

**1300. HUMAN RESOURCE POLICY**

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# **Chapter 1000**

## **INTRODUCTION**

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### **1010 Introduction to the Manual**

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## Section 1010 Introduction to the Manual

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### General Policy Statement:

Our employees are our most valuable asset. Therefore, this manual was written to provide a framework to guide Managers' actions and to inform employees of their rights and responsibilities.

### Guidelines:

1. **Purpose of the Human Resource Policy Manual.** This manual is Resource One Credit Union's guide and general summary of Human Resource policies. Through the manual we hope to provide an understanding of Resource One's Credit Union philosophy and interests, promote consistency and fairness in employee/employer relationships, enhance employee performance, and protect credit union legal interests.
  
2. **Contains General Guidelines Only.** The manual contains general information and guidelines. It is not intended to be comprehensive or to deal with all possible applications and detailed specifics of credit union policies and procedures. Some policies outlined here (such as Benefit and Retirement Plans) are described in other official documents not included in this manual. These documents are controlling and should be reviewed when specific questions arise. Any reference to "we," "us," or "our" in this policy manual, shall be taken as a reference to Resource One Credit Union.
  
3. **Policies Are Not a Guarantee of Rights, Benefits or Employment.** No policy is intended as a guarantee of terms and conditions of employment or as creating an express or implied contract of employment. No one, other than the credit union President/CEO has the authority to enter into any employment or other agreement that modifies credit union policy. No permanent employment or employment for any time period is intended or can be implied by statements in this manual. The manual is not intended to alter the employment-at-will relationship. **EMPLOYMENT IS NOT FOR ANY SPECIFIC TIME PERIOD AND MAY BE TERMINATED AT WILL, AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT PRIOR NOTICE, BY THE CREDIT UNION AND**

**EMPLOYEES MAY RESIGN FOR ANY REASON, AT ANY TIME.**  
(See Employment-At-Will.)

4. **Credit Union's Right to Modify or Discontinue Policies.** Our business environment changes frequently and quickly. Therefore, many of these policies will change periodically. While we will try to inform employees of changes as soon as possible, policy changes may be made before this manual is updated. The provisions of this manual have been developed at Management's direction and may be revoked or changed at any time without notice. This manual supersedes and replaces all prior manuals, policies, and procedures.
  
5. **Managers' Responsibilities.** It is important that Managers review the manual, become familiar with its policies, ask questions, and utilize it as may be appropriate. Our goal is that these policies will promote sound management practices and the success of each member of our credit union. This manual is credit union property and is intended for use as a reference inside our credit union. Circulation of this manual outside of the credit union requires the prior written approval of the President/CEO.

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## **Chapter 2000**

# **GENERAL MANAGEMENT PRACTICES**

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**2010 Americans with Disabilities Act (ADA)**

**2020 Employment-At-Will**

**2030 Equal Employment Opportunity (EEO)**

**2040 Harassment**

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## Section 2010 Americans with Disabilities Act (ADA)

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### General Policy Statement:

As part of Resource One's commitment to Equal Employment Opportunity and diversity in the workplace, we seek to comply with all applicable provisions of the Americans with Disabilities Act (as amended) and related state law. All employment practices are conducted on a non-discriminatory basis. Managers should seek assistance from Human Resources when presented with issues related to a physical or mental impairment of an employee or applicant, such as a request for an accommodation of such an impairment. The ADA can be complex, and each situation must be assessed individually, on its own merits. Managers should not attempt to determine whether or not an employee or applicant has a disability (that is a determination generally made by medical providers). Under the ADA Amendments Act, the employer's focus generally should be on whether a reasonable accommodation can be made to enable the employee or applicant to perform the essential functions of the job. Because Human Resources is best equipped to analyze and apply these important legal requirements, managers should involve Human Resources as soon as possible after receiving a request for a reasonable accommodation of disability or otherwise learning of the possible need for such an accommodation.

### Guidelines:

1. **Individuals Protected.** Under the ADA, employment discrimination on the basis of disability is prohibited against qualified individuals who:
  - a) Meet the job-related requirements of the position; and
  - b) Can perform the essential functions of the job with or without reasonable accommodation.
  
2. **Disability Defined.** An individual with a "disability" includes one who:
  - a) Has a physical or mental impairment that substantially limits one or more major life activities; or
  - b) Has a record of such an impairment; or

- c) Is "regarded as" having such an impairment, whether or not an impairment limits or is perceived to limit a major life activity.
3. **Mitigating Measures Not Considered.** Whether an individual is disabled under the ADA should not include consideration of measures that mitigate or correct the impairment (e.g., medications, hearing aids, assistive technology, prosthetics, medical equipment, learned neurological modifications, etc.) Note, however, that an exception exists for ordinary eyeglasses and contact lenses which can be considered in determining whether an impairment substantially limits a major life activity. Additionally, disability determinations should be examined on an individual basis.
  4. **"Major Life" Activities Defined.** Major life activities include, but are not limited to: caring for oneself, performing manual tasks, seeing, hearing, eating, sleeping, walking, standing, sitting, reaching, lifting, bending, speaking, breathing, learning, reading, concentrating, thinking, communicating, interacting with others, and working or those that involve "major bodily functions." Those functions include such things as functions of the immune system, special sense organs and skin, normal cell growth, digestive, genitourinary, bowel, bladder, neurological, brain, respiratory, circulatory, cardiovascular, endocrine, hemic, lymphatic, musculoskeletal, and reproductive functions.
  5. **Episodic and Periodic Disorders.** Periodic and episodic disorders are covered under the ADA. Impairments in remission may also be covered if they would substantially limit a major activity when active.
  6. **Examples of Disabilities.** Impairments that may be considered disabilities under the ADA include, but are not limited to, physical disorders or conditions, cosmetic disfigurement or anatomical loss, psychological disorders, mental retardation, emotional and mental illness, and specific learning disabilities. Serious diseases such as AIDs, HIV infections, multiple sclerosis, and depression may be disabilities. Alcoholism and past drug addiction would also be considered disabilities, however current illegal drug use is not protected.

Temporary, non-chronic impairments that don't last for a long time and that have little or no long-term impact usually aren't disabilities. Typically, conditions lasting several months with no lasting effects are also not protected, although an impairment need not be permanent to constitute a disability.

7. **Essential Functions Defined.** In determining whether a function is “essential” the amount of time spent on the function, whether the position exists to perform the function and whether it is highly specialized, the number of employees who could perform the duties, the consequences of not performing the function, and other issues distinguish “marginal” from “essential” functions.
8. **Scope.** Our ADA policy applies to all policies, procedures, terms and conditions of employment including, but not limited to:
  - a) **Recruitment and Hiring.** All qualified job applicants are considered for positions in our credit union regardless of disability. (See Hiring Procedures.)
  - b) **Job Actions.** Employment and job-related decisions (including corrective action, promotions, transfers, terminations, layoffs) will be based on legitimate business considerations and not on discriminatory factors.
  - c) **Compensation and Benefits.** Qualified individuals will not be discriminated against on the basis of disability with respect to pay or other forms of compensation and benefits.
  - d) **Other Employment Benefits.** Other benefits including training, social programs, and facilities are made available to all employees regardless of disability.
9. **Reasonable Accommodations.** The credit union will reasonably accommodate qualified individuals with known disabilities (physical or mental) so that they can perform the essential functions of their jobs unless the accommodation would impose an undue hardship on the credit union. Accommodations can include a variety of adaptations.
  - a) **Examples.** Accommodations may include, but are not limited to job restructuring, reassignment, modified work schedules, use of interpreters, and acquisition or modification of equipment and training materials.
  - b) **Undue Hardship.** A number of facts are relevant to whether providing an accommodation would create an undue hardship, including but not limited to: the nature and cost of the accommodation, the financial resources of the facility, the number of employees at the facility, and resources of the organization. Undue hardship typically requires a significant

expense or difficulty for an organization.

- c) Case-by-Case Consideration. Reasonable accommodation issues will be examined on an individual, case-by-case basis, as required by the ADA.
10. Requesting an Accommodation. Reasonable accommodations may be requested at any time during the application process or employment. The request may be oral or written and need not specifically mention the ADA or a “reasonable accommodation.” The credit union will attempt to engage in the interactive process to determine appropriate accommodations. Human Resources will meet with the involved individual as soon as possible to discuss the individual’s needs and determine the appropriate measures.
11. Testing. All medical certifications, exams, and employment testing will be conducted in accordance with applicable law. (See Medical Examinations, Hiring Procedures.)
12. No Discrimination Because of Relation or Association. Applicants or employees who are related to or associated with persons with disabilities will not be discriminated against because of that relationship.
13. Facility Accessibility. We are committed to making our facilities accessible to applicants, employees, and members of the public. Employees who are aware of accessibility problems or who have suggestions for improvement should contact Human Resources.
14. Safety. Safety is the responsibility of all employees. Observance of safety rules and use of any required safety devices are conditions of continued employment. Therefore qualified individuals with disabilities will not occupy positions that pose direct threats to the health or safety of themselves or others. Such direct threats involve significant risks that can’t be eliminated through reasonable accommodations. Direct threat and other safety issues will be reviewed by Human Resources in consultation with management and medical personnel, as appropriate.
15. Service Animals. Service animals accompanying disabled individuals are welcome at our credit union. Service animals should remain with their owners at all times.
16. Employee Responsibilities. All employees are expected to support our ADA policy. Ensuring equal opportunity for all, regardless of disability, cannot be realized without the assistance of

all employees throughout our credit union.

17. **Human Resources Oversees ADA Compliance.** Any employee or Manager with ADA- related questions or discrimination complaints, or seeking an accommodation should contact Human Resources. Anyone who believes that company policy or any applicable law has been violated should immediately notify Human Resources.
18. **Retaliation Prohibited.** By law any retaliatory action against an employee, job applicant, or witness who seeks the benefits or protections of the ADA, makes a charge of an ADA violation or who assists in an ADA investigation is strictly forbidden.
19. **Confidentiality.** As required by the ADA, medical information and records will be kept in confidential files separate from other human resource information.

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## Section 2020 Employment-At-Will

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### General Policy Statement:

Resource One Credit Union is concerned about our employees and hopes the employee/employer relationship will be long and beneficial to our employees. However, it is credit union policy that all employees without written, individual employment contracts expressly stating otherwise (and signed by the President/CEO of the credit union) are employed, for undefined periods, at the will of the credit union.

### Guidelines:

1. **Termination.** Employment is voluntarily entered into and employees may resign for any reason at any time. SIMILARLY, THE CREDIT UNION MAY ALSO TERMINATE ANY EMPLOYEE AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE OR PRIOR NOTICE.
2. **Credit Union Representatives May Not Alter Employment-At-Will Policy.** Managers and other credit union representatives are not authorized and may not make any representations regarding employment which change or are inconsistent with this employment-at-will policy. **No statements made during the hiring process, performance reviews, or other employee meetings, or in any credit union documents alter this policy.**
3. **Written Materials Do Not Create Employment Contracts.** NEITHER THIS MANUAL OR ANY RESOURCE ONE CREDIT UNION HANDBOOK, POLICY, APPLICATION, EMPLOYMENT OFFER, OR OTHER DOCUMENT CONFERS ANY EXPRESS OR IMPLIED CONTRACTUAL RIGHT OF EMPLOYMENT. Credit Union materials and statements do not guarantee any fixed terms or conditions of employment.
4. **Procedures and Practices Do Not Alter At-Will Status.** RESOURCE ONE CREDIT UNION EMPLOYMENT PROCEDURES AND PRACTICES DO NOT ALTER OUR AT-WILL POLICY OR CREATE CONTRACTUAL COMMITMENTS. In no instance should hiring, corrective action, termination, or other policies and practices be interpreted as requiring "just cause" for

termination.

5. **Employee Status Does Not Alter Employment-At-Will.** An employee's completion of the Initial Employment Period does not alter the employment-at-will relationship. (See Initial Employment Period.)
6. **Exceptions Authorized By President/CEO.** No credit union representative except the President/CEO may enter into individual written employment contracts with applicants or employees or is authorized to change the at-will policy.

Such exceptions as are authorized by the President/CEO of the credit union may be made only in a separate, express written agreement signed by the President/CEO, specific as to all material terms, designated as an employment contract, and expressly providing for employment other than at-will.

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## Section 2030 Equal Employment Opportunity (EEO)

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### General Policy Statement:

Equal Employment Opportunity (EEO) has been and will remain a basic commitment at Resource One Credit Union. Discrimination because of race, religion, sex, pregnancy, age, national origin, color, citizenship, disability, veteran or military status, genetic status, sexual orientation, or other characteristics protected by applicable federal, state, or local law is forbidden and will not be tolerated. Additionally, we strive to implement reasonable accommodations as required by law. Implicit in our commitment to Equal Opportunity is our goal to maintain a work environment that is free of harassment, intimidation, ridicule, or discrimination of any kind.

### Guidelines:

1. **Scope.** Our Equal Employment Opportunity commitment applies to all policies, procedures, terms, and conditions of employment including, but not limited to:
  - a) Recruiting and Hiring.
    - (1) Advertising.
    - (2) Recruiting efforts.
    - (3) Job postings.
    - (4) Application process.
    - (5) Testing.
    - (6) Interviews and selection.
    - (7) Initial employment periods.
    - (8) Job assignments.
  - b) Compensation and Benefits.
    - (1) Pay structure and programs.

- (2) Benefit programs.
- (3) Leave and vacation programs.
- (4) Insurance and retirement systems.
- c) Job Actions.
  - (1) Corrective actions.
  - (2) Promotions.
  - (3) Transfers.
  - (4) Terminations.
  - (5) Layoffs.
- d) Employment Benefits.
  - (1) Training and development opportunities.
  - (2) Social programs.
  - (3) Employee activities.
  - (4) Facilities.
- 2. **Commitment to Diverse Workforce.** In the spirit of our commitment to Equal Employment Opportunity, we also seek to promote a workplace that reflects our ethnically and culturally diverse community. We will, if required by law, develop an Affirmative Action Plan which will promote appropriate utilization of women, minorities, the disabled, and Vietnam era and other covered veterans throughout our credit union.
- 3. **Religious Accommodations.** As part of our EEO commitment we strive to provide employees reasonable religious accommodations as required by law.
  - a) Employee Request For Accommodation. An employee who seeks a religious accommodation because he/she believes that religious beliefs conflict with work schedules, dress codes, or other workplace policies should meet with his/her Manager to discuss the issue. If the employee is

uncomfortable discussing the issue with the Manager, Human Resources should be contacted. An employee may make an initial accommodation inquiry either orally or in writing. However, the request should be documented either before or after the employee's meeting. The documentation should include an explanation of the religious conflict that exists and the employee's desired accommodation.

- b) Manager's Role. The Manager should meet with the employee to discuss and further document the employee's accommodation request, including providing information regarding the impact of the proposed accommodation, and inform Human Resources of the issues. Human Resources will determine whether an accommodation will be provided based on the employee's religious needs, the impact on the credit union, and applicable legal requirements. Human Resources will then meet with the employee to discuss the decision on the accommodation
- c) Types of Accommodations. A few examples of religious accommodations include (but are not limited to):
  - (1) Changes in work schedules;
  - (2) Time off for religious observances; or
  - (3) Permission to wear certain clothing or maintain certain grooming standards.

4. **Administration of EEO.** Human Resources has overall responsibility to administer and ensure effective administration of equal employment opportunities throughout the credit union.

- a) Employee's Role. All employees are expected to support our EEO policy. Meaningful equal opportunity cannot be realized without the assistance of all employees throughout our credit union. It is every employee's responsibility to inform Management of any evidence of discrimination or harassment.
- b) Manager's Role. Managers have special responsibility through leadership and example to effectively implement this policy.
- c) EEO Communications. Any communication, questions, or complaints involving equal employment issues must be

immediately referred to Human Resources.

