checklist which can be used to evaluate potential areas of risk and create an action plan to find solutions.

## SELF-AUDIT CHECKLIST

Below are selected topics to review and discuss. If any policies or procedures are implemented as a result of your assessment, please review your actions with your charter school employment attorney. Given the frequent changes in the law, many of these issues need to be reviewed at least annually.

### **1. Exempt/Non-exempt Audit**

- 1.1. Job descriptions
- 1.2. California Industrial Welfare Commission Wage Order
- 1.3. Exempt test – duties and salary (minimum wage for 26+ EE: 2019-\$49,920/year; 2020-\$54,080; 2021-\$58,240; 2021-\$62,400/year)
- 1.4. Executive Exempt
- 1.5. Administrative Exempt
- 1.6. Professional Exempt

### **2. Compensation Issues**

- 2.1. General concerns
- 2.2. Job analysis for each position
- 2.3. Market rate versus internal equity
- 2.4. Equal pay audit
- 2.5. Current job descriptions
- 2.6. Employees
  - 2.6.1. Full time vs. part time
  - 2.6.2. Exempt
  - 2.6.3. Non-exempt
  - 2.6.4. Part time salaried employees
- 2.7. Paying exempt employees 10-11-12 months versus actual months worked
- 2.8. Loans/advances/education payments/training costs
- 2.9. Make up time policy
- 2.10. Alternative Workweek Schedule (AWS)
- 2.11. Travel time for hourly staff on field trips

### **3. Students/Trainees/Interns/Volunteers**

- 3.1. Compensation issues
- 3.2. Child labor laws
- 3.3. Unpaid interns
- 3.4. Volunteer handbook

### **4. Meals**

- 4.1. 5 hour rule – length and timing

- 4.2. Second meal (10-12 hours)
- 4.3. Handbook language
- 4.4. Meal break waivers (6 and 8-12 hours)
- 4.5. On-duty meals
- 4.6. Audit time cards
- 4.7. Staff lunches/meetings
- 4.8. Paying penalties

## **5. Rest Breaks**

- 5.1. Handbook language – “any major fraction”
- 5.2. Over 10 hours – third rest break
- 5.3. Any outliers combining or skipping breaks
- 5.4. Off-duty?
- 5.5. Paying penalties
- 5.6. No time punches – paid time

## **6. Paystub, Payroll and Timekeeping**

- 6.1. LC section 226(a) paystub provisions
- 6.2. Healthy Workplace Healthy Family Act – reporting available sick hours to employee
- 6.3. Direct deposit
- 6.4. Payroll processing
- 6.5. Fee for cashing paychecks
- 6.6. Pay day/Pay period timing
- 6.7. Definition of work day and work week
- 6.8. 7- day workweek
- 6.9. Employees submitted timesheets in a timely manner
- 6.10. Supervisors reviewing timesheets in a timely manner
- 6.11. Time card/timesheet – actual punches v. completed after the fact
- 6.12. Timeclocks v. employee use of phone app (meals included?)
- 6.13. Rounding practices vs. exact time
- 6.14. Starbucks “de minimis” ruling pre-shift or post-shift work which isn’t recorded on timesheet
- 6.15. Any unauthorized overtime
- 6.16. Off-the-clock work

## **7. PTO/Vacation/Sick Time/Holidays**

- 7.1. What method used
- 7.2. State minimum sick leave versus local jurisdiction
- 7.3. Full v. part-time employee accruals and caps
- 7.4. Notification to employee
- 7.5. Usage practices
- 7.6. What paid time off at termination

- 7.7. "Use it or lose it"
- 7.8. Year-end or other cashing out
- 7.9. Days worked before/after Holidays

**8. Health Insurance Benefit Administration**

- 8.1. Notification of benefits at time of hire
- 8.2. Summary plan descriptions provided to plan participants
- 8.3. Affordable Care Act compliance – audit?
- 8.4. Benefit staff HIPAA compliance training
- 8.5. COBRA administration

