**TEMPLATE**

***Delete Instructions Prior to Submission for Approval***

**Instructions: Institutions participating in NC CACFP may adapt this template to reflect their institution’s policies and procedures or use an existing compensation policy. All compensation policies must include the elements listed below under “Policy.” Highlighted items should be modified to reflect your Institution’s procedures.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |       |  |       |  |
|  | (Institution Name) |  | (CACFP Agreement Number) |
| **PURPOSE** |
| Per FNS Instruction 796-2, Revision 4, institutions are required to maintain written compensation policies that adhere to all requirements listed. Such a policy must relate to every element of compensation charged to the CACFP. The policy and procedures below describe [INSTITUTION]’s written compensation policy.  |
| **POLICY** |
| The written compensation policy applies to any individual or group of individuals employed by the institution and identifies: * Rates of pay
* Hours of work, including breaks and meal periods
* The institution’s policy and payment schedule for regular compensation, overtime, compensatory time, holiday pay, benefits, awards, severance pay and payroll tax withholding. The timing and frequency of the institution’s payments to its employees will follow a routine schedule as directed by its human resource policy.
* The compensation policy reflects the requirements of the U.S. Department of Labor’s Fair Labor Standards Act (FLSA) for all DLSA nonexempt employees.

[INSTITUTION] provides new employees with a copy of its written compensation prior to or upon employment. Employees are trained [HOW FREQUENTLY] on the written compensation policy and any changes to the elements contained therein.  |
| **PROCEDURES** |
| I. **Rates of Pay**Each classified position is assigned to a salary range that is competitive with the rates in the external labor market consistent with the institution’s ability to pay. Positions and Pay Range for Employees with CACFP Duties:

|  |  |  |  |
| --- | --- | --- | --- |
| **Position** | **Hourly Pay Range**  | **Annual Pay Range**  | **Number in Position**  |
| Board Chair/Owner |       |       |       |
| Director |       |       |       |
| Monitors (for Sponsors only)  |       |       |       |
| Claims Processors |       |       |       |
| Trainers (for Sponsors only) |       |       |       |
| Administrative Staff |       |       |       |
| Cook |       |       |       |
| Cook Assistant  |       |       |       |
| Teachers/Aides  |       |       |       |

II.  **Hours of Work**The normal work week for [INSTITUTION] consists of       days.Days of operation are:       Work hours are from:       to      Breaks are from:      to            to            to      Breaks are (check one):

|  |  |  |  |
| --- | --- | --- | --- |
| [ ]  | Paid | [ ]  | Unpaid |

III.  **Regular Compensation** Payroll will be on the following basis (check one):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| [ ]  | Weekly | [ ]  | Bi-Weekly | [ ]  | Monthly |

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. Any changes to salary for CACFP employees must be approved through the submission and approval of a budget revision by the State agency. IV.  **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.V. **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 accrual.**VI. Holidays** Full-time employees are eligible for holidays listed below (Employer check all that apply):

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| --- |
|  |
| [ ] New Year’s Day | [ ] Martin Luther King Jr. Day | [ ] Good Friday | [ ] Memorial Day |
| [ ] Independence Day  | [ ] Labor Day  | [ ] Columbus Day | [ ] Veteran’s Day |
| [ ] Thanksgiving Day | [ ] Day after Thanksgiving  | [ ] Christmas Eve | [ ] Christmas Day |

 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. 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 workday that will replace the weekend holiday.**VII. Benefits** [INSTITUTION] provides benefits to all eligible full-time and part-time employee. [INSTITUTION] reserves the right to modify or terminate any employee benefits, at any time. **a. Health/Life Insurance** [INSTITUTION] 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 the available health plan offered by the Institution. [INSTITUTION] presently pays the individual insurance premium for all eligible employees.[INSTITUTION] may require employees to pay a portion of insurance premiums in the future. Information about [INSTITUTION]’s health plan will be provided to the employee at the time of employment.**b. Vacation** Vacation leave is based on the schedule below. Vacation time 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 |       |       |       |
| 5-9 years  |       |       |       |
| 10-14 years  |       |       |       |
| 15-19 years |       |       |       |
| 20 + years  |       |       |       |

**c. Sick Leave** Full-time permanent, probationary, trainee and time-limited employees are eligible for leave at the rate of

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|       |  hours per month | ( |       | 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       days (       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 this employer for any reason. If an employee's illness or injury requires a consecutive absence of       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  |      % of annual salary |
| 5-9 years |      % of annual salary |
| 10-14 years |      % of annual salary |
| 15-19 years |      % of annual salary |
| 20+  |      % of annual salary |

**e. Withholding Taxes** Federal and State taxes will be withheld from each employee’s salary. W-2s will be issued to employees by the end of January of each year. **f. Severance Pay** [INSTITUTION] will not compensate employees with severance pay. |
| **REFERENCE** |
| FNS Instruction 796-2, Rev. 4 pp. 44-45 |
| **INSTITUTION INFORMATION** |
|  |       |  |       |  |
|  | (Print Name of Authorized Representative) |  | (Title of Authorized Representative) |  |
|  |       |  |  |  |
|  | (Signature of Authorized Representative) |  | (Date) |  |
|  |  |  |  |  |
|  | **Date(s) of annual policy review:**      |  |