- d) Reporting Process. Any employee who feels he/she has been discriminated against or who believes he/she has witnessed discrimination should immediately report this to the appropriate Manager or Human Resources. Managers should also report such information to Human Resources, which will conduct an investigation.
  - e) Investigations. Human Resources will promptly investigate all allegations of discriminatory or harassing behavior while protecting (as much as possible) the privacy and confidentiality of all parties involved. Where appropriate, immediate corrective action will be taken.
5. **No Discrimination Because of Relationship or Association.** Applicants or employees who are related to or associated with persons in a protected class will not be discriminated against because of that relationship.
6. **Retaliation Prohibited.** By law, any retaliatory action against an employee, job applicant, or witness who makes a charge of an EEO violation or who assists in an EEO investigation is strictly forbidden and may be subject to corrective action. Additionally, retaliation is prohibited against an applicant or employee because of his or her relationship or association with someone who has engaged in protected conduct under anti-discrimination laws.
7. **Americans with Disabilities Act.** See the policy addressing the Americans with Disabilities Act for more information regarding the ADA.

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## Section 2040 Harassment

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### General Policy Statement:

Resource One Credit Union prohibits harassment of its employees, visitors, and members in any form. We will not tolerate verbal, visual, or other communication (such as e-mail, instant messaging, texting, or Internet), physical conduct, or any other actions by any employee, visitor, vendor, or member which harasses, bullies, or interferes with another's job performance or which creates a hostile working environment.

We seek to provide a professional work environment in an atmosphere of mutual respect. Actions, words, or other forms of harassment and discrimination based on an individual's sex, pregnancy, race, color, age, national origin, religion, disability, genetic or military status, sexual orientation, or any other legally protected characteristic are prohibited and will result in corrective action up to and including termination.

### Guidelines:

1. **Sexual Harassment Defined.** Sexual harassment is unwelcome conduct or communication of a sexual nature (or based on gender, pregnancy, or childbirth) which adversely affects a person's employment relationship or working environment.
  - a) **Unlawful Activity.** Sexual harassment is unacceptable in the workplace and is an unlawful activity which is prohibited and is considered a form of sex discrimination under Title VII of the Civil Rights Act.
  - b) **Directed Toward Either Gender.** Harassment may be directed at men or women. Same sex as well as heterosexual harassment are prohibited.
  - c) **Involves Employees and Non-Employees.** Sexual harassment can occur between co-workers, between Managers and subordinates, and may also occur in business relationships with members and suppliers.
2. **Examples of Sexual Harassment.** Sexually harassing conduct may include, but is not limited to:

- a) Sexual teasing, leers, stares, advances, propositions, or repeated unwelcome requests for a date.
  - b) Inappropriate physical conduct or touching including patting, pinching, or brushing up against someone.
  - c) Verbal harassment including suggestive comments, "kidding," and "practical jokes" that are sex-based or sexual in nature.
  - d) Offensive or suggestive remarks about someone's appearance.
  - e) Obscene, lewd, or sexually degrading language.
  - f) Social networking, e-mail, Internet, instant messaging, or other communication which is offensive and/or contains sexual implications or gender slurs.
  - g) Sharing or sending suggestive or explicit photos ("sexting".)
  - h) Showing, posting, or discussing pornography, sexual objects, or inappropriate calendars, cartoons, drawings, posters, and pictures.
  - i) Questions which infringe upon individual privacy.
  - j) Any conduct which has the purpose or effect of substantially interfering with a person's work performance or of creating an intimidating, hostile or offensive work environment.
  - k) Instances where submission to or rejection of forms of sexual conduct is used as the basis of an employment decision, or either explicitly or implicitly is used as a condition of employment. (Examples include submitting to sexual advances in exchange for a raise, a promotion, or to prevent corrective action.)
  - l) Gender stereotyping abuse including offensive, demeaning, or ridiculing treatment of another person because of that individual's sex.
3. **Harassment Based on Color, Religion, National Origin, Age, Race, Disability, etc.** Resource One Credit Union intends to maintain a working environment free from all forms of unlawful

discrimination and harassment, whether based upon race, color, religion, national origin, age, disability, sex, genetic status, pregnancy, military status or any other protected characteristics. Under this policy, harassment includes any form of communication, physical conduct, negative stereotyping, or other actions which ridicule or direct hostility toward any employee because of any protected status or characteristic. The procedures within the policy outlined for sexual harassment will also apply in situations involving other types of harassment.

4. **Bullying**. Bullying includes behavior that offends, degrades, intimidates, creates fear, or humiliates a person. Bullying typically involves **persistent**, multiple behaviors including, but not limited to:
  - a) cruelty, belittlement or degradation,
  - b) yelling or screaming,
  - c) excessive or unjustified criticism,
  - d) public reprimand or behavior intended to punish, such as ignoring or excluding someone from workplace activities,
  - e) intimidation, ridicule, threats, insults or sarcasm,
  - f) humiliating or demeaning a person in front of others,
  - g) trivializing views and opinions, or unsubstantiated allegations of misconduct,
  - h) sabotaging someone's ability to do their job, unfairly blaming them for mistakes, or stealing credit for their work,
  - i) assigning an excess of work deliberately to cause stress to the individual, or
  - j) physical violence such as pushing, shoving or throwing of objects.
  
5. **Manager's Responsibilities**. All Managers are responsible to ensure that the work environment is productive, professional, and free of harassment and bullying. Manager responsibilities include providing:
  - a) **Information to Employees**. Managers should discuss this policy with all employees and assure them that they are not

expected to tolerate insulting, degrading, or exploitative harassing, bullying, or discriminatory treatment of any kind.

- b) Harassment-Free Workplace. Managers are prohibited from explicitly or implicitly communicating that an employee's job, compensation, promotion opportunities, or any other term of employment may be affected by submission to or rejection of harassing or bullying conduct.
- c) Non-Preferential Treatment. No special treatment may be provided to an applicant or employee who has submitted or may submit to a Manager's sexual advances, harassing conduct, or bullying.
- d) Inform Human Resources. All Managers are required to immediately report instances of harassment and/or discrimination to Human Resources and to ensure that appropriate actions are taken. Instances of serious bullying should be immediately reported as well.

6. **Employee Reporting of Harassment**. Any employee who believes that he or she has been harassed or bullied, or who witnesses harassment or bullying has a responsibility and is strongly encouraged to immediately bring it to the attention of the appropriate Manager, Human Resources, or another member of Management.

- a) Notification of Human Resources. Any Manager who receives a report of alleged harassment or bullying, or who has reason to believe that an employee has been harassed or bullied is required to immediately notify Human Resources.
- b) Employee Responsibilities. Under no circumstances is an employee required to confront an alleged harasser or bully. However, if possible, the employee should:
  - (1) Report to work;
  - (2) Verbalize that the action is unwelcome;
  - (3) Demand that the actions cease;
  - (4) Document the occurrences; and
  - (5) Identify any witnesses who could substantiate the

allegations.

7. **Investigations.** All complaints will be taken seriously and investigated promptly and thoroughly by Human Resources, or other designated person. Employees are required to cooperate in any investigation. A determination should be made by Human Resources whether a detailed fact-finding investigation is necessary. Investigations will be conducted as confidentially as possible and may include the following:

a) **Conference With Involved Parties.**

- (1) Interview the accuser. Determine the nature of the relationship with the accused. Determine the names of possible witnesses and names of people who may have had similar experiences with the accused. Develop a specific chronology of incidents and complete written documentation. Take the matter seriously but do not conclude “guilt” or “innocence” until the investigation is completed.
- (2) Interview witnesses and others with relevant information.
- (3) Interview the accused. Talk with the accused employee to give him/her an opportunity to explain or deny the accusations. Remain fair and open minded while gathering additional information. Interview the accuser and accused again, as appropriate.
- (4) Get the facts. Ascertain facts and observable incidents, not opinions.
- (5) Protect confidentiality. The credit union strives to protect witnesses from harassment, intimidation, and retaliation, and to prevent the destruction of evidence or fabrication of testimony. Accordingly, the credit union may decide in some circumstances that in order to achieve these important objectives, employees must maintain strict confidentiality about the investigation and their role in it. The credit union will make this determination on a case-by-case basis, taking the foregoing factors into consideration.

- b) **Documentation.** The investigation should be thoroughly documented and all allegations researched and verified or

refuted, if possible.

- c) Share Findings. Results of the investigation will be shared with the complaining employee, the accused, and with other employees as appropriate.
  - d) Appeal. An employee who is dissatisfied with actions taken in a case may appeal using procedures outlined in the Complaint Policy. (See Complaint Procedure.)
8. **Confidentiality**. Confidentiality will be maintained as much as possible, however a guarantee of absolute confidentiality cannot be made. Information concerning a complaint will be considered classified in order to encourage the reporting of harassment or bullying and to protect the reputation of any employee wrongfully charged.
9. **Corrective Action**. Appropriate corrective procedures up to and including termination will be taken against any employee found guilty of harassing or bullying another employee or retaliating against an employee who reports the behavior or participates in an investigation or other proceeding related to a complaint. Consideration will be given to the nature, the severity, and the circumstances of the behavior. (See Corrective Action.)
- a) Non-Employee Harassment and Bullying. A non-employee who subjects an employee to harassment or bullying will be informed of the credit union's policies against harassment and bullying and appropriate action will be taken.
  - b) False Claims. Employees found to have knowingly initiated false harassment or bullying claims or who have knowingly provided false information will also be subject to corrective action.
10. **"Conduct Unbecoming"**. Inappropriate behavior which has sexual connotations but does not meet the legal test of sexual harassment or which may be offensive but does not rise to the level of illegal harassment, may constitute "conduct unbecoming an employee" and shall also be subject to corrective action or discharge.
11. **Manager Relationships**. This policy should not be construed as an intent on the part of the credit union to regulate the social interaction or relationships freely entered into between employees. However, employees should be aware that such relationships may

cause significant problems, including conflicts of interest, possible charges of sexual harassment, and loss of productivity.

- a) Manager/Subordinate Relationships. Managers are strongly discouraged from pursuing or maintaining intimate personal relationships with subordinate employees. Managers who enter into such relationships must act to resolve workplace problems that arise because of these relationships, including, as appropriate, disclosing the relationship to Management.
- b) Co-Worker Relationships. Employees must avoid relationships with co-workers that may result in declines in productivity, conflicts of interest, possible charges of sexual harassment, and other workplace problems.

12. **Retaliation**. By law, any form of retaliatory action taken against an employee or applicant who makes a charge of harassment or discrimination or who assists in a related investigation is strictly forbidden and may subject the individual to corrective action.

Additionally, the law prohibits retaliation against an employee or applicant because of his or her association or relationship with someone who has made a complaint or charge of discrimination, or who has participated in any investigation or proceeding related to such matters.

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**Chapter 3000**  
**EMPLOYMENT STATUS AND HUMAN RESOURCE**  
**RECORDS**

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- 3010 Employee Classification**
- 3020 Initial Employment Period**
- 3030 Human Resource Files and Records**
- 3040 Reference Requests**

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## Section 3010 Employee Classification

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### General Policy Statement:

Based on the conditions and terms of employment, Resource One Credit Union employees are classified into several categories: temporary, part-time, or full-time, and exempt or nonexempt. Employment classifications are important in determining eligibility for various benefits and to ensure that we meet all applicable legal requirements. Independent contractors may also be used as is appropriate.

### Guidelines:

1. **Exempt and Nonexempt Positions.** All positions are classified as either exempt or nonexempt.
  - a) **Exempt.** Exempt employees are generally paid on a salary basis and hold positions which meet specific tests established by the Fair Labor Standards Act (FLSA) resulting in exemption from overtime pay requirements. Included are persons in executive, administrative, professional, outside sales, computer-related, and certain highly-compensated positions.
  - b) **Nonexempt.** Employees whose positions do not meet the established FLSA exemption tests are not exempt from overtime requirements and are paid one and one-half times their regular pay rates for hours worked in excess of forty per workweek. Nonexempt employees' wages may be paid hourly or on a set salary basis, but are based on the actual hours they spend on the job. (See Overtime.)
2. **Temporary Employees.**
  - a) **Classification.** Temporary employees may be hired for full or part-time and for exempt or nonexempt positions.
  - b) **Duration of Employment.** Temporary employees are hired for defined projects and/or limited time frames, typically for less than six months. However, a temporary employee may accept a new temporary assignment with the credit union

and continue to retain temporary status. They also remain employees-at-will throughout their employment.

- c) Status. Employment beyond an initially specified term does not in any way imply an employment status change. Temporary employees retain that status unless and until notified of a change.
- d) Benefits. Temporary employees receive all legally required benefits (such as Social Security) but are ineligible for credit union benefits or insurance programs.

3. **Full-Time Employees**. Full-time employees are hired to work the credit union's normal 40 hour workweek on a regular basis.

- a) Benefits. Full-time employees are generally eligible for all standard benefits once they have completed the Initial Employment Period. (See applicable insurance policies and plan documents for the terms of each benefit program.)
- b) Change of Status. If an employee's position changes from temporary or part-time to full-time, his/her hire date for the purpose of determining paid leave will be the date of the transfer. An employees classification may be changed to full-time status only by express written notification from management.

4. **Part-Time Employees**.

- a) Hours. Part-time employees are scheduled to work less than 30 hours per week indefinitely, on a regular or irregular basis. Such employment may be exempt or nonexempt.
- b) Benefits. Part-time employees are eligible for all legally mandated benefits and may qualify for credit union benefits provided that they meet the hours worked requirements. (See Paid Time Off, Holidays, etc.)
- c) Paid Leave Accrued. If an employee's position changes from full-time to part-time, days of paid leave accrued as a full-time employee will be preserved and may be used under the terms established in the applicable policies.

5. **Review of Employment Categories**. Employment categories will be reviewed annually and adjusted where appropriate.

6. **Classifications Do Not Guarantee Employment.** Since employees are hired at-will for unspecified durations, established classifications do not guarantee employment. Either Resource One Credit Union or the employee can terminate employment at any time, with or without cause or advance notice.
  
7. **Independent Contractors.** Independent contractors are not employees. They do not receive regular employment benefits and no deductions are made from pay for taxes, Medicare, or Social Security. Various factors must be closely reviewed before independent contractor status can be determined. Federal legal tests including the Common Law, IRS 20 Factor, and Economic Reality tests determine whether an individual may be classified as an independent contractor. The factors considered differ under the various tests and may include, but are not limited to:
  - a) **Degree of Employer Control.** Independent contractors are generally not under the employer's control and receive little or no training or instructions from the credit union.
  - b) **Domain of Business.** Persons engaged in distinct businesses, who work for other clients, may be termed an independent contractor. Contractors realize a profit or loss on their services.
  - c) **Terms of Work.** Independent contractors usually have short-term, project-oriented, non-continuing relationships with the credit union.
  - d) **Work Location.** Generally, independent contractors work at their own business locations. They typically have an office, business phone, and may advertise their services.
  - e) **Tools and Materials.** Independent contractors typically provide their own tools, materials, and resources. They may also have made significant investments in facilities or equipment.
  - f) **Work Hours and Scheduling.** Contractors generally set their own work hours and determine their own workflow.
  - g) **Assistants.** Contractors often use assistants to perform some of the services. They also have the ability to hire, fire, and supervise their assistants.
  - h) **Specialized Skills.** The need for specialized skill and/or

knowledge may be relevant in determining whether an independent contractor relationship exists.

- i) Services Provided. Independent contractors frequently perform professional services that may be distinct from those typically performed by regular employees.
- j) Contracts. Independent contractor relationships are often summarized in contracts between the parties.