**9. Retirement Benefit Administration**

- 9.1. School employee retirement plan
  - 9.1.1. CalPERS
  - 9.1.2. CalSTRS
  - 9.1.3. Alternative Plan such as Apple
  - 9.1.4. Social Security contributions
- 9.2. Responsible party - review calculation and audit

**10. Travel Time**

- 10.1.1. Exempt vs. non-exempt staff
- 10.1.2. Daily travel
- 10.1.3. Work at multiple school sites during work day
- 10.1.4. Work at home or other outside work (bank drop/mail pickup) before and after regular day
- 10.1.5. Overnight Travel
- 10.1.6. Hourly staff – different travel time rate
- 10.1.7. Company vehicle usage restrictions
- 10.1.8. GPS on vehicles
- 10.1.9. Insurance coverage – DMV checks

**11. Expense Reimbursement**

- 11.1. Vehicle usage – mileage/auto allowance
- 11.2. Phone/Computer/Internet/Tablet – personal equipment vs. company equipment
- 11.3. Other expenses
- 11.4. Loans
- 11.5. Training costs

**12. Bonus Issues**

- 12.1. Types of stipends/bonuses - non-discretionary v. discretionary
- 12.2. Hourly employees - calculate revised overtime rate
- 12.3. Criteria communicated to employees

**13. Recruiting and Interview Materials**

- 13.1. Job analysis to identify skills/knowledgeable/abilities for position
- 13.2. Job description
- 13.3. Employment Application
- 13.4. Advertising do's and don'ts/discrimination
- 13.5. Interview questions and forms used
- 13.6. Salary ranges available

**14. Background/Reference/Credential Checks & TB /Drug Testing**

- 14.1. Criminal/fingerprints/DOJ
- 14.2. Education
- 14.3. References
- 14.4. TB & drug test results
- 14.5. Credentials

**15. Onboarding**

- 15.1. Orientation checklist
- 15.2. New hire packet
- 15.3. I-9 form
- 15.4. Job description
- 15.5. Emergency contact information
- 15.6. Instructions to hourly staff re time/attendance timesheet requirements (ex: clock out/in for lunch, etc.)

**16. Drug and Alcohol Usage Issues**

- 16.1. Pre-employment screening
- 16.2. Post- workplace injury drug testing
- 16.3. Performance issues
- 16.4. Medical marijuana card & recreational marijuana usage
- 16.5. Substance abuse issues
- 16.6. Alcohol consumption policies
- 16.7. Fitness for duty testing (pre- and post-employment)
- 16.8. Mandatory testing – positions subject to DOT & CA/DMV regs/safety sensitive

**17. Agreements and Related Documents**

- 17.1. New hire packet
- 17.2. Offer letter
- 17.3. Employment Agreement
- 17.4. Confidentiality Agreement
- 17.5. Arbitration Agreement

- 17.6. Wage Notification form
- 17.7. Electronic signatures

**18. Independent Contractors**

- 18.1. Legitimate relationships
- 18.2. Accurately identified – *Dynamax* case and “ABC test”
- 18.3. Written contracts

**19. Handbook Review**

- 19.1. Number of employees
- 19.2. Last reviewed
- 19.3. Translation needed
- 19.4. At-will statement
- 19.5. Key policies included – harassment, workplace violence, progressive discipline, etc.
- 19.6. Special social media issues
- 19.7. Signed acknowledgment
- 19.8. Arbitration policy
- 19.9. Consistency between policies & practice

**20. Temporary Agency Workers/PEO/Union Issues**

- 20.1. Agreement with temp agency
- 20.2. Arbitration
- 20.3. Spot-checking time cards
- 20.4. Coordinating with agency for terminations
- 20.5. Monitoring temp workers
- 20.6. Sick time
- 20.7. “Professional Employer Organization” – joint employer leasing
- 20.8. Union – organizing or any unionized workers

**21. Employment Practices Liability Insurance (EPLI)**

- 21.1. Carrier/choice of counsel/deductible/maximum
- 21.2. Wage & hour rider

**22. Safety and Disability Access Audits**

- 22.1. Loss Control & Safety Audits
- 22.2. CalOSHA & Ed Code compliance
- 22.3. Employee training
- 22.4. SDS for chemicals and cleaning products
- 22.5. Physical site review
- 22.6. Website access
- 22.7. Annual outreach to local public safety (law enforcement, fire, etc.)

