



# 5 Costly HR Compliance Mistakes

*...and how to fix them fast*

INTEGRITY•ACCURACY•RELIABILITY

[www.peoplefirsthrindy.com](http://www.peoplefirsthrindy.com)

# TRUE CLIENT STORY

They were in growth mode and their existing human resources arrangement was no longer working for them.

Sound familiar? A company came to us lacking key elements: **time, expertise and systems**. We jumped in to help right away, and within 30 days **People First HR** conducted a thorough **HR audit** AND presented a pathway to HR success that would result in **airtight compliance** and **repeatable HR processes**. Seeing the value of our work, we began a **remedy plan** with our client to resolve the more immediate compliance issues **within 90 days**.

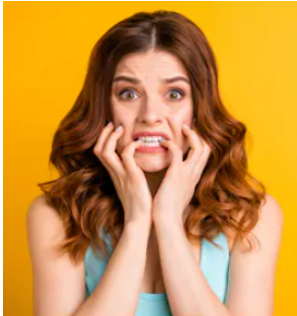
Two years later, they enjoy an **affordable and comprehensive human capital management system** that has **automated many process**, freed up the owner to focus on business growth and supplied an HR expert to handle annual benefit renewal, on/off boarding, payroll and employee relations.

So how did we help this organization get on the right path so quickly?

**We asked 5 critical questions around 5 typical mistakes.** Find out what they are and how we supported our client to be in tip top HR shape...



# 01



## Are You Staying Current with Employment Law?

**Compliance is easy when you are armed with right knowledge.**

**Are you growing? Do you know what laws are required at 10, 20, 50, or 100 employees?** Company size determines which employment laws you must comply with. Although some laws have no minimum employee requirement, like the Fair Labor Standards Act and Worker's Compensation, others are dependent upon your size. Keeping up with these requirements can be overwhelming to a business owner or leader who is "wearing the HR hat today".

You can take the steps today to understand these requirements by conducting an HR audit. An HR audit identifies gaps in your organization's HR policies, practices, documentation, and systems. The outcome of an audit is to know where you need to implement changes that will reduce the risk to the business, establish best practices, and identify opportunities for improvement.



# 02



## Are your employee files complete?

### FOCUS ON *PEOPLE*, NOT PAPERWORK

**You need to get people hired quickly, but is your process for hiring and onboarding meeting all the requirements so you are the most protected?** Recruitment, selection, and onboarding should be structured and strategic so every step is compliant. Equally important is a positive experience for the future employee.

**The key to good recruitment and onboarding is process and documentation.** Carrying a candidate from application to interview to job offer to onboarding to orientation requires a strategic process. Whether you use a system or paper, creating the framework is key. **Start by creating a job description** to help you understand the skill set you need. With a solid job description, you can create a job ad, job based interview questions and criteria for candidate selection. **Keeping recruitment records that document the selection process is critical** to defending a non-hire later if necessary.

**You've made your hire. What's next?** Create a **new hire checklist** that includes the key documentation needed for a compliant hire. Remember to include training and supervisor check-ins so your employee becomes engaged in applying their skills to the role and ensures the employee is fitting into your organization well. Keeping this information in a **confidential employee file, whether electronic or paper**, is a necessary part of having employees on your payroll.

You may want to **consider a system that automates most of this process** for you and the employee. This elevates your ability to have a successful and compliant onboarding experience. Simplifying and speeding up the process helps you to focus on your people and not their paperwork!

# 03



## Are your employees classified correctly?

**A quick review of your employment structure will give you peace of mind.**

**We pay everyone by salary because it's easier that way. I own the business so I can choose, right?** Business owners want to keep their employee administration simple. So, paying everyone on a salary basis or as an independent contractor may seem logical. However, **federal guidelines define whether an employee can be salaried (not eligible for overtime pay) or hourly** and whether they qualify as an independent contractor.

To exempt an employee from an entitlement to overtime wages, the position duties must **meet specific guidelines**. Some positions simply do not meet the test to qualify for an exemption from overtime. As the popularity of freelance work has risen so has the ambiguity on how to classify employees.

**An HR audit can help you determine how an employee should be classified** or what type of hire you should make.



# 04



## Do You Have an (Updated) Employee Handbook?

**NO MATTER YOUR SIZE, HANDBOOK POLICES ARE IMPORTANT AND NECESSARY.**

Every business should have a **updated employee handbook**. Outlining policies guide you and the employee in matters of employment and are a good resource for when things are not going as expected. Laws change and businesses, no matter the size, should have an updated employee handbook. **If you don't put policies in writing**, it leads to situational decisions and inconsistent policy application which can result in a **unfair employment practice claim**.

Even a few pages outlining acceptable and expected behavior provides employees with tangible guidelines. **The employee handbook should be updated every two years**, and all employees should sign an acknowledgment form stating that they received the publication and will abide by its policies.

**What should your handbook include?** Your handbook should cover policies for non-harassment and non-discrimination, code of conduct, employment and termination, pay practices, communication and a basic outline of benefits.



# 05



## Who Wears the HR Hat?

**HR expertise is possible, no matter your size.**

**Who handles human resources on your team? The office manager, the finance manager?** These trusted team members have some knowledge to handle a variety of issues related to pay, benefits, hiring, employee relations, and termination. **Being an expert in all these areas is tough** and **lack of knowledge is not a suitable defense** when it comes to pay violations or I-9 issues. It exposes your business to legal consequences.

**Find a partner with sufficient expertise to support your HR practices.**

This partner may be someone on your team with knowledge and time to take on HR. It may be a trusted team member you assign to liaison with an outside HR resource. The great news is that there are ways to bring HR expertise to your team that fit your specific needs and budget.





# Contact Us

**Amanda Gleason** is an experienced HR strategy and Compliance Expert who builds and executes HR programs for rapidly growing or newly established companies.

As President of People First HR, Amanda has worked with organizations ranging in size from 20 to 400+ by assessing their HR functions to identify risks and develop solutions to quickly reduce risk and increase process efficiencies.

**SCHEDULE A TALK WITH AMANDA TODAY**  
**[WWW.PEOPLEFIRSTHRINDY.COM/BOOK-ONLINE](http://WWW.PEOPLEFIRSTHRINDY.COM/BOOK-ONLINE)**

## **More about her...**

Amanda's ability to align human resources functions with business operations has positioned her as a trusted advisor.

Her industry experience includes healthcare, manufacturing, software technology, nonprofit and financial services.

Amanda's professional credentials include an MSM, PHR and SHRM-CP. She is also a Youth Mentor with the Youth Mentoring Initiative and board member of Arise Together.



**INTEGRITY•ACCURACY•RELIABILITY**