No one factor above is determinative. The entire work situation must be examined and an assessment should be made to decide if the individual acts and is treated more like an employee or more like an independent business person. If the individual contracts to perform work according to his/her own methods, without being subject to the employer's control, except for the final product or service result, then an independent contractual arrangement may exist. Because this is a complex and fact-sensitive area of the law, Human Resources should be contacted for further information.

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## Section 3020 Initial Employment Period

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### Guidelines:

1. **Initial Employment Period.** Upon the date of employment the new employee will enter an Initial Employment Period of ninety (90) days. During the Initial Employment Period, the employee's Manager / Supervisor should be providing guidance, necessary training, appropriate supervision and personal evaluation interaction with the new employee.
2. **Expectations for Competency.** By the conclusion of the Initial Employment Period, the new employee will be expected generally to have become competent in the duties of his / her position.
3. **Written Notice of Extension.** At the discretion of the Manager / Supervisor, the Initial Employment Period may be extended when the original period has not been adequate for the satisfactory assessment of an employee's performance potential. In such event, the employee will receive written notification of the reason for and length of the extension with a copy provided to the HR Department by the Manager / Supervisor.
4. **Benefits.**
  - a) **Eligibility.** During the Initial Employment Period new employees will become eligible for certain employee benefits as are detailed in the applicable sections of this Manual, the Employee Handbook and / or the specific plan document.
  - b) **Length of Service.** Upon completion of the Initial Employment Period, the initial date of employment becomes the date used for length of service calculations and benefit eligibility.
5. **At Will Employment.** This policy does not affect Resource One Credit Union's at-will employment policy. All employees, including new hires, may be terminated by the credit union at any time for any reason or no reason and the employee has the same right. However, all credit union employment terminations should have the prior approval of the CEO, CFO or COO.

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## Section 3030 Human Resource Files and Records

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### General Policy Statement:

Records and information regarding each applicant, employee, former employee, intern, volunteer, independent contractor and others who are providing or have provided services for us, will be kept to ensure compliance with government requirements and to support employment actions. Resource One Credit Union is committed to protecting the privacy of those who entrust us with their personal information. Consequently, we have established procedures to ensure that such information is appropriately and confidentially collected, secured, used, disclosed, retained, and destroyed in accordance with business needs and legal requirements. The following policies have been developed to address the goals of protecting individuals' privacy while meeting business and legal requirements.

### Guidelines:

1. **Types of Information Collected and Maintained.**
  - a) **Personal Employee Information.** This information includes that required by law and job-related data necessary to do business and administer human resource programs and benefits. This information is generally kept in human resource files and includes, but is not limited to, the following:
    - (1) **Hiring Documents.** References, background checks, interview notes, official transcripts, licenses, certifications, test results, offer and acceptance letters, and other documents related to hiring should be included with the application and/or resume.
    - (2) **Basic Information.** Name, date of birth, marital status, dependents, veteran status, and job history.
    - (3) **Contact Information.** Home address and phone number, cell phone number, personal email address and other contact information.
    - (4) **Talent Information.** Educational qualifications, skills,

training, records and certifications.

- (5) Performance Evaluations, Counseling, and Disciplinary Records.
  - (6) Records of Status Changes. Includes promotions, transfers, and demotions.
  - (7) Attendance, Leave, and Tardiness Records.
  - (8) Policy Acknowledgements.
  - (9) Compensation, Payroll, and Benefit Information. Includes signed and current W-4 forms, authorizations for payroll deductions, beneficiary designations, and insurance.
  - (10) Emergency Contact Information.
  - (11) Photographs.
  - (12) Legally Required Information. Information required to comply with legal and regulatory requirements.
  - (13) Records of Terminations. Letters of resignation, employee counseling or exit interview forms should be included.
- b) Personal Information Requiring Special Care. Certain types of information require special care, such as storage in separate files, often as required by law.
- (1) **Separate Medical and Occupational Health Records.** The credit union seeks to maintain the confidentiality of employees' medical records and related FMLA, ADA, safety, drug testing, Workers' Comp, and OSHA documents, as required by law. Certain benefit forms which contain confidential medical information may also require special care. Such records are to be held in separate human resource files and their access strictly limited. The records will not be disclosed to other employees, government agencies, insurance companies, etc. unless required by law, regulation, or appropriate business practice, or such disclosure is necessary to protect the health or safety of others.

- (2) **Investigatory Documents.** Sensitive information and source documents relating to discrimination, criminal conduct, and other workplace investigations should be maintained in separate files, apart from individual employee files. Records of related disciplinary actions should be kept in individual employee files.
  - (3) **Employment Eligibility Verification (I-9) Forms.** I-9 employment forms should be retained in a separate "I-9 File" and not retained in employee human resource files.
  - (4) **Social Security and other Identifying Numbers.** Social Security, drivers' license, credit card, and other personal numbers require special care. We will implement procedures both designed to safeguard this information and to comply with applicable legal requirements.
  - (5) **Other Sensitive Information.** As appropriate, other sensitive information should be retained apart from individual employee files.
2. **Collect and Retain Only What's Required.** As much as possible we seek to limit our information requests and will endeavor to collect and retain only specific information required to effectively conduct business, meet legal requirements, protect our business and the health and safety of our people, and administer our human resource programs. We will use and share data in ways that are consistent with the purposes for which the information was collected.
3. **Disclosure of Personal Information.**
  - a) **Reasons for Disclosure.** We may share personal information with our employees, contractors, consultants and other parties who require such information to assist us in managing business and human resource functions, provide products and services to our people, and in other areas necessary to run and protect our organization. Information is also shared as required by law.
  - b) **Third Parties.** We seek to do business with reliable third parties with appropriate security and confidentiality measures

in place. As we determine appropriate, we may ask outside third parties to sign confidentiality, security, or other agreements before personal information is released.

- c) Limited Disclosure. We strive to limit disclosure to that which is required under the circumstances and provide it to others on a "need to know basis."
  - d) Generally No Consent or Notice Needed. Personal information may typically be disclosed and shared without the consent or knowledge of employees and others. However, we will obtain consent or provide notice in those instances where it is required by law.
  - e) Disclosure of Home Address, Personal Phone Numbers and Email Address. It is our general policy not to widely disclose personal addresses, personal phone numbers, and personal email addresses without prior approval. However, such information may be disclosed to managers, senior leaders, and others who may need it in the course of business or during emergencies.
4. **Personal Information**. We strive to maintain and update physical, technological, organizational and procedural safeguards that are appropriate to the type of information gathered and which meet applicable legal requirements. These safeguards are intended to protect personal information from loss, inappropriate disclosure or copying, improper access, and prohibited use or modification. Unfortunately, no physical location, computer system or information can ever be fully protected against unauthorized use or abuse and so we cannot guarantee its security.
5. **Length of Time Personal Information is Retained**. We endeavor to retain personal information only for as long as we believe it is required to fulfill the purposes for which it was initially obtained, to support our business needs and as required by law or regulation.
6. **Review and Maintenance of Records**. Files and records should be examined regularly to confirm that they contain only appropriate, accurate, and relevant materials. Files should be updated and revised as needed. Whenever possible, we will contact employees for information so that records remain current. It is the responsibility of every individual to provide accurate data about him/herself and to inform Human Resources of any changes.
7. **Destruction of Personal Information**.

- a) Personal Information Will be Destroyed With Care and According to Established Procedures.
  - b) Disposal of Consumer Information. Consumer and credit information regarding employees will be disposed of as required by the federal Fair and Accurate Credit Transactions Act (FACT Act). Consumer, credit, and other background reports, which include information provided to us by third party agencies, are included. This involves both physically and electronically stored information. As part of this obligation we will take reasonable measures to dispose of consumer information so that it may not be improperly accessed or used.
8. **Employee Review of Files.** Human resource files are credit union property and therefore access to these records is restricted unless applicable law requires otherwise. Employees may review their records by making a written request for an appointment with Human Resources. The following guidelines should be followed:
- a) Member of Management Present. A member of Management must be present during an employee review of his/her records.
  - b) Copies or Removal of Records. Copies of human resource records may be made. However, under no circumstances may the file or any of the contents be removed.
  - c) Information Restricted. Access to sensitive or highly confidential information may be limited, as allowed by law.
  - d) Employee Disagreement With File Information. Employees who, after reviewing their human resource files, think that any information is misleading or untrue may:
    - (1) Request that Human Resources amend or remove the information from the file; or
    - (2) Submit a statement explaining his/her position. If the request to remove or revise file materials is refused, the statement will become part of the employee's file and will be released whenever the disputed information is disclosed.
9. **Confidentiality.** All information related to employees in either

human resource or Manager files will be considered "confidential."

- a) Limited Access. Employees may not inspect any files other than their own, unless they have a job-related need for the information. Access will be limited and granted only as required.
  - b) Legitimate Access. Individuals who may have legitimate reasons to inspect human resource records include:
    - (1) Human Resources or a designated representative; or
    - (2) Any Manager (with proper permission) who has a business need for the information.
  - c) Employees. All employees are expected to be strongly committed to implementing established confidentiality and privacy policies. Reasonable security measures must be used at all times in accessing, using, or transmitting personal information. (See the Confidentiality policy for more information.)
  - d) Manager Responsibilities. Managers have special responsibilities to assist in implementing this policy. They should maintain confidentiality and appropriate privacy practices regarding any employee information that they obtain. Additionally, as appropriate, information should be forwarded to Human Resources where it will be maintained.
10. **No Ownership Interest or Privacy Expectations**. The work output of our employees and our equipment belong to the credit union. Consequently, that work and any paper documents, computers, files, emails, voicemails, and other credit union electronic equipment may be reviewed, copied, and monitored at any time. Employees should not expect privacy in their communications or their work. (See Communication and Information systems policy and also Computer Security and Use.)
11. **Reference Checks**. All inquiries regarding a current or former employee must be referred to Human Resources. Information will be released in accordance with established policy. (See Reference Requests.)
12. **Corrective Action**. We take confidentiality and privacy issues very seriously. Consequently, violations of this policy or of our commitment to the highest ethical and business standards may

result in corrective action, up to and including termination.

13. **Inquiries and Concerns**. Please contact Human Resources if you have any questions or concerns about personal information and employee privacy.

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## Section 3040 Reference Requests

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### General Policy Statement:

Generally, except as noted below or required by law, no information from an employee file will be released to any outside individual or credit union without the prior written consent of the employee. All releases of employee information will be coordinated through Human Resources.

### Guidelines:

1. **Refer Inquiries and Requests to Human Resources.** All reference requests and inquiries regarding current or former employees should be directed to Human Resources.
2. **Letters of Reference for Employees.** No employee may provide a letter of reference for any current or former employee without the permission of Human Resources.
3. **No Use of Social Media.** Employees should not use social networking (e.g. LinkedIn), either intentionally or unintentionally, to provide references for our employees. All references must be made by Human Resources or a designee.
4. **Limited Information Provided Without Consent of Individual.**
  - a) **No Authorization or Release.** Limited information will be provided without the written consent and release of the individual involved. In such circumstances, Human Resources will only provide written verification of:
    - (1) Dates of employment;
    - (2) Job title and Department; and
    - (3) Location of employment.No additional information is released or volunteered.
  - b) **Requests Accompanied By a Signed Employee Release.** If a prospective employer's request for reference information is

accompanied by a **written release** signed by the individual involved, additional information may be provided at the discretion of Human Resources or designee. Such information may include:

- (1) Performance Records. Prior to giving a reference, Human Resources will consult with the responsible Manager regarding the employee's performance record.
  - (2) Properly Documented Information. Reference information will be limited to properly documented excerpts from the employee's human resource record.
  - (3) Only Job-Related Information. Only information regarding job performance and professional work conduct and experience will be provided. No information regarding an employee's personal life should be volunteered.
  - (4) No Subjective Information. Under no circumstances will reference information be provided that could be construed as "subjective" or "second-hand" and that cannot be substantiated through proper documentation.
- c) Policy Exceptions. Human Resources may make an exception to the reference policy as required by law, or health or safety concerns.
5. Disclosing Sensitive Information. Certain situations require proper disclosure of sensitive information involving public health and public safety, or criminal activity. If an employee's employment record contains such information, no reference of any type may be provided until the matter has been reviewed by Management, who may choose to seek legal counsel.

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## **Chapter 4000**

### **HIRING ISSUES**

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- 4005 Employee Referral Program**
- 4020 Hiring Procedures**
- 4030 Hiring of Relatives (Nepotism)**
- 4040 Immigration Law Compliance**
- 4050 Obtaining Reference Information**
- 4060 Orientation**
- 4070 S.A.F.E. Act**

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## Section 4005 Employee Referral Program

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### General Policy Statement:

To be successful, Resoure One Credit Union requires highly capable, skilled, and dedicated employees. Our own current employees are frequently a good resource for identifying and referring qualified applicants for open positions. To more effectively utilize this resource, we have established an Employee Referral Program to encourage and reward our employees for successfully referring applicants under the guidelines established below.

### Guidelines:

1. **Eligible Employees.** Current, non-management employees, both full- and part-time, are eligible to participate. Human Resources, employees, Managers, supervisors, and others with hiring authority or assigned hiring functions are ineligible due to potential conflicts of interest.
  
2. **Employee Referral Procedures.**
  - a) Review postings of open positions for which employees can make referrals. Referrals are accepted only for designated open positions which are posted at various locations.
  
  - b) Based on what you already know, identify candidates who might be qualified. However, do not interview the prospective employee or conduct background checks. Human Resources is solely responsible for the interview and all hiring processes.
  
  - c) Make no promises to the candidate regarding possibility of hire, pay rate, job responsibilities, benefits, or length of employment.
  
  - d) Complete an Employee Referral Form for each qualified applicant.
  
  - e) Submit the Employee Referral Form and Attachments to Human Resources.

- f) Employees who make referrals will be informed as soon as possible of employment decisions made and communicated to the applicants.

3. **Referral Bonus.**

- a) **New Employee Must Be Employed Six Months.** Employees who successfully refer qualified applicants who are employed for 90 consecutive days are eligible to receive a \$300 bonus for each referral. An additional \$300 will be received after the completion of 180 days.
- b) **Payment of Bonus.** The referral bonus is paid within 30 days after the candidate successfully completes six (6) months of continuous employment. All bonuses are subject to income tax withholding.

4. **Nepotism and Conflicts of Interest.** An employee's immediate relative, close friend, or household member may be hired provided the applicant can perform essential job functions and employment would not establish a direct or indirect supervisory relationship, a real or apparent conflict of interest, or a potentially adverse work situation. (See Hiring of Relatives.)

5. **Ineligible Referrals.** No referral bonuses are paid for referrals for rehired employees or employees on leave. Referrals are accepted only for those positions designated as eligible for this program.

6. **Human Resources Responsibilities.** Human Resources is responsible for administering all aspects of the program including:

- a) Selection and posting of eligible positions;
- b) Receipt and processing of referrals;
- c) Communications with the referring employee;
- d) Processing bonuses; and
- e) Clarifying program requirements and resolving disputes.

7. **Employer Right to Change or Terminate Program.** The credit union reserves the right to modify the terms or eliminate the Employee Referral Program at anytime for any reason, with or without notice.



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## Section 4020 Hiring Procedures

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### General Policy Statement:

Resource One Credit Union seeks to hire the best qualified candidates. We are also committed to providing equal opportunity and to implementing all provisions of the Americans with Disabilities Act (ADA) throughout the hiring process as required by law. Consequently, applicants and employees are evaluated based on job qualifications and ability, not sex, race, color, religion, disability, age, national origin, citizenship, genetic information, sexual orientation, veteran or military status, sexual orientation, or other protected status.

With a few limited exceptions which can be set forth only in a written contract signed by the President/CEO, **employment is at-will. Employees may resign at any time and the credit union may end employment at any time, without notice, for any legal and nondiscriminatory reason.** (See Employment-At-Will.)

### Guidelines:

1. **Hiring Criteria.** Employees are hired based on their qualifications and ability to do the job. Such selection criteria include the applicant's:
  - a) Relevant Experience.
  - b) Skills.
  - c) Education and Training.
  - d) Job Compatibility and "Fit".
  - e) Ability to Perform "Essential Functions".
  
2. **EEO/Affirmative Action Commitment.**
  - a) EEO. We seek to employ a diverse workforce and to hire qualified applicants without regard to race, religion, sex, pregnancy, age, national origin, color, citizenship, disability, veteran or military status, genetic status, sexual orientation, or additional federal, state or other protected status. (See

Americans with Disabilities Act and Equal Employment Opportunity.)

- b) Affirmative Action. We are committed, as required by law, to affirmatively hire and promote qualified women, minorities, disabled individuals, disabled veterans, and veterans of the Vietnam era at all levels and throughout our organization.
3. **Disabled Applicants and Employees**. Disabled applicants are eligible for hire if they can perform the essential functions of the job, with or without reasonable accommodation. Refer to Section 2030, Americans with Disabilities Act (ADA), for definition of disabilities. Persons with disabilities will not be disqualified because of inability to perform nonessential or marginal job functions. Reasonable accommodations will be provided to assist applicants and employees with disabilities as required. We are committed to ensuring that all applicants have equal opportunity to participate in the application and hiring process.
  4. **Staffing Requests**. All staffing requests initiated by a Manager must be reviewed and authorized by Human Resources and a member of Executive Management. All requests will be examined to ensure appropriateness and compliance with internal policies. Each request must include an up-to-date and detailed position description and a list of basic prerequisites and qualifications.
  5. **Placement from Within**. Where possible we seek to staff positions with qualified employees from within the credit union before outside applicants are solicited. (See Transfer, Promotion, and Layoff and Reduction in Force.)
    - a) Positions Posted 3 Days. Positions will ordinarily be posted and held open for a minimum of 3 working days.
    - b) Position Description. An accurate and current position description which describes the job's minimum qualifications, essential requirements, responsibilities, and working conditions should be included in the posting.
    - c) Human Resources Authorization. Only Human Resources is authorized to post requisitions on credit union bulletin boards or website.
    - d) Employee Applications. Employees requesting consideration for job openings must submit an internal job application to Human Resources.

6. **Outside Recruitment.** A variety of recruitment methods may be utilized in hiring outside candidates. To ensure that all recruiting efforts comply with EEO standards, all outside recruiting for an open position must receive prior approval from Human Resources. Care will also be taken to ensure that job information is accessible to all persons seeking employment, regardless of disability. Managers are encouraged to recommend recruitment sources and techniques for attracting qualified job candidates. Methods of recruiting may include but are not limited to:
  - a) Advertisements. Any advertising must state that the credit union is an "Equal Opportunity Employer," and must be void of any indicated preference of sex, age, race, color, religion, nationality, or other protected status.
  - b) Recruiters and Search Firms. Such firms should be advised of our EEO commitment.
  - c) Government Agencies, Including Job Service.
  - d) Professional Companies.
  - e) Qualified Female, Minority, Disabled and Veterans' Recruiting Services and Companies.
  - f) Prior Applicants.
  - g) Alternative Methods. Internships, recorded job messages, government-subsidized/sponsored programs, university placement, large group seminars, the Internet, and personal referrals may be pursued as appropriate.
7. **Recruitment Records.** A detailed record of all recruiting efforts will be maintained and filed. Such records should contain all:
  - a) Advertising. Copies of the ad including dates and publication names.
  - b) Verbal and Written Notifications. Notice of job openings sent or given to agencies, companies, and individuals with the dates and names of contacts.
  - c) Job Applications and Resumes.
8. **Outside Hiring Procedures.** Typically, hiring procedures include:

- a) Application Process. Applications will be accepted only for vacant positions for which we are actively recruiting. All applicants must complete and sign job applications. An individual is considered "an applicant" for recordkeeping purposes upon the completion and submission of an application form. For those who apply through the internet, email, resume databanks or company websites, an individual is considered an internet applicant if he/she: expresses interest in employment electronically, is considered by the employer for a particular position, indicates that he/she is qualified for the position, and does not remove him/herself from further consideration. Applicants will be provided reasonable accommodations, as required, throughout the application process. Applications will be considered "active" for 90 days. At the end of the 90 days period, interested candidates must reapply to be considered. Applications are to be retained in accordance with applicable federal and state requirements.
  
- b) Hiring of Minors. Federal and state law impose restrictions upon the hours a minor may work and the type of work that may be performed. Hiring of anyone under the age of eighteen must strictly comply with legal requirements.
  
- c) Initial Interviews. Human Resources will screen all applications and conduct initial interviews of qualified applicants. Applicants should be informed that their references will be checked. A review should be made to ensure that the applicant's consent to check references has been obtained and a release signed.
  
- d) Job-Related Testing and ADA (or other EEO) Accommodations. Human Resources will provide or arrange any tests required, and make appropriate ADA and EEO accommodations as necessary.
  - (1) Accommodations may include providing additional time to complete written tasks and forms, substituting oral for written procedures, and providing an interpreter or signer, as appropriate.
  - (2) All testing will be job related.
  - (3) All applicants for a position must be given the same test or exercise.

- (4) In accordance with the ADA, no pre-offer medical examinations will be conducted.
- e) Manager Interview. Applicants deemed qualified by Human Resources will be interviewed by the appropriate Manager.
- (1) All questions asked during an interview must be strictly job and performance related and consistent with EEO principles. (See Equal Employment Opportunity.) Additionally, the ADA prohibits pre-employment inquiries about a disability or medical history to ensure that qualified candidates are not eliminated because of a disability before their actual ability to do the job is determined.
  - (2) Necessary accommodations will be provided during the interview (as legally required) to provide all applicants equal opportunity in the hiring process.
  - (3) The Manager will review the applicant's skills, experience, and abilities to ensure that he/she can meet the specific essential requirements of the position.
  - (4) No employment commitments or discussions of specific salaries should be discussed during the interview.
  - (5) Where appropriate, some candidates may be interviewed multiple times by a variety of individuals.
  - (6) A recommendation to hire/not hire should be made by the Manager or, as appropriate, by the interview team. All hiring decisions require the approval of Management.
- f) Background Check. If an applicant is deemed qualified following the interview process, Human Resources will check the applicant's employment references. (See Obtaining Reference Information.) Human Resources may also conduct job-related credit, personal background, motor vehicle, and/or criminal background investigations as are necessary and allowed by law. Prior convictions do not automatically remove applicants from consideration. All background checks will be conducted in accordance with

applicable federal and state law.

g) Human Resources Review. The reasons for selecting a specific applicant and the terms of the employment offer must be reviewed and approved by Human Resources. This evaluation will include examination of the following questions:

- (1) Are the reasons for selection based upon job-related criteria and within EEO guidelines?
- (2) Is the proposed pay offer within policy guidelines and can it be defended in terms of equity with other employees?
- (3) Will the offer require additional justification, approvals, or a policy exception?

If Human Resources determines that a proposed employment selection may create problems for the credit union, an attempt will first be made to resolve the problem with the responsible Manager. If the parties are unable to resolve the difference, the problem will be jointly presented to a representative of Management whose decision will be final.

h) Employment Offer.

(1) Terms of Verbal Offer. An employment offer should include job requirements, compensation, benefits, and any employment conditions or contingencies. Employment offers may be made by either the responsible Manager or by Human Resources. No reference may be made to a long-term commitment of employment, employment for a specified time, future salary increases, career advancements, etc.

i) Post-Offer Investigations. After any employment offer is made, medical and/or drug screenings may be conducted if required and appropriate. (See Medical Examinations and Drug Testing.) If a post-offer medical examination, drug screening, or any other inquiry reveals that false information has been provided by the applicant or that the applicant is not an appropriate candidate, employment will be denied or terminated.

- j) Rejection Letters. Letters of rejection (using the established credit union letter) should be sent to all unsuccessful applicants who interviewed for an open position. Effort will be made to send letters within five working days after the job offer has been accepted.
9. **New Hire Reporting**. The Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires employers to report new employees, rehires, or recalls to the state new hire registry. Such reporting must meet required timeframes and reporting standards as determined by state and federal requirements.
10. **No Guaranteed Employment**. Except in very limited circumstances, as authorized by the President/CEO and set forth in written contracts signed by the President/CEO and which expressly provide for employment other than at-will, credit union employment is at-will. No verbal or written statement should be made at anytime during the hiring process which guarantees any fixed terms or conditions of employment, conveys the idea that employment is "permanent" or for a set time period, or that termination occurs for "just cause" only. No express or implied contractual right to remain employed may be created.
11. **Former Employees (Rehires)**. Former employees who resigned or retired with proper notice and acceptable performance records may be rehired.
- a) Seniority. All rehired employees will be treated as new employees.
  - b) Benefits. Benefit eligibility is determined by each program.
12. **Temporary Hires**. At Management's discretion, temporary employees may be hired as business needs require. (See Employee Classification.)
13. **Exceptions to Hiring Policy**. Occasionally, bona fide business needs require exceptions to certain policy requirements. Any exceptions to this policy must remain in compliance with EEO principles and must also have the prior approval of the President/CEO or President/CEO's designee.

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## Section 4030 Hiring of Relatives (Nepotism)

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### General Policy Statement:

Resource One Credit Union has no general policy against hiring relatives, however, the following guidelines have been established to avoid potential morale, security, productivity, and supervision problems or personal issues brought into the workplace. Relatives of current employees do not receive special consideration or favoritism in the hiring process.

### Guidelines:

1. **Conditions.** An employee's immediate relative, close friend, or household member may be hired, provided the applicant can perform essential job functions and employment would not establish:
  - a) **A Direct or Indirect Manager Relationship.** Relationships are generally prohibited which involve:
    - (1) Performance evaluation (including supervision, discipline, and appraisal functions);
    - (2) Financial or data control; or
    - (3) Physical control (including quality control, reviewing or auditing the other's work, theft prevention, etc.).
  - b) **A Real or Apparent Conflict of Interest.**
  - c) **A Potentially Adverse Work Situation.** Working relationships which may hamper performance or productivity will not be permitted.
2. **Immediate Relative Defined.** For this policy, "immediate relative" refers to the employee's: spouse, parents, children, brothers, sisters, grandparents, grandchildren, father/mother-in-laws, brother/sister-in-laws, step-parents, step-brothers/sisters, and step-children.
3. **Transfers and Promotions.** The above policies also apply to

transfers, promotions, or similar employment actions.

4. **Separation Policy.** As much as possible, relatives will be assigned to different work areas or shifts where potential problems or opportunities for favoritism are not likely to occur.
5. **Employees Who Become Related.** If two employees become related or otherwise become subject to this policy's restrictions after hire, they must notify Human Resources. One of them must seek a transfer. If a transfer is not possible, the employees will have 30 working days to decide which of them will terminate employment.
6. **Non-Discrimination.** This nepotism policy and all actions arising under it will be regularly reviewed to ensure that the policy does not have a disparate impact or discriminatory effect on men, women, or another group of employees. (Note: Some states also prohibit discrimination based on marital or relational status which must be considered in the application of this policy.)

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## Section 4040 Immigration Law Compliance

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### General Policy Statement:

Under the terms of the Immigration Reform and Control Act of 1986 (IRCA) Resource One Credit Union must verify the legal employment status of all new hires, including American citizens. Therefore, all offers of employment are contingent upon an individual's ability to produce required documents establishing identity and employment authorization. Additionally, employment discrimination against citizens and authorized aliens based on national origin and/or citizenship status is prohibited.

### Guidelines:

1. **Documentation of Identity and Eligibility.** All employment offers (including those to U.S. nationals and citizens) are contingent upon an applicant's ability to produce legally specified documents that establish identity and eligibility to work in the U.S.
  - a) **INS Form I-9.** All new employees must complete an INS Form I-9. Section One, "Employee Information and Verification," must be completed and signed the first day the employee begins work. In completing Section One, the employee need not present any documents. Section Two, "Employee Review and Verification," must be completed within three days after the employee starts work. Human Resources will be responsible for ensuring completion of the I-9's and carefully verifying related documentation.
    - (1) **Documents.** A new employee may meet the identity and employment eligibility requirements by presenting either:
      - (a) An original document establishing both identity and employment authorization (a "List A" document, such as an expired or unexpired U.S. passport, a resident alien or alien registration card, or other acceptable document); or
      - (b) A document that establishes identity (a "List B"

document, such as a state driver's license, state identity card, school ID card, or other acceptable document) and a document establishing employment eligibility (a "List C" document, such as a social security card, original or certified copy of a birth certificate, or other accepted document.)

By law, a new employee may choose to present any combination of documents. Note that special rules may apply to minors under 18 or disabled individuals who cannot present the standard documents.

- (2) Validity. Only original documents (or certified copies of birth certificates) will be accepted. Photocopies are not permitted.
  - (3) Examination. Documentation presented by new employees must be closely examined for authenticity. A document that appears reasonable, on its face, to be genuine and relate to the person presenting it must be accepted for completion of Section Two of the I-9.
  - (4) Missing Forms. An employee who has lost or not yet obtained the required documents must present a receipt of application for the documents within 3 working days. The employee will then have a period of 90 days from the date of hire to produce the required documents.
- b) Temporary Hires. An individual who is hired for a period of less than three days must provide required documents before the end of the first working day.
  - c) Rehires. New I-9's do not need to be completed if a former employee is rehired within three years of the date that the I-9 was originally completed and the employee is still eligible to work. The previous I-9 should be examined to ensure that the employee's work authorization has not expired and should be updated to record the date of rehire, and be signed and dated.
  - d) Re-established Eligibility. Employment eligibility must be re-established if an employee's work authorization expires or if a former employee is rehired later than three years from previous employment with the credit union.

2. **Employee Files.** I-9 forms must be retained for at least three years after the date of hire or for one year after termination, whichever is later. I-9's should be filed separately from the employee's human resource file. While not required by law, credit union policy provides that photocopies of required documents be made and filed with the I-9, as long as they are copied consistently for all employees.
3. **Exempted Employees.**
  - a) **Hires On or Before 11/6/86.** Employees hired to work for the credit union on or before November 6, 1986 are exempted from this policy.
  - b) **Independent Contractors.**
4. **Failure to Provide Documentation.** Newly hired employees who are unable to produce required documentation within required time frames will be considered "undocumented" and will be terminated immediately with full pay for the hours worked.
5. **Expired Work Authorization.** Employees with time-limited work authorizations that have been allowed to expire will be terminated.
6. **Non-Discrimination.** The credit union does not discriminate against individuals on the basis of national origin or citizenship. Particular individuals or groups will not be required to provide more or different documentation than is required of all employees.

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## Section 4050 Obtaining Reference Information

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### General Policy Statement:

As part of the hiring process, Resource One Credit Union will attempt to verify the prior employment and educational history of all applicants who are seriously considered for employment. All reference checks will be conducted on a non-discriminatory basis.

### Guidelines:

1. **Timing of Reference Checks.**
  - a) **Pre-Offer.** Every practical effort must be made to obtain complete verification of an applicant's work and/or educational history before an offer of employment is extended.
  - b) **Limited Exceptions.** When the postponement of an employment offer due to reference delays would seriously impair department function, job offers may be made contingent upon future receipt of acceptable references.
    - (1) All conditional offers of employment must be reviewed and approved in advance by Human Resources.
    - (2) Whenever a conditional offer of employment is made the offer and conditions should be provided to the employee in writing. The employee's signature on such an offer constitutes acceptance of the conditional offer.
2. **Non-Discriminatory Reference Checks.**
  - a) **All Applicants Checked.** Complete reference checks should be obtained for all applicants under serious consideration for employment. "Selective" reference checks, (checks made only on those applicants whose background is questionable) are not allowed.
3. **Checks Performed by Human Resources or Hiring Designee.**

Reference checking may be done by Human Resources or, as appropriate, a trained and authorized hiring designee.

4. **Applicant's Authorization and Release.** Before initiating a reference check, it should be confirmed that an applicant has signed a release authorizing former employers to provide employment related information. Many companies refuse to provide reference information without signed consent from a former employee.
5. **Reference Checks Must Be Job-Related.** Reference inquiries should be limited to verifiable job-related information. Questions must meet EEO guidelines and are subject to the same limitations and standards as are required by law in a job interview.
6. **Hiring Documentation.** A record of each reference check (preferably on the Reference Check Form) will become part of each new employee's hiring documentation and of each applicant's records. The scope and depth of each reference check should be fully documented, noting even those reference requests for which no information was obtained. Reference documentation will be restricted to objective information that is directly related to the applicant's ability to competently perform the job in question.
7. **References As Selection Criteria.**
  - a) **Defensible Selection Criteria.** Good references, combined with directly related work and/or educational experience, will normally provide defensible selection criteria.
  - b) **Negative References.**
    - (1) **Thorough Inquiry.** If a reference check produces negative information, further checks should be made to confirm the information and to eliminate the possibility of bias.
    - (2) **Falsification of Information.** Falsified information supplied by an applicant may result in disqualification for employment consideration. Discovery of false information after employment could lead to corrective action up to and including termination.
    - (3) **Human Resources Consultation.** If negative information is revealed in a reference check, Human Resources should be consulted before a final hiring

decision is made.

8. **Human Resources as a Resource.** Questions regarding the interpretation of this policy or on how to handle specific situations, should be referred to Human Resources. Careless or improperly handled reference checks lead to poor hiring decisions and can expose the credit union to serious legal liability.

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## Section 4060 Orientation

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### General Policy Statement:

An effective orientation program can be extremely beneficial to both new employees and to Resource One Credit Union. Through our orientation program we seek to warmly welcome new hires, complete necessary paperwork, and convey essential job and credit union information. Our goal is to reduce the time required for new employees to become comfortable and productive on the job. Therefore all new hires will participate in an orientation program that begins on the first day of work.

### Guidelines:

1. **Training Responsibilities.**
  - a) **Program Management.**
    - (1) Design and implementation of program;
    - (2) Training supervisors regarding their responsibilities;
    - (3) Developing orientation checklists in coordination with Human Resources and supervisors; and
    - (4) Oversight of program.
      - (a) Maintaining and updating the Orientation Program as needs change.
      - (b) Evaluating Program's success and modifying as needed.
  - b) **Paperwork.** Completion of necessary paperwork including:
    - (1) I-9's and New Hire Registry;
    - (2) Payroll information and IRS requirements, W-4, Direct Deposit;
    - (3) Employee data and file requirements.

- c) Conveying Information. Training is responsible for conveying a variety of information about our credit union including:
  - (1) Discussion and dissemination of Employee Handbook;
  - (2) Basic management policies;
    - (a) Commitment to EEO principles
    - (b) Harassment and nondiscrimination policies
    - (c) Complaint procedures
    - (d) Employment-at-will
    - (e) Communication policies
  - (3) Credit Union history and philosophy;
  - (4) Credit Union products and services;
  - (5) Work rules and standards of conduct; and
  - (6) Member service standards.
- d) EEO Training. Training covering equal employment opportunity, discrimination, and harassment issues will be provided as appropriate and as required by law.

2. **Human Resources.** Human Resources is responsible for conveying the following information:

- a) Salary and payroll procedures; and
- b) Explanation of benefits

3. **Manager's Responsibilities.**

- a) Planning. Planning activities for a new hire include preparing:
  - (1) Co-workers for new employee's arrival;
  - (2) New hire's work area and ensuring equipment and supplies are adequate;
  - (3) A work schedule and assignment of tasks for the first week; and

- (4) The Orientation Checklist and customizing as needed.
- b) Conveying Information.
- (1) Introducing co-workers and assigning a “training buddy” to the new hire;
  - (2) Providing a tour of the Department and credit union facilities;
  - (3) Discussions of job description, job duties and responsibilities;
  - (4) Clarifying work standards and credit union expectations;
  - (5) Discussing performance review procedures; and
  - (6) Overseeing necessary job training.
- c) Conducting Follow-up Sessions. The Manager should schedule and conduct several follow-up meetings with a new hire within the first few weeks to answer questions, provide additional information, and determine how the new employee is doing.
3. **New Employee’s Responsibilities.**
- a) Paperwork. Complete and submit required paperwork.
  - b) Seek Information. Ask questions and seek information regarding job functions, procedures or other issues affecting any aspect of the position or employment relationship.

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**Section 4070**  
**S.A.F.E. Act**

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**General Policy Statement:**

Under the terms of the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, title V of the Housing and Economic Recovery Act of 2008 (S.A.F.E. Act), each employee who acts as a mortgage loan originator (MLO) must register with the Federal Registration of Loan Originators.

No employee who is subject to the registration requirements will be permitted to perform the loan originating function unless he or she has completed the registration process. Mortgage loan originators are defined as those employees who are responsible for residential loan originations.

**Guidelines:**

All MLO's will be required to renew his or her registration in accordance with federal guidelines. Any MLO's failure to register successfully or to maintain a status in good standing under the S.A.F.E. Act will affect employment eligibility and may result in termination.

The credit union reserves the right to review the criminal background reports to make determinations on employment eligibility.

1. **Information Required**. The following information is required to be provided for all new registrants.
  - a) **Identifying Employee Information**;
    - (1) Employee name and other names used;
    - (2) Home address and contact information;
    - (3) Principal business location and business contact information;
    - (4) Social security number;
    - (5) Gender; and

- (6) Date and place of birth.
- b) Financial Services Related Employment History;
  - (1) 10 years of employment history (if available).
- c) Criminal Offenses. Information regarding the convictions of any criminal offense involving dishonesty, breach of trust, or money laundering against the employee;
- d) Civil Judicial Actions. Information regarding civil judicial actions against the employee in connection with financial services related activities;
- e) Actions or Orders. Any actions or orders that found the employee to have made a false, unfair, or unethical statement; or to have been involved in a violation of a financial services related business.
- f) Revocation or Suspension. Records of the employee's revocation or suspension to act as an attorney, accountant, or state or Federal contractor;
- g) Arbitration or Civil Action. Records of member-initiated financial-services related arbitration or civil action against the employee that required action; and
- h) Fingerprints. Fingerprints of the employee for submission to the FBI for state and national criminal history background check.

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## **Chapter 5000**

# **EMPLOYMENT PRACTICES**

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- 5010 Complaint Procedure**
- 5020 Corrective Action**
- 5022 Emergency Closing**
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- 5030 Involvement in Community/Political Activities**
- 5050 Medical Examinations and Drug Testing**
- 5060 Medical Reporting and Health Certification**
- 5070 Outside Employment**
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- 5090 Transfer and Promotion**
- 5092 Return to Work and Light Duty**
- 5100 Serious Illnesses, Medical Conditions, and Impairments**
- 5110 Termination of Employment**

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## Section 5010 Complaint Procedure

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### General Policy Statement:

It is important for employees to have both an informal and a formal procedure for informing Management of work-related problems or concerns. Resource One Credit Union seeks to provide immediate and fair resolution of complaints, disputes, and appeals through an open door policy and/or use of the procedures below. Employees are strongly urged to utilize these procedures. No employee will be penalized for voicing a disagreement with the credit union in a reasonable and appropriate manner, for engaging in conduct protected by law, or for properly using the formal complaint system.

The following are discretionary guidelines which may be used in addressing complaints. It may be necessary to address individual complaints differently based on the facts in each case. Additionally, complaint resolutions are not binding in future cases.

### Guidelines:

1. **Complaint Defined.** Complaints may include any employee dispute, grievance, dissatisfaction, or concern involving:
  - a) The terms or conditions of employment;
  - b) Credit Union policies, procedures, or corrective actions;
  - c) The actions or behaviors of Managers, co-workers, or non-employees including alleged discrimination or harassment;
2. **Allegations of Unethical, Unsafe, Illegal, Discriminatory, Harassing or Inappropriate Behavior of Managers, Co-workers, and Non-employees.** Serious concerns regarding wrongdoing including possible unethical, unsafe, discriminatory, or illegal conduct should immediately be reported directly to Management. Formal problem-solving steps should not be followed in these instances.
3. **Open Door Policy (Informal Problem Solving).** Employees are encouraged to speak freely and discuss any problems with all Managers so that appropriate action may be taken. Human

Resources is also willing and available to discuss employee concerns. If such informal discussions fail to resolve an employee's concern, he/she is encouraged to utilize the more formal procedures outlined below.

4. **Formal Problem-Solving.**

a) **Problem-Solving Steps.**

(1) **Manager Review.** An employee should immediately inform his/her Manager of a complaint. Employees should first attempt to resolve the problem with the immediate Manager before further actions or appeals are taken. The Manager should:

- (a) Research the complaint;
- (b) Attempt to solve the problem (if authorized);
- (c) Consult with appropriate Management, as necessary;
- (d) Immediately notify Human Resources if the problem involves allegations of discrimination, harassment, illegal actions, significant wrongdoing, or other serious issues;
- (e) Promptly (within 5 working days), if possible, inform the employee of a decision; and
- (f) Document and file the complaint and actions taken.

**Note:** If an employee's complaint concerns his/her Manager, the employee may submit the complaint directly to Management or Human Resources as appropriate.

(2) **Appeal to Management.** An employee who is dissatisfied with a Manager's decision may submit an appeal (within 5 to 7 working days). The employee must document the complaint and the Manager's decision for review by Management. The Manager will also submit his/her documentation related to the case. While it is recommended that the employee and his or her Manager present the problem jointly, each party may also request a private meeting.

Management will normally make a final written decision concerning the complaint within 5 to 7 business days. The decision and the reasons for it will be documented.

- b) Timeframe. Complaints must be submitted promptly, generally within 5 to 7 business days.
  - (1) Extensions. Time extensions may be requested from Human Resources, which may, with sufficient cause, postpone deadlines.
  - (2) Failure to Meet Time Limits. Except as otherwise required by law, or in very unusual circumstances, if a complaining employee does not meet established time limits, the complaint will be considered terminated. Failure of a Manager to meet time limits will cause the complaint to move to the next level of Management.
- 5. **Bypassing Complaint Procedures Not Permitted**. Except in instances such as possible illegal, unethical, unsafe, harassing, or discriminatory conduct, employees who bypass established complaint procedures through direct appeal to top Management will be encouraged, wherever reasonable, to return to the appropriate step of the written policy. The complaint procedure should be followed by all employees to resolve work related problems.
- 6. **Retaliation Prohibited**. Employees may not be retaliated against or punished (formally or informally) for appropriate use of the complaint procedure or for engaging in conduct protected by law. No employee who initiates a complaint according to the terms of this policy, will be subjected to any form of intimidation, harassment, or reprisal as a consequence of taking such action.
- 7. **Abuse of Complaint System**. Employees who abuse the complaint system, use it to intimidate or harass, or who submit frivolous or groundless complaints may be subject to corrective action.
- 8. **Confidentiality**. Every effort will be made to resolve an employee's complaint as confidentially and privately as possible. Information should be shared on a "need-to-know" basis only.
- 9. **Human Resources as a Resource**. Both employees and

Managers are encouraged to utilize Human Resources as a resource at any stage in the problem-solving process to:

- a) Facilitate a Resolution. Human Resources assistance in resolving an employment-related problem may be provided by:
    - (1) Functioning as an impartial advisor;
    - (2) Interpreting policy;
    - (3) Applying relevant labor and EEO laws;
    - (4) Outlining credit union and Department procedures;
    - (5) Ensuring proper documentation; and
    - (6) Suggesting problem-solving techniques.
  - b) Oversee Compliance With Procedures. Human Resources should monitor the problem-solving process to ensure that reasonable time frames are met and that the standards of fairness are fully honored.
10. **Employment-at-Will Not Altered.** Complaint procedures are suggested guidelines only and do not change our employment-at-will status.
  11. **Employee Rights Under the NLRA.** Our Complaint Procedure policy is not intended to interfere with employees' legal rights to engage in concerted, protected activities involving the terms and conditions of employment.

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## Section 5020 Corrective Action

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### General Policy Statement:

All employees are required to meet Resource One Credit Union's conduct and performance standards. Unacceptable employee performance or behavior should be immediately addressed and corrected. Resource One Credit Union may, at any time, institute any form of corrective action it solely deems appropriate (including immediate termination), as **employment is terminable at will** by both the employee and credit union.

The following corrective action policies are **guidelines only, not a promise of specific treatment**. These policies need not be followed in any situation in which Management, in its sole discretion, deems inadvisable or unworkable under the facts of each case.

### Guidelines:

1. **Manager Responsibilities.** It is the immediate Manager's responsibility to promptly initiate corrective action as needed. In disciplinary situations, Managers should apply the following:
  - a) **Knowledge of Corrective Action Procedures.** Managerial personnel should be familiar with credit union Human Resource policies and practices so that problems may be quickly remedied and that like cases are treated with similar consequences.
  - b) **Consistency.** Corrective action should be administered equitably and consistently to ensure effective results. Non-enforcement of credit union rules and policies can lead employees to believe that misconduct is acceptable. Later attempts to enforce standards of performance or conduct can cause discontent and morale problems.
  - c) **Good Judgment.** After considering all relevant facts, including the employee's prior employment history, managerial discretion should be carefully applied in determining the degree of corrective action that is warranted in each case.

- d) Use of Management As Necessary. Human Resources should be consulted regarding disciplinary measures including written warnings, probations, suspensions, terminations, or any situation where such action seems appropriate. Managers should confer with Human Resources prior to presenting any type of written document to employees.
2. **Suggested Corrective Action Steps.** The following steps should be considered **general guidelines** for routine corrective actions. Some performance and behavior problems may be serious enough to warrant skipping one or more steps and may even call for immediate suspension or termination. In other cases, an employee's effort to improve behavior may warrant a repeat of the oral or written warning steps. Corrective action taken is solely at Management's discretion.
- a) Oral Warning. If established conduct and/or performance standards have been violated by an employee and an oral warning seems appropriate, the Manager should immediately:
- (1) State the problem in a private discussion with the employee. Describe the impact of the undesirable behavior on the credit union.
  - (2) Allow the employee an opportunity to explain.
  - (3) Outline the employee actions necessary to address the problem. Provide a specific description of behavior changes and a timetable for required corrections. Confirm the employee's understanding of what is expected.
  - (4) Describe further corrective action that will be taken if the problem occurs again.
  - (5) Document the conversation thoroughly by recording the nature of the problem, recommendations and action plan for improvement, and the date of the oral warning. (This will stay in the Manager's file and will also be copied to the employee's file as appropriate.)
  - (6) It may be advisable to have a third party (another Manager or Human Resources representative) present during the oral warning meeting.

- b) Written Warning. If performance or behavior problems continue or the employee's initial behavior is of a more serious nature and a written warning seems appropriate, the Manager should meet with the employee. In some instances it may be appropriate to have a second Manager or Human Resources representative present. Written documentation should be reviewed by Human Resources prior to being presented to employees. The following procedures may be followed:
- (1) Issue a written warning describing the exact nature and impact of the problem, credit union expectations, and specific actions and timetables for improvement required.
  - (2) Let the employee explain or provide input.
  - (3) Confirm the employee's understanding and commitment to the corrective actions.
  - (4) Caution the employee that another incident will result in more serious corrective action.
  - (5) Prepare a written and dated report that:
    - (a) Summarizes the specific performance or behavior problems;
    - (b) Describes previous warnings and actions taken to resolve the problem;
    - (c) Lists the specific expected changes in the employee's performance;
    - (d) Confirms the employee's agreement to improve;
    - (e) Includes allotted time for improvement; and
    - (f) States the consequences of not meeting the required performance changes in the designated time.
  - (6) Obtain the employee's signature on the original copy of the warning, indicating receipt. The employee may,

if desired, write a response to the written report. If the employee refuses to sign the memo, the Manager should indicate that the employee "refuses to sign." (Where possible, the employee's receipt of the warning and/or refusal to sign should be witnessed by another Manager or Human Resources representative.)

- (7) Provide a copy of the written warning to the employee and forward a second copy to the employee's human resource file.
- c) Probation or Suspension. If the seriousness of the offense requires more severe measures, or the employee has continued to violate standards of conduct or performance beyond the oral warning and written reprimand stages, the Manager may place the employee on formal probation or suspension. However, no employee should be placed on probation or suspension without the consent of Human Resources.
- (1) Formal Probation. The employee may be placed on formal corrective probation for a period of 30 to 90 days depending on individual circumstances and situational needs..
    - (a) Written documentation provided to the employee will summarize the actions taken, the employee's response, and the conditions of future employment. A specific action plan outlining the expected standards of performance required should be developed.
    - (b) Employees placed on formal probation are not eligible for salary increases, bonuses, or promotions during the probation period.
  - (2) Suspension of Nonexempt Employees. A nonexempt employee may be suspended with or without pay.
    - (a) Investigation. The Manager, in conjunction with Human Resources, should conduct a complete investigation of the violation of conduct or performance standards. The investigation and corrective action recommendations should be completely

documented.

- (b) No Benefit Use or Accrual. Suspended employees are generally not entitled to use or accumulate employment benefits.
- (c) Written Documentation. Within three days of suspension\*, Human Resources will conduct an investigation and recommend one of the following steps:
  - (i) Reinstatement
    - With or without pay, and
    - With or without probation.
  - (ii) Termination. (See Termination of Employment.)

\*Note: Certain circumstances may require an investigation period of more than three days. In these situations, the employee will be notified of the findings as soon as practical.

- (3) Suspension of Exempt Employees. Unpaid suspensions of exempt employees are allowed as permitted under the Fair Labor Standards Act (FLSA). Exempt employees may not be suspended without pay unless the suspension is for one or more full days and is imposed for serious violations of written workplace conduct rules. Deductions from pay in less than full week increments may also be made for penalties imposed for serious violations of safety rules.

- 3. **Procedures May Be Disregarded.** At Management's discretion or in instances of serious performance problems, **the suggested corrective action steps above (2a, 2b, and 2c) above may not be followed.** Employment may be terminated at-will at any time.
- 4. **Termination.** A Manager's recommendation for termination should be followed by:
  - a) Investigation by Human Resources. A thorough investigation should be conducted by Human Resources. (See Termination of Employment.)

- b) Required Management Approval. **A member of Executive Management must approve all termination decisions.**
  - c) Compliance With Termination Procedures. Established termination guidelines should be followed. (See Termination of Employment.)
5. **Review of Corrective Action During Performance Appraisal.** All corrective action steps taken during the past year (including oral and written warnings, suspension, and probation) should be discussed during an employee's performance appraisal session. The Manager and employee should review progress toward correcting behavior and/or performance problems. Specific recommendations for further actions, if needed, should be included in the written goals and timetable.

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## Section 5022 Emergency Closing

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### General Policy Statement:

Resource One Credit Union makes every effort to maintain normal work hours and schedules throughout the year. However, rarely, severe weather, power outages, and other extreme emergency conditions may require us to close our work facilities. Employee safety is the primary factor when considering any workplace closure. The following guidelines summarize key issues that arise if we are unable to remain open for business.

### Guidelines:

1. **If No Emergency Closing Announced.** Our goal is to maintain regular business hours except in the most extreme conditions. Therefore, unless an emergency closing has been announced through the media or other communication, employees should report to work. However, every employee should determine whether he or she can safely travel to work. If the workplace is open but an employee decides it is unsafe to travel because of severe conditions, he or she may use vacation or unpaid leave, as our normal attendance and leave policies will apply.
2. **Management Team.** The Management team is responsible for:
  - a) Assessing weather and other emergency conditions to determine whether work hours should be changed or the workplace closed;
  - b) Declaring an emergency closing;
  - c) Determining whether certain essential personnel should report to or remain at work;
  - d) Communicating closures and schedules to employees;
  - e) Coordinating any assistance that may be required by employees; and
  - f) Ensuring that facilities and business operations are secure.

3. **Manager Responsibilities.** Managers are responsible for:
  - a) Assessing their areas' operations and critical functions and maintaining a list of essential personnel who may be asked to work in cases of emergency;
  - b) Keeping their employees well informed regarding closures or changes in hours; and
  - c) Ensuring that essential functions are performed, as possible, in times of emergency.
  
4. **Employee Responsibilities.** Employees should:
  - a) Notify their Managers as soon as possible (as required by our attendance policy) if they are unable to report to work due to a weather emergency;
  - b) Provide contact numbers where they may be reached during a closure; and
  - c) Keep management informed of their work status.
  
5. **Compensation and Leave.** As allowed by law, if the workplace is closed for a partial or full day due to emergency circumstances, employees will be paid according to the following guidelines.
  - a) **Nonexempt Employees.**
    - (1) All nonexempt employees will be paid their regular hourly rates for up to 5 day(s) of emergency closure each calendar year. Emergency closure leave does not affect accrued leave accounts. Part-time employees will be paid emergency leave only for normally scheduled hours.
    - (2) If business closures exceed 5 day(s) per calendar year, then employees may use accrued vacation or take unpaid leave as desired.
    - (3) Time absent from work due to emergency leave will not be considered "hours worked" when determining overtime.
  - b) **Exempt Employees.**

- (1) As required by the Fair Labor Standards Act, exempt employees will be paid their normal weekly salaries for any workweeks in which they perform work. It is assumed that during emergency closings, and given the nature of exempt jobs, employees will perform what work they can from home, including checking voicemails and emails.
  - (2) For workweeks in which exempt employees perform no work, they may use accrued vacation, personal leave, or take unpaid leave as desired.
- c) Essential Employees. Nonexempt employees who have been designated as “essential” as well as any other nonexempt employees who may be asked to work during an emergency closure will receive one and one half their regular pay rates. Exempt employees will be paid their regular compensation.
  - d) Employees on Leave When Emergency Closing Occurs. Employees on PTO during an emergency closing will be charged for that leave as scheduled.
6. **Policies Are Subject to Change.** Emergency leave policies are guidelines only and may be changed, at management’s discretion, as business needs require.

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## Section 5026

### Employee Serious Injury or Death

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#### General Policy Statement:

Resource One Credit Union will make every reasonable effort to compassionately and effectively handle necessary details following the death or serious injury of an employee. The following guidelines summarize suggested procedures to be followed in such an event.

#### Guidelines:

1. **Communication.** Communication to family, friends, co-workers, clients, other associates, and possibly government agencies is critical following the death or serious injury of an employee. Communications should be handled professionally and coordinated by Human Resources or other assigned credit union representatives.
  - a) **Death/Injury Occurs at Work.** The following communication procedures should be followed if death or very serious injury happens at the workplace.
    - (1) **Emergency Personnel.** Emergency personnel, 911, should be called immediately by those employees closest to the situation.
    - (2) **Notification of Management or Human Resources.** Appropriate executive management or Human Resources should be contacted as soon as possible.
    - (3) **Communication With Next of Kin.** A member of management or Human Resources (not individual employees) should contact the employee's emergency contact person, if designated, or other known family members. Extreme sensitivity should be exercised when informing next-of-kin of the circumstances.
    - (4) **Communication With Government Agencies.** As appropriate, or legally required under the circumstances, a member of management should

contact the necessary government authorities.

- (5) Communication With Employees. Human Resources will notify other employees of the death or serious injury and circumstances as appropriate and legally allowed.
  - (6) Communication With Clients. When appropriate, Human Resources or its designee will notify members/clients with a close relationship to the deceased or seriously injured employee. Voice mail messages, phone calls, and email communications should be redirected as appropriate.
  - (7) Communication With Media. A member of management or Human Resources should handle all contact with the media on behalf of the credit union.
- b) Death Occurs Outside of Work. The following communication procedures should be followed if death or very serious injury happens outside of the workplace.
- (1) Notification of Management or Human Resources. Appropriate executive management or Human Resources should be contacted as soon as possible.
  - (2) Communication to Employees. Human Resources will notify other employees of the death or serious injury and circumstances as appropriate.
  - (3) Communication to Clients. When appropriate, Human Resources will notify members/clients with a close relationship to the deceased or seriously injured employee. Voice mail messages, phone calls, and email communications should be redirected as appropriate.
  - (4) Communication With Media. A member of management or Human Resources should handle all contact with the media on behalf of the credit union.
2. **Employee Grieving.** We will be sensitive and as accommodating as possible in allowing employees to grieve and deal with emotional issues following the death or serious injury of an employee.
- a) Funeral Attendance. As appropriate, a credit union

representative may be designated to attend an employee's local funeral and/or effort will be made to ensure that employees who desire to attend are allowed to. Managers and Human Resources will work together to handle staffing issues.

- b) Additional Time Off. Requests for additional time off related to grieving will be handled on a case-by-case basis.
- c) Flowers, Cards, and Donations. Human Resources will be the designated contact for accessing information related to funeral arrangements, addresses to send condolences and gifts, and contact with the family of the deceased.
- d) Memorials. With the approval and involvement of Human Resources, a credit union memorial service or other activity may be organized when appropriate.
- e) Grief Counseling. On site grief counseling may be offered if needed.

### 3. **Benefits.**

- a) Employee Death. In the event of an employee death, Human Resources will contact surviving family members to coordinate and explain various compensation and benefits information including:
  - (1) Final Paychecks. Final paychecks for deceased employees will be processed as required by state law.
  - (2) Life Insurance.
  - (3) Medical Benefits Continuation.
  - (4) Retirement Benefits.
  - (5) Workers' Compensation.
- b) Employee Serious Injury. In the event of an employee's serious injury, Human Resources will contact the employee and/or representative, as appropriate to explain:
  - (1) Payroll Issues.

- (2) Leave Policies.
  - (3) Medical Benefits Continuation.
  - (4) Disability Policies.
  - (5) Workers' Compensation.
  - (6) Other Applicable Policies and Benefits.
4. **Deceased Employee Workspace.** Managers should handle the removal of personal items from the deceased employee's workspace. Sensitivity should be exercised regarding employees who were close to the deceased. Human Resources should be contacted to arrange for delivery of personal items to the next-of-kin. Arrangements should be made to gather necessary equipment, keys, and credit union credit cards.
5. **Policies Are Subject to Change.** These policies are guidelines only and may be changed, at management's discretion, as business needs require.

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## Section 5028 In-House Education and Training

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### General Policy Statement:

Employee education and development are important to Resource One Credit Union. Our ability to provide quality service to our members and to continue to compete in the marketplace depends on a knowledgeable workforce. Employees are encouraged to continually expand and enhance their skills and knowledge to grow in their positions, take on added responsibility, or enrich their functions. Supervisors are to support learning and employee participation in training opportunities. To aid in these efforts, the credit union offers a variety of in-house education and training programs according to the following guidelines.

### Guidelines:

1. **Equal Training Opportunities.** In our education and training programs, as in all of our Human Resources functions, we are committed to providing equal opportunities for all employees at all levels of our organization.
2. **In-House Training Options.** We offer a wide variety of in-house training programs. Contact Human Resources for more information.
3. **Required Training Programs.** Certain training programs such as new hire orientation, product knowledge, safety, and member service training may be required of employees. Enrollment in these training programs will be initiated and coordinated by an employee's assigned manager and will be held during regular working hours.
4. **Training Program Scheduling.** Staffing and department needs must be taken into consideration when scheduling employees to participate in in-house training programs. Managers will have the responsibility of coordinating staffing needs and employee participation in training sessions.
5. **Employee Responsibilities.** Employees are encouraged to take an active part in creating a development plan in conjunction with their managers and to continually strive to increase their skills and knowledge. When employees enroll in in-house training classes, they are expected to attend and actively participate in all training

sessions.

6. **Manager Responsibilities.** Managers have the responsibility to provide leadership and support for credit union training programs and objectives. They are encouraged to also provide input to training personnel regarding training needs. Managers should encourage employees to continually strive to expand their skills and abilities and should ensure an employee development plan is in place for each employee under their supervision. Managers may also assist employees with enrollment procedures.
7. **Requirements For Optional Training Program Participation.** Employees are eligible to participate in optional in-house training programs under the following circumstances:
  - a) **Manager Approval.** The manager should assist the employee in career development planning and must approve all training requests.
  - b) **Relationship to Job.** Requested training programs must be job-related, involve skills necessary for advancement within the credit union, or be necessary to meet changing job requirements.
  - c) **No Current Corrective Action.** Employees under a probation or corrective action plan may not participate in optional training programs. Exceptions to this will be reviewed on a case-by-case basis at the discretion of Management.
8. **Training Request Form.** Approved training request forms should be submitted to the Training Manager by class registration deadlines. Registrations are processed on a first-come, first-served basis.
9. **No Guarantee of Promotion.** While additional training opportunities may develop employee's skills and abilities, the credit union cannot guarantee that further education will provide pay increases or automatic advancement.
10. **Compensation.** Exempt employees will normally not be paid additional compensation for time spent on education and training activities. Nonexempt employees may receive additional pay if education and training constitute "hours worked." (See Working Hours.)

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## Section 5030 Involvement in Community/Political Activities

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### General Policy Statement:

Employees are encouraged to become involved in charitable organizations, community affairs, and political activities. Such involvement benefits the community and provides opportunities to create goodwill. However, employee participation should not interfere with job responsibilities or impact business interests.

### Guidelines:

1. **Conflicts of Interest.** Unless acting as a credit union representative in a Resource One Credit Union sponsored event, employees should make clear at all times that they are acting on a private, personal basis, not as part of our credit union. (See Conflicts of Interest.) Employees should avoid community activities which:
  - a) Interfere with job performance;
  - b) Inappropriately consume credit union resources;
  - c) Create a potential conflict of interest; or
  - d) Threaten confidentiality standards.
  
2. **Political Activities.** Employees are encouraged to participate in non-credit union sponsored political activities so long as such activity does not interfere with job responsibilities, present a conflict of interest, give the impression that the credit union supports or sponsors such activities, or places the credit union in a controversial or unprofessional light. To ensure that no problems arise, employees should:
  - a) Inform Management of their intentions to run for public office or serve on public committees;
  - b) Conduct non-credit union sponsored political activities outside of working hours;

- c) Refrain from use of credit union facilities, equipment, or supplies in any non-credit union sponsored political activities; and
  - d) Convey that they act solely as private citizens, not as credit union representatives.
3. **Compensation.**
- a) **Credit Union Sponsored or Credit Union Initiated Involvement.** Employees chosen to represent the credit union in community and political activities will be compensated for their involvement. Time spent will be regarded as "hours worked."
  - b) **Employee Initiated Involvement.** Time spent on community or political affairs initiated by the employee should normally be outside of the employee's regular working hours and, therefore, will not be compensated.
4. **Reimbursement.** Pre-approved, appropriate, and documented expenses or fees related to credit union participation in community or political activities may be reimbursable. (See Expense Control and Reimbursement.)
5. **Corrective Action.** An employee who violates this policy may be required to withdraw from community or political activities and may also be subject to corrective action.
6. **Credit Union Approval.** Credit Union approval should be requested if any doubt exists as to the appropriateness of an employee's involvement in community or political activities.
7. **Employee Rights Under the NLRA.** Our Community Activity Involvement policy is not intended to interfere with employees' legal rights to engage in concerted, protected activities involving the terms and conditions of employment.

