

	Administrative Regulation	
	Policy#	4.3
	Effective:	04/26/2024
	Revised:	03/10/2025
Exempt Employee Time Management		Owner: Human Resources

**Note:** Terms in **bold** and *italics* throughout this policy are defined below.

## PURPOSE:

To establish clear expectations and consistent practices for **exempt employees** regarding time tracking, work schedules, and accountability.

## SCOPE:

This regulation applies to all exempt positions as defined by the ***Fair Labor Standards Act*** (FLSA). Represented employees should also refer to their applicable collective bargaining agreements.

## POLICY:

Exempt employees, with limited exceptions, are not eligible for compensation or compensatory time off for hours worked beyond their budgeted Full-Time Equivalent (FTE) status. Instead, exempt employees receive one additional week of vacation or paid time off annually.

Exempt employees are generally expected to work during standard business hours; however, their weekly work hours may vary depending on operational needs and professional responsibilities. By accepting an exempt position with the City, employees acknowledge that their responsibilities may occasionally require working more than 40 hours per week.

Exempt employees have the flexibility to manage their work schedules in alignment with job demands and operational needs. This flexibility may include occasional remote work, adjusted start and end times, or modifications to accommodate personal obligations or unforeseen circumstances. Employees are expected to proactively communicate any schedule adjustments to their supervisor and ensure that departmental needs are met.

## PROCEDURE:

### 1. Timecard Coding

- 1.1. Employees must accurately record actual hours worked each day. For example, if scheduled for 8 hours but work 9, 9 hours should be reported.
- 1.2. If an employee works fewer hours than their ***budgeted FTE*** in a single workweek, they must use accrued leave to make up the difference. If hours worked exceed their

budgeted FTE, the additional hours should be coded as unpaid time using payroll code **E40**.

## 2. Police Command Staff Exceptions

### 2.1. Police Sergeants (Overtime for Hours Beyond the Regularly Scheduled Shift):

- 2.1.1. Patrol Sergeants will be compensated at one-and-a-half (1.5) times their hourly rate for hours worked beyond their scheduled shift, excluding routine briefing preparation and shift transition with the oncoming sergeant.

### 2.2. Police Lieutenant (Operational Overtime):

- 2.2.1. Police Lieutenants may receive overtime compensation at one-and-a-half (1.5) times their hourly rate when required to attend major events. Overtime must be pre-approved by the Police Chief.

## 3. Timecard Scenarios

### 3.1. Regular Hours Worked Over 40 – An employee works 45 hours in one week.

*Earning Code	Location	Activity	Rate ID	Sun 5/5	Mon 5/6	Tue 5/7	Wed 5/8	Thu 5/9	Fri 5/10	Sat 5/11	Hours Week-To-Date		
REG	130	Gen Fd-HR-Dept Admin			9.00	9.00	9.00	9.00	4.00		40.00	+	-
PTO	130	PTO										+	-
E40	130	> 40 hrs worked (exempt)							5.00		5.00	+	-

- 3.2. Leave Hours Used – An employee takes two full days of leave and works 27 hours. Total time must equal their FTE. Because they worked 3 hours beyond a 40-hour week, their leave usage must be reduced by 3 hours.

*Earning Code	Location	Activity	Rate ID	Sun 5/5	Mon 5/6	Tue 5/7	Wed 5/8	Thu 5/9	Fri 5/10	Sat 5/11	Hours Week-To-Date		
REG	130	Gen Fd-HR-Dept Admin					9.00	9.00	9.00		27.00	+	-
PTO	130	PTO			8.00	5.00					13.00	+	-
E40	130	> 40 hrs worked (exempt)										+	-

- 3.3. Holiday, Leave, and E40 – An employee takes 2 days of leave adjacent to a holiday and then works additional hours, resulting in a 42-hour workweek. The number of leave hours may be reduced by 2 to reflect actual hours worked.

*Earning Code	Location	Activity	Rate ID	Sun 5/5	Mon 5/6	Tue 5/7	Wed 5/8	Thu 5/9	Fri 5/10	Sat 5/11	Hours Week-To-Date		
REG	130	Gen Fd-HR-Dept Admin						9.00	7.00		16.00	+	-
PTO	130	PTO			8.00	8.00					16.00	+	-
E40	130	> 40 hrs worked (exempt)							2.00		2.00	+	-
HOL	130	Holiday - City Paid					8.00				8.00	+	-

## DEFINITIONS:

1. ***“Exempt Employee”*** is an employee who is not legally entitled to overtime pay, regardless of hours worked. The Fair Labor Standards Act (FLSA) establishes rules determining which employees qualify for overtime pay.
2. ***“Fair Labor Standards Act”*** is a U.S. labor law that establishes minimum wage standards and requires overtime pay at "time-and-a-half" for non-exempt employees working over 40 hours a workweek.
3. ***“Budgeted FTE”*** refers to the number of hours allocated for an employee’s position based on the City’s budget and operational requirements. A full-time Budgeted FTE typically equates to 40 hours per week.
4. ***“E40”*** is a payroll code designation used to track additional hours worked beyond budgeted FTE. This code serves as a recordkeeping tool and does not entitle employees to additional compensation or leave.

## RESOURCES:

N/A