

COMPENSATION POLICY
DOCUMENTATION OF LABOR COSTS
In the OPERATION OF THE CACFP
REQUIRED by FNS Instruction 796-2, Rev 3

This sample for documenting Labor Costs has been created to provide a guideline for your institution to use. The information should be adapted to fit your organization. You may add and take away any parts that do not fit with your policies. However the following items per FNS Instruction 796-2, Rev 3 must be included in your final policy. The requirements for documentation of labor cost states:

- (1) Institutions must establish and maintain a written compensation policy for every element of compensation charged to the program. At a minimum, the written compensation policy must apply to any individual or group of individuals employed by the institution and identify:
 - a. Rates of pay;
 - b. Hours of work, including breaks and meal periods; and
 - c. The institution's policy and payment schedule for regular compensation, overtime, compensatory time, holiday pay, benefits, awards, severance pay and payroll tax withholding.
 - d. The compensation policy must also reflect the requirements of the US Department of Labor's FLSA for all FLSA nonexempt employees.

Rates of Pay

Each classified position is assigned to a salary range that are competitive with rates in the external labor market consistent with the (Institution)'s ability to pay.

Positions and Pay Range for CACFP Employees

Position	Hourly Pay Range	Annual Pay Range	Number in Position
Board Chair / Owner	\$28.85 to \$40.87 per hour	\$60,000 to \$85,000 per year Salary	1
Advisors (Monitors)	\$21.64 to \$28.85 per hour	\$45,000 to \$60,000 per year depending on case load Salary	2
Claims Processors	\$12.02 to \$16.83 per hour	\$25,000 to \$35,000 per year depending on accuracy Salary	4
Training Specialist (conduct training and workshops and perform other administrative duties)	\$11.54 to \$19.23 per hour	\$24,000 to \$40,00 per year Salary	1
Office Tech	\$14.42 to \$19.23 per hour	\$30,000 to \$40,000 per year Salary	1
Cook	\$9.61 to \$14.41 per hour	\$20,000 to \$30,000 per year	1
Total Staff			10

Hours of Work

The normal work week for (Institution) shall consist of five (5), eight (8) hour days. Ordinarily, work hours are from 8:00 a.m. - 5:00 p.m., Monday through Friday, including one hour (unpaid) for lunch and two fifteen minute breaks per day. Breaks are to be taken in the morning and afternoon. They may not be combined.

Employees may request to work a flexible schedule. The (Institution) will review work assignments and determine whether a flexible schedule is acceptable.

Regular Compensation

Payroll will be on a bi-weekly basis. Pay can be direct deposited with the proper documentation.

All salaries shall be reviewed annually or when the need to fill an essential position is warranted. Recommendations for salary increases shall be based on an assessment of the employee's development and achievements since the last salary review and on changes of the position's salary range. Approved or proposed salary range revisions will be given to supervisors before the annual review in order to assist in developing individual salary recommendations.

Overtime

Non-Exempt Employees per the US Department of Labor's Fair Labor Standards Act (FLSA), will receive overtime pay for any time worked in excess of 40 hours in a work week. Overtime rate is one and one-half time (1½) the employee's straight time rate, except in instances involving a Sunday or holidays when the rate is two times the regular rate. Payment of overtime will be provided in the pay period following the period in which it is earned.

Compensatory time

Exempt employees may accrue compensatory time for time worked in excess of 40 hours in a work week. Compensatory time must be approved by the employee's supervisor and must be used within one month of earning it.

Holidays

Full-Time Employees are eligible for 12 holidays per year as follows:

Holidays			
New Year's Day	Martin Luther King, Jr.'s Birthday	Good Friday	Memorial Day
Independence Day	Labor Day	Columbus Day	Veteran's Day
Thanksgiving Day	The Day After Thanksgiving Day	Christmas Day	Christmas Eve

Full-time employees (employees who regularly work at least 40 hours per week) receive one (1) paid day off for each full day of holiday time. Holiday benefits for Part-Time employees will be pro-rated in accordance with the hours regularly worked by the employee. Employees wishing to take religious holidays may substitute a religious holiday for one of those listed above, with advance approval from their supervisor and the Executive Director. Temporary employees are ineligible for holiday leave benefits. In those years when Independence Day, Christmas Eve and Christmas Day, and New Year's Day fall on Saturday or Sunday, the Board Chair - Owner will designate the work day that will replace the weekend holiday.

Benefits

(Institution) shall provide benefits to all eligible full-time and part-time employees. (Institution) reserves the right to modify or terminate any employee benefits, at any time.

a. Health/Life Insurance

(Institution) currently provides individual health and dental insurance benefits for eligible full-time and part-time employees beginning after the first full month of employment. Eligible employees may elect to participate in available health plan(s) offered by (Institution). (Institution) presently pays the individual insurance premium for all eligible employees. (Institution) may require employees to pay a portion of insurance premium in the future. Information about (Institution)'s health plan(s) will be provided to the employee at the time of employment.

b. Vacation

Vacation leave based on the schedule below will accrue for all employees who are working, on paid leave or on workers' compensation leave for one-half or more of the regularly scheduled workdays and holidays in the pay period.

Years of Total Service	Hours Granted Each Month	Hours Granted Each Year	Days Granted Each Year
Less than 5 years	8 hrs.	96	12
5 but less than 10 years	10 hrs.	120	15
10 but less than 15 years	12 hrs.	144	18
15 but less than 20 years	14 hrs.	168	21
20 years or more	16 hrs.	192	24

c. Sick Leave

Full-time permanent, probationary, trainee and time-limited employees are eligible for leave at the rate of 8 hours per month (96 hours per year). Part-time (half-time or more) permanent, probationary, trainee and time-limited employees are eligible for leave at a prorated amount. Temporary, intermittent, and part-time (less than half-time) are not eligible for leave.

Unused sick leave can accumulate from year to year up to a maximum of 30 days (210 hours) for full-time employees. This limitation on accrual of sick leave benefits is prorated accordingly for part-time employees. No sick leave benefits are paid upon separation of employment from (Institution) for any reason. If an employee's illness or injury requires a consecutive absence of five (5) days or more, physician documentation will be required.

d. Awards

(Institution) offers an award system based on years of service.

Years of Total Service	Hours Granted Each Month
Less than 5 years	1 % of annual salary
5 but less than 10 years	1.25 % of annual salary
10 but less than 15 years	1.50 % of annual salary
15 but less than 20 years	1.75 % of annual salary
20 years or more	2 % of annual salary

Withholding Taxes

Federal and State taxes will be withheld from each employee's salary. W-2's will be issued to employees by the end of January of each year.

Severance Pay

(Institution) will not compensate employees with severance pay.