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## Section 5050 Medical Examinations and Drug Testing

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### General Policy Statement:

Post-offer applicants and current employees may be required, as legally appropriate and as permitted under the Americans with Disabilities Act, to submit to medical or drug tests and/or examinations. Such testing may be conducted at Management's discretion to ensure a productive and safe work environment. Resource One Credit Union is committed to providing a safe, drug-free and efficient workplace. (See Americans with Disabilities Act and Drugs and Alcohol.)

### Guidelines:

1. **Testing of Applicants**. At Resource One Credit Union discretion, an applicant who has received a job offer may be required to undergo a medical examination and/or a drug screening to demonstrate ability to safely perform essential job functions. Employment offers are contingent upon satisfactory completion of such exams/tests.
  - a) **Management Discretion to Test**. Management reserves full discretion to decide which positions will be tested and how and when testing will be conducted. (See Hiring Procedures.)
  - b) **Approved Physician**. The examination or screening is to be administered by a health provider selected or authorized by the credit union.
  - c) **No Discriminatory or Selective Testing**. All testing and exams will be non-discriminatory. If testing is required, then all post-offer applicants for a specific position should be tested.
  - d) **Follow-up Tests**. As permitted under the ADA, follow-up tests may be given to individual employees where an exam identifies that further information beyond an initial exam is needed.
  - e) **No Pre-Offer Exams or Inquiries**. In accordance with the

Americans with Disabilities Act, no pre-offer medical examinations or inquiries will be conducted.

- f) Results for Job-Related Use Only. Results of post-offer examinations will be used solely to establish the ability of applicants to safely perform the essential functions of their prospective jobs.
- (1) An individual with a disability will not be refused employment based on the results of a post-offer medical exam or inquiry unless the reason for the rejection is job-related (i.e., the essential functions of the job cannot be performed) and justified by business necessity, and no reasonable accommodation exists that would enable the individual to perform the essential functions of the job.
  - (2) The results of a medical exam or inquiry will not be used to disqualify applicants able to perform a job's essential functions (with or without accommodation) because of speculation or fear that a disability may increase health insurance or workers' compensation premiums.
- g) GINA Compliance. Medical information will be gathered in compliance with the Genetic Information Nondiscrimination Act (GINA). The credit union will not request and employees are not to provide any genetic information when responding to requests for medical information. "Genetic information," as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

When medical information is sought, the credit union will include the following statement in the request:

*"The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, we*

*are asking that you not provide any genetic information when responding to this request for medical information. "Genetic information," as defined by GINA includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services."*

- h) Questions Regarding Physical/Mental Disabilities. As required under the ADA, applicants (before an employment offer is made) will not be asked whether they have any physical or mental disabilities, nor whether they have received medical treatment for any injury or illness.
- i) Reasonable Accommodations. If necessary, reasonable accommodations will be provided as required by law to those employees with known disabilities to assist them to safely perform the essential functions of their jobs.

2. Employee Medical Examinations and Drug Screenings. As a condition of continued employment, employees may be required to undergo periodic medical examinations and drug screenings. (Also see Drugs and Alcohol.) Medical inquiries, examinations, and drug testing of current employees may be undertaken, at Management's discretion, if job-related and consistent with all applicable legal requirements. Examples of circumstances which may require exams or screenings, include but are not limited to the following:

- a) There is concern regarding the employee's ability to safely or productively perform job duties.
- b) The employee requests an accommodation under the ADA.
- c) The employee is returning to work after a serious accident or illness.
- d) The employee is being considered for transfer or promotion.
- e) There is concern that a person in a physically demanding job continues to be fit for duty.
- f) An on-the-job accident has occurred.

- g) The credit union has instituted a random drug screening policy. (See Drugs and Alcohol.)
- h) Screening and examinations are required by other laws (e.g., DOT or OSHA).
- i) There is the possibility of exposure to potentially hazardous working situations.

3. **Exams and Testing Procedures and Records.**

- a) Tests Paid by Resource One Credit Union. Credit Union required medical examinations and alcohol and drug screenings will be performed at credit union expense.
- b) Approved Health Professional. Required medical examinations and alcohol and drug screenings must be conducted by a health professional selected or approved by the credit union.
- c) Resource One Credit Union Property. Medical examinations and tests performed at credit union expense are credit union property.
- d) Confidential Records. Medical and testing records are confidential. As required by law, this information will be kept in medical files separate from other human resource information. Additionally, when attempting to accommodate an employee's disability, care should be taken by Managers to avoid disclosing medical information about an employee to co-workers.
- e) Availability of Records. Access to records is limited to those who have a "legitimate need to know."
  - (1) Resource One Credit Union medical and drug records, if permitted by law and warranted by appropriate business practice, will be provided to:
    - (a) Managers who may need information concerning work restrictions and necessary accommodations;
    - (b) Human Resources who may need to be aware of a medical condition so first-aid treatment may be provided if necessary;

- (c) The employee;
  - (d) Individuals and organizations authorized by the employee; and
  - (e) Government officials, where required by law.
- (2) Any employee who inappropriately discloses confidential medical information is subject to corrective action, including termination.
4. **Exam/Testing Time is "Hours Worked."** Time spent undergoing credit union required medical or drug testing is considered "hours worked." Employees will be paid for that time.
5. **Drug Screenings Not Medical Exams Under ADA.** The Americans with Disabilities Act does not treat drug testing as a medical examination. Therefore drug testing is not held to the identical restrictions as medical testing under ADA. (See Drugs and Alcohol.)

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## Section 5060

### Medical Reporting and Health Certification

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#### General Policy Statement:

Resoure One Credit Union is committed to providing a safe and healthy workplace for all employees. The following reporting and certification guidelines have been designed to promote those goals.

#### Guidelines:

1. **Requests for Accommodations.** Employees concerned about their abilities to effectively or safely perform their jobs are encouraged to discuss their situations with Management and to request reasonable accommodations as necessary. Our credit union is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal employment opportunity for qualified persons with disabilities. (See Americans with Disabilities Act.)
2. **Health Certification.** Documentation of medical condition and/or suitability for work may be required in certain situations. At Management's discretion, additional medical opinions may also be requested. Additional opinions requested will be obtained at credit union expense.
  - a) The following circumstances are examples which may warrant medical certification:
    - (1) **Sickness or Injury.** The employee is absent from work as a result of illness or injury. (See Paid Time Off.)
    - (2) **Return From Leave.** The employee is returning from a health related leave of absence. (See Leave policies.)
    - (3) **Request For Leave.** The employee is requesting a medical leave of absence or extension of such a leave. (See Leave policies.)
    - (4) **Accommodation.** The employee is requesting an

accommodation for a disability.

- b) **Note:** Medical information and certifications will be obtained in accordance with applicable state and federal law, including the Genetic Nondiscrimination Information Act.

3. **Reporting Work Related Injuries.** All work related injuries and illnesses, (regardless of severity), must be communicated to Management to ensure proper reporting and compliance with the Occupational Safety and Health Act of 1970 (OSHA) and Workers' Compensation requirements. Injuries not promptly reported can also adversely impact an employee's worker's compensation claim.

- a) **Manager Notification.** Employees who must leave their work areas for medical attention should, whenever possible, notify their Manager. The Manager should ensure that:
  - (1) The employee receives proper medical care;
  - (2) The incident is reported to Human Resources; and
  - (3) The accident is properly investigated and any unsafe conditions remedied.
- b) **Human Resources Documentation.** Human Resources will maintain required federal and state reports and records, including mandatory OSHA records.

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## Section 5070 Outside Employment

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### General Policy Statement:

Employees may hold outside jobs or be involved in outside business activities as long as they continue to meet established performance standards. However, if outside activities contribute to any work related problems or harm credit union interests, such involvement must be ended. An employee's position at Resource One Credit Union is considered to be of primary importance. Employees are expected to devote full-time attention and energy to Resource One Credit Union.

### Guidelines:

1. **Employee Performance.** Outside employment or business activities must not compromise job performance. Employees are expected to fulfill all job duties and should determine whether outside activities will create conflicts or hinder the effective completion of assigned responsibilities. The following problems which may result from outside employment must be avoided and may subject an employee to corrective action:
  - a) **Attendance and Punctuality Problems.** Absence from work, arriving late, leaving early, unwillingness to work overtime or alternate hours/shifts, or refusal to accept travel assignments will not be tolerated.
  - b) **Abuse of Leave.** Use of PTO or unpaid absences to work at another job is not allowed.
2. **Outside Activities During Credit Union Time.** Employees may not perform outside work or business activities during credit union time.
3. **Conflict of Interest.** Employees should not work for any organization or be self-employed in any way which competes for credit union business or which conducts business with the credit union. (See Conflicts of Interest.)
4. **Credit Union Equipment and Facilities.** Outside employment or activities must not involve use of credit union equipment including

communication systems, supplies, or facilities.

5. **Resource One Credit Union Information.** Outside activities must not involve the unauthorized use of credit union reports, analyses, information, trade, technical, or designated confidential information.
6. **Use of Resource One Credit Union Name or Position.** Outside actions must be avoided which might suggest that our credit union supports or sponsors an activity, or that the employee, in an official position, represents our credit union.
7. **Consultation With Management.** Employees considering outside employment should inform Management if they believe that the activities may require significant time commitments or may conflict or appear to conflict with current employment. Managers and professionals are held to especially high standards of behavior and commitment.
8. **Corrective Action.** Violation of these policies may subject the employee to corrective action, up to and including termination. (See Corrective Action.)

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## Section 5080 Performance Appraisal

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### General Policy Statement:

Resource One Credit Union has instituted a performance management system to fairly and objectively assess job performance consistent with job standards and requirements. Managers are responsible to ensure that employee performance is reviewed and recorded in accordance with established procedures.

Performance evaluations are helpful communication tools in providing constructive feedback, informing employees of established performance standards, and sharing credit union strategic goals. Appraisals also provide support in making compensation, promotion, transfer, training, and termination decisions. The following suggested procedures are guidelines only, may be altered or eliminated at any time, and may not be followed in every instance.

### Guidelines:

1. **Purposes.** Managers should seek to consistently, accurately, and objectively document employee performance. Objectives in conducting performance appraisals include:
  - a) Employee Development. An outline of an employee's strengths, skill development needs, and specific areas for improvement may be developed. An action plan and timetable may be implemented.
  - b) Communication of Goals. Appraisals provide opportunity to communicate standards, expectations, and goals.
  - c) Improved Morale and Employee Relations. Employee relations are enhanced as communication channels are opened and desired individual performance is reinforced.
  - d) Career Planning. An opportunity to discuss career goals and strategies is provided. Training needs may be identified.
  - e) Documentation For Corrective Action. Written documentation of unsatisfactory performance is maintained.

- f) Pay Increases. Appraisals may be used in salary reviews and determining pay increases.
2. **Timing**. Performance appraisals should generally be conducted at the following times:
- a) Annual Review.
  - b) As Needed. Special reviews may be requested by the employee or the Manager at any time. (These will not change the customary cycle.)
3. **Informal Evaluation**. Evaluating a subordinate's performance is part of the normal day-to-day feedback responsibility of every Manager. Managers are encouraged to discuss the employee's job performance frequently on an informal basis. Managers should also keep informal written records of significant events concerning the job performance of individuals under their supervision.
4. **Appraisal Factors**. When appraising an employee's overall performance, Managers may review the following points:
- a) Job Functions. Demonstrated ability in performing all essential job functions.
  - b) Performance Standards and Goals. Determining whether established performance standards and goals have been met.
  - c) Technical Knowledge. Total knowledge, information, skills, and methods which apply to specific job duties.
  - d) Problem Solving. Ability to use creativity and original thinking to find solutions.
  - e) Human Relations Skills. General ability to handle situations involving subordinates, peers, Managers, and the public.
  - f) Communication. Degree of skill in oral and written communication.
  - g) Planning and Organization. Ability to plan, organize, schedule, and delegate work efficiently and effectively.
  - h) Quantity and Quality of Work.

- i) Cost Consciousness.
  - j) General Attributes. Ability to meet deadlines, teamwork, motivation, dependability, attendance, decision-making, and accountability.
5. **Common Appraisal Errors**. The following appraisal errors should be avoided:
- a) Halo Effect. Allowing one very positive or negative behavior to affect an entire evaluation.
  - b) Bias or Prejudice. Allowing personal bias or prejudices to influence the appraisal process or considering or referring to any protected classification such as race, sex, religion, disability, etc.
  - c) Over-Emphasis on Recent Events. Letting recent or isolated events affect overall judgment.
  - d) Leniency. Overrating employees or failing to include negative comments.
  - e) "Everyone's Above Average". Evaluating all employees positively (even if it's not true) and failing to differentiate performance.
  - f) Using Irrelevant Factors. Allowing non-job related issues to affect the appraisal.
6. **Performance Appraisal Meeting**. After the appraisal has been reviewed with the employee, the Manager and employee should participate in a two-way discussion that allows for open exchange of views and ideas. Recommendations for this meeting include:
- a) Planning Adequate and Uninterrupted Discussion Time. Employees should have the chance to carefully review the appraisal, ask questions, and, if needed, respond with written comments.
  - b) Evaluating Specific Employee Strengths and Weaknesses. Employees should participate in self assessment and share ideas on how to improve or enhance job performance.
  - c) Formulating Performance Expectations and Future Goals. Future performance objectives should be determined by

assessing credit union needs, and incorporating Manager and employee recommendations.

- d) Designing an Action Plan. An action plan with specific and measurable goals and objectives, and an appropriate timetable should be designed.
  - e) Signing and Dating Documentation. The performance appraisal should be dated and signed by both the employee and Manager and submitted to Human Resources. Signing the form does not indicate that the employee agrees with the content, only that the evaluation was discussed with the Manager. (See Human Resource Files and Records.)
7. **Management Review**. Managers are responsible for appraising their employees. However, Management should review appraisals if appropriate and as necessary to ensure that evaluations have been conducted appropriately and objectively.
  8. **Request for Appraisal Review**. If an employee strongly disagrees with the evaluation, and the issue cannot be satisfactorily resolved with the Manager, the employee may request a review with Management. (See Complaint Procedure.)
  9. **Non-Discriminatory Reviews**. Under no circumstances will an employee who has taken leave in accordance with applicable law (such as ADA or FMLA) be penalized on an appraisal. Further, all appraisals will be nondiscriminatory and conducted in accordance with EEO principles.
  10. **Procedures Are Suggested Guidelines Only**. Resource One Credit Union may unilaterally change or completely rescind performance appraisal guidelines as needed, in its sole discretion. No express or implied promises or contracts are created and these guidelines may not be used in every instance. (See Employment-At-Will).

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## Section 5090 Transfer and Promotion

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### General Policy Statement:

Resource One Credit Union seeks to develop our employees and to promote from within when appropriate and prudent. Employees are encouraged to pursue advanced positions or lateral transfers for which they qualify. Placement and promotion activities are closely monitored to ensure that they are consistent with Resource One Credit Union's commitment to success and to Equal Employment Opportunity.

Business need and/or the necessity to bring new expertise to Resource One Credit Union may require outside recruitment or staffing positions without following the guidelines established below. The transfer and promotion policy guidelines are suggested procedures only. They may be altered or eliminated at any time and may not be followed in every instance.