**23. Workers' Compensation**

- 23.1. Best practice for managing workplace injuries
- 23.2. Identify closest location of emergency room and/or occupational clinic
- 23.3. Any current employees on w/c leave
- 23.4. W/C forms given to injured employee in timely manner (DWC-1 within 1 day of notice of injury)
- 23.5. Reporting injuries in a timely manner
- 23.6. Investigation of workplace accidents, near misses, injuries & illnesses
- 23.7. Return to work program

**24. Trainings**

- 24.1. Use of SafeSchools
- 24.2. Required
- 24.3. Recommended
- 24.4. Basic wage and hour rules – how are supervisors educated
- 24.5. Documentation of training records

**25. Discipline and Performance Reviews**

- 25.1. Policy/procedure for employee to lodge complaints
- 25.2. Warning protocols and documentation
- 25.3. Handbook policies
- 25.4. Use of progressive discipline
- 25.5. Performance Improvement Plan
- 25.6. Any current employee performance or attendance issues, or potential?
- 25.7. Performance review process

**26. Termination**

- 26.1. Complaints & use of administrative leave to conduct investigation
- 26.2. Termination decision checklist
- 26.3. Attorney or outside consultant review of documentation
- 26.4. Is board approval required
- 26.5. Difference between at-will v. "for cause" terminations
- 26.6. Final pay
- 26.7. Exit interview
- 26.8. Severance pay and releases (over/under 40)
- 26.9. Layoffs

**27. Unemployment Insurance/Annual Assurance Letters**

- 27.1. Unemployment insurance versus contributions to School Employers Fund
- 27.2. Provide assurance/non-assurance letters

**28. Leaves of Absence/Disability Accommodation/Interactive Process**

- 28.1. Types of leaves
- 28.2. Number of employees
- 28.3. Current employee on leaves
- 28.4. Pregnancy and baby bonding issues
- 28.5. Leave interaction
- 28.6. Intermittent Leave
- 28.7. ADA/Interactive dialogue and reasonable accommodation
- 28.8. Use of job description
- 28.9. Workers compensation interaction with other leave laws
- 28.10. Return to work with restrictions
- 28.11. Documentation of meetings and interactions

**29. Document Storage and Retention**

- 29.1. Written policies
- 29.2. Electronic storage
- 29.3. Retention and destruction policy
- 29.4. Payroll records
- 29.5. Personnel Files
- 29.6. HIPAA Issues (medical information confidentiality)

**30. Government workforce reporting and posting requirements**

- 30.1. EEO-1 or EEO-5
- 30.2. Affirmative Action Plan
- 30.3. Current employment posters – federal, state and local ordinance

**31. Theft Prevention**

- 31.1. Cameras
- 31.2. Check in-check out procedures
- 31.3. Petty cash
- 31.4. Bank statements/online access
- 31.5. Equipment shortages
- 31.6. A/R review and protocol
- 31.7. Audit of procedures (internal audit and CPA audit)

**32. Existing or Recent Employment Claims/Litigation**

- 32.1. Demand letters from attorney
- 32.2. Government claims (DFEH/EEOC)
- 32.3. Labor commission
- 32.4. Lawsuits - individual or class action



32.5. Resolved or pending last three years

**33. Website and Social Media**

33.1. Disability access

33.2. Passwords

33.3. Use of Social Media by employees

33.4. Review of social media used by employees