### Guidelines:

1. **Eligibility for Promotion.** Promotion eligibility is determined by an employee's:
  - a) **Level of Skill and Ability.** The employee must have the necessary skills to perform the essential functions of the new position.
  - b) **Performance Record.** The employee's performance history must support the change in job responsibilities.
  - c) **Service in Current Position For At Least 6 months.** Except in unusual circumstances dictated by business necessity and Management approval, the employee must have performed acceptably in his/her current position for at least 6 months. Additionally, no corrective actions should have taken place within the 6 months period.
  
2. **Reasons for Transfer.** The credit union retains complete discretion in handling employee transfers. Acceptable reasons for transfer may include, but are not limited to the following:
  - a) Changes in staffing requirements;

- b) Operational efficiency;
  - c) Career development;
  - d) Employee choice;
  - e) Reasonable accommodations;
  - f) Reduction in force;
  - g) Employee's inability to perform essential job functions; or
  - h) Health and safety considerations.
3. **Temporary Transfer.** Temporary transfers for training, projects, temporary business needs, or personal needs of an employee may be made as required. Such transfers will be for defined time periods and may be extended as necessary. Employees temporarily transferred will generally continue to be paid at their current pay rates.
4. **Job Posting and Announcements.**
- a) **Information.** Postings and announcements will inform employees of:
    - (1) Minimum job requirements;
    - (2) Essential job functions;
    - (3) The necessary skills and abilities to perform the job successfully; and
    - (4) Performance record and length of service requirements.
  - b) **Time Period.** Information will generally be posted for 3 working days.
  - c) **Location.** In most cases, transfer and promotion opportunities will be announced through:
    - (1) Bulletin board postings;
    - (2) E-mail;

- (3) Credit union website;
  - (4) Staff meeting notices; or
  - (5) Other means (including performance appraisal meetings, supervisory or career counseling sessions, and training programs).
- (d) Management Discretion. Management reserves the right to promote or transfer employees and/or fill job openings without postings or announcements. Consequently, promotion and transfer guidelines may occasionally be disregarded as business needs require.
5. **Process**. When transfer or promotion opportunities are announced, candidates may be solicited in any of the following ways:
- a) Employee Application. Employees may submit requests to be considered for new positions or transfer opportunities to Human Resources throughout the duration of the job opening. Current employees must have the motivation, experience, ability, and skills to fill the open position.
  - b) Managerial Recommendation. Managers may suggest employees for open positions within the 5 day time period.
  - c) Surveys of Human Resources. Employee self-assessment surveys and human resource inventories may be utilized to identify employees with skills, potential, and the desire for transfer or promotion.
  - d) External Candidates. Management may seek external job candidates as necessary. (See Hiring Procedures.)
6. **Criteria for Selection**. The Manager to whom the employee will report has ultimate responsibility for reviewing employee promotion candidates. However, no transfers or promotions will be completed without the authorization of Management. Management must ensure that employee selection is based on clearly stated objectives and nondiscriminatory standards which may include, but are not limited to, the following:
- a) Past Performance. Performance appraisals, corrective action, and attendance records should be reviewed.

- b) Ability to Do the Job. The employee's ability to perform essential job functions (with or without reasonable accommodations as required by law) should be evaluated.
  - c) Former Experience or Education.
  - d) Manager Recommendations.
  - e) Seniority. Seniority may be a consideration if candidates' skills, experience, and abilities are similar.
  - f) Interviews. Interviews may be used as deemed appropriate by Managers.
  - g) Current Position. Preference may be given to employees in the same Department as the position, when special knowledge of Department operations is needed.
7. **Notification.** Candidates should be promptly notified of transfer and promotion decisions. Unsuccessful employees should be given specific job-related reasons explaining why they were not transferred or promoted, as well as suggestions for improving skills or deficiencies.
8. **Salary.** Employees promoted to new positions will have their compensation reviewed and adjusted accordingly. However, the timing and amount of all pay increases remains at Management's discretion.
9. **Initial Employment Period.** Promoted employees must meet the requirements of the Initial Employment Period.
- a) Unsuccessful Promotions. If it is determined that the employee is unsuited for the new position, Management may, at its discretion, transfer the employee to the former, lower-level job. If this is not possible, an attempt may be made to reassign the employee to a job comparable to the position held prior to the promotion. If an appropriate position is not available, the employee may be terminated.
  - b) At-Will Employment. Promoted employees remain employees-at-will during and after the Initial Employment Periods. (See Initial Employment Period and Employment-At-Will.)

8. **Non-Discrimination.** We are committed to providing equal transfer and promotion opportunities and to advance all of our employees based on merit, the ability to perform the job, and other objective criteria. Employees will be evaluated for transfers and promotions without regard to sex, race, religion, disability, age, national origin, genetic information, military or veteran status, sexual orientation or other protected status. Managers are encouraged to develop a diverse workforce at all levels of our credit union.

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## Section 5092

### Return to Work and Light Duty

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#### **General Policy Statement:**

Resource One Credit Union's return to work and light duty programs are intended to minimize the costs and impact of employee absences and assist employees in returning to work as soon as medically possible. When deemed appropriate, light-duty placements should be considered for employees who have sustained on-the-job injuries or illnesses. In situations where employees have not incurred workplace injuries or illnesses, Managers are also encouraged to consider light duty placements whenever practical, or as may be required by law. Managers should involve Human Resources in decisions regarding light duty assignments.

#### **Guidelines:**

1. **Case-by-Case Consideration.** Light duty placements and return-to-work actions should be considered on a case-by-case basis. Consideration should be given to medical issues, physical restrictions, work availability and demands, and applicable legal requirements. Light duty assignments are temporary in nature and are subject to management discretion, as allowed by law.
2. **Return to Work Options.** All light duty and return to work options are implemented in conjunction with the employee's physician or health care provider and other medical professionals retained by the credit union or our Workers' Compensation insurer. Such options may include:
  - a) **Modified Positions.** An employee may be able to return to his/her position if assigned functions are modified or the schedule or hours of work are adjusted. However, essential job functions will be modified only for the temporary light duty timeframe.
  - b) **Alternate Positions.** In some situations and where work is available, a qualified employee may be assigned to an alternate position that better accommodates the employee's medical condition.
  - c) **Progressive Assignments.** It may be possible to assign an

employee to a series of progressively more difficult positions so that s/he may gradually build strength and “work back” into his/her previous assignment.

- d) Initial Position. Some employees may be able to return to their prior positions. If so, Human Resources will coordinate with the employee, doctor, and Manager to address any needs for reasonable accommodations.

3. **Procedures for Return-to-Work.**

- a) Manager’s Responsibilities. The employee’s Manager, in coordination with Human Resources, should maintain close and regular communication with the employee through his/her leave and inform the employee of the credit union’s return to work policies and requirements.
- b) Medical Release Required. An employee on medical leave who seeks to utilize a “Return-to-Work Option” discussed above must submit his/her doctor’s written medical release authorizing the return.
- c) Job Description. Human Resources should provide the doctor or other health care provider with a copy of the employee’s current job description (including the essential functions and physical and mental requirements), a copy of the duties and requirements of any potential light duty assignment, and other relevant information regarding the return-to-work program.
- d) Monitoring Activities. The employee’s Manager, in coordination with Human Resources, should closely monitor the employee’s work to ensure that s/he is working within job restrictions.

- 4. **Assignments Are Not Guaranteed**. While our goal is to return employees to work as quickly as possible and to provide meaningful assistance to them in this process, return-to-work options are not guaranteed nor are light duty positions reserved. Management retains complete discretion to regularly reevaluate and administer its return-to-work policies, as allowed by law.

- 5. **Assignments Are Temporary**. Light duty assignments and other return to work arrangements are temporary. Such assignments may not extend beyond 12 weeks.

6. **Wages and Salaries.**

- a) **Original Salary Not Guaranteed.** As allowed by law, employees on modified or light duty assignments are not guaranteed the same wages and salaries they received in their original positions prior to their injuries or illnesses. Pay rates are based on functions and duties required in each position, as determined under the credit union's compensation program and as required by applicable law. Note: The ADA may require the same compensation for a light duty job that only takes away marginal functions from the employee's existing job.
- b) **Workers' Compensation Payments.**
  - (1) Employees who earn less than their pre-injury/illness salary because of placement in a light duty position may also be eligible to receive temporary partial disability payments through Workers' Compensation.
  - (2) Employees placed in light duty positions may not use accrued leave (vacation, sick, etc.) in addition to receiving Workers' Compensation payments.

7. **Employee Permanently Disabled.** Some employees may not be able to be returned to their level of health they had prior to their illnesses or injuries and may have some type of permanent disability that may not permit them to return to their original positions, with or without a reasonable accommodation. In such situations we may:

- a) **Consider Alternate Positions and Accommodations.** Human Resources will review the employee's skills, experience and abilities and determine whether a transfer to a more suitable, vacant credit union position or other accommodation may be feasible. However, no alternate position will be created for the employee and such transfers remain at management's discretion.
- b) **Referral to State Vocational Agencies.** If continued employment is no longer an option, the employee may be referred to various state agencies that may be helpful in providing retraining or vocational assistance.

8. **Coordination with FMLA, ADA and Other Applicable Law.** Implementation of our return-to-work policies must be made in

accordance with related federal and state law, including:

- a) Bermuda Triangle. The interplay of the ADA, FMLA and Workers' Compensation laws is very complex. Overlapping coverage is possible as each law serves different purposes and provides different and sometimes overlapping benefits and protections. Therefore, managers must first analyze an employee's circumstances separately under each statute then consider how the laws interact. Issues such as length of leaves, reinstatement rights, notice requirements, right to medical information, benefits, etc. are very different under each law.

For this reason, Human Resources should be consulted and involved in the application of the credit union's return to work policies in individual cases.

- (1) An employee may be covered under all three laws, two of them or only one.
  - (2) Work related injuries that cause employee absences often also qualify as "serious health conditions" and therefore trigger FMLA leaves. Therefore Worker's Compensation and FMLA requirements must be carefully coordinated. Worker's Compensation leaves may be counted against FMLA leave. Employers must notify employees that they intend to do so.
  - (3) The fact that an employee is awarded Workers' Compensation benefits does not automatically imply that s/he is also protected under the ADA. Work-related injuries must be considered on a case-by-case basis.
  - (4) A "serious health condition" under the FMLA is not the same as a "disability" under the ADA. ADA disabilities generally must be more than temporary conditions and be severe enough to limit a "major life activity." Therefore, someone with a "serious health condition" under the FMLA may or may not have a disability under the ADA.
- b) Light Duty. An employee eligible for FMLA leave may accept light duty assignments but cannot be required to do so. However, in some states, the employee may lose his/her Workers' Compensation benefits for refusing a light duty

assignment.

- c) Reinstatement. An employee using FMLA has the right to be reinstated to his/her original or equivalent job, if s/he can still perform its essential functions and has not yet exhausted the 12 weeks of FMLA.
- d) Use of Accrued Leave. Employees are required to use accrued leave during unpaid FMLA leaves. (See FMLA policy). However, they may not do so during Workers' Compensation leaves, that are also considered FMLA leaves, (which are paid). When Workers' Compensation benefits end, employees must use accrued leave during leaves.

9. **Medical Information.**

- a) Confidentiality. All medical information, files, and communications are confidential. Such information should be held in conformance with the ADA, FMLA, and other applicable law. Only those with a "need to know" should have access to such information.
- b) Separate Files. As required by law, medical information should be retained in separate files (not as part of regular human resource files) and should be properly secured.

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## Section 5100

### Serious Illnesses, Medical Conditions, and Impairments

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#### **General Policy Statement:**

Employees with serious illnesses, medical conditions (including but not limited to cancer, heart disease, HIV and AIDS), or impairments (physical or mental) may wish to continue their active employment. Such employees who are able to meet acceptable performance standards and whose conditions do not threaten themselves or others may continue to work. Reasonable accommodations will be provided as required under the ADA.

No employee who has a serious medical condition, illness, impairment, or other disability is to be discriminated against in any area of employment. Discrimination or harassment in the workplace based on an employee's medical condition, disability, or genetic status will not be tolerated.

#### **Guidelines:**

1. **Fair Treatment.** Managers should be sensitive to employees' serious medical conditions and ensure fair treatment. If a medical condition affects an employee's performance, reasonable accommodations will be provided, as required under the ADA. Managers should be aware that continued employment is not only financially important for an employee with a serious illness, but may be therapeutically important in the remission or recovery process or may extend an employee's life.
  
2. **Request for Accommodation.** Employees requiring accommodations should request them from their Manager or from Human Resources. Management, with the employee's assistance, will explore and implement reasonable accommodations to the employee's medical condition that do not create an undue business hardship, and are consistent with business needs, established credit union policy, and applicable federal, state, and local laws. Human Resources should be consulted and involved in this process.

Employees seeking accommodations should provide appropriate medical information necessary for Management to make related employment decisions. A health provider's certification of the employee's condition and work limitations and/or further medical

examination may also be required. Information will be gathered in accordance with state and federal law, including the Genetic Information Non-discrimination Act. The credit union will not request and employees are not to provide any genetic information when responding to requests for medical information. "Genetic information," as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

When medical information is sought, the credit union will include the following statement in the request:

*"The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, we are asking that you not provide any genetic information when responding to this request for medical information. "Genetic information," as defined by GINA includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services."*

3. **Employee Counseling.** If desired, employees with serious illnesses may receive information on related credit union benefits and programs. The Manager should demonstrate sensitivity while discussing credit union policy regarding:
  - a) Credit Union benefits;
  - b) Leaves of absence available;
  - c) Community counseling and services available;
  - d) Safety needs and concerns;
  - f) Possible accommodations; and

- g) Job performance and attendance requirements.
4. **Privacy and Confidentiality.** An employee's health condition is personal and confidential. Therefore, every reasonable effort will be made to ensure that an employee's medical history and condition remain confidential, unless required by law or business necessity.
  5. **Non-Discrimination.** No employee with a serious illness is to be discriminated against in any aspect of employment including but not limited to compensation, benefits, promotions, hires, transfers, working conditions, or terminations. Anyone who discriminates against or harasses an employee because of a serious illness will be subject to corrective action up to and including termination.
  6. **Safe Work Environment.** While we seek to be sensitive to the rights and needs of an employee with a serious health condition, we also recognize our obligation to provide a safe work environment for all employees, clients, and visitors. Every precaution should be taken to ensure that an employee's condition does not present a health or safety hazard to anyone within the work community.
  7. **Employee Concern.** An employee who is apprehensive about working with a co-worker, supplier, client, or anyone else who has a serious illness should inform his/her Manager. Management seeks to be sensitive and responsive to employees' concerns, however, where there is very minimal or no danger of harm, the employee will be expected to work with anyone who has a serious illness.
    - a) **Refusal to Work.** Employee refusal to work with someone who has a serious illness may result in corrective action, up to and including termination.
    - b) **No Special Transfers of Threatened Employees.** No special consideration beyond normal transfer requests will be given to employees who feel threatened by a co-worker's illness.
    - c) **No Special Transfers of Ill Employees.** Employees with serious illnesses may not be asked to transfer or resign because of co-workers' concerns.
    - d) **Co-Worker Training.** Co-worker training and education may be provided as appropriate.
  8. **Related Policies.** See Americans with Disabilities Act (ADA).



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## Section 5110 Termination of Employment

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### General Policy Statement:

SINCE EMPLOYMENT IS BASED ON MUTUAL CONSENT, BOTH THE EMPLOYEE AND RESOURCE ONE CREDIT UNION MAY TERMINATE EMPLOYMENT AT WILL, AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT PRIOR NOTICE. (See Employment-At-Will.) No Manager or other Resource One Credit Union representative (except the President/CEO in a written employment contract) has authority to create an employment agreement for any period of time or to alter the employment-at-will relationship. Any such contract must be signed by the President/CEO, specific as to all material terms, and expressly provide for employment other than at-will.

### Guidelines:

1. **Voluntary Termination.**
  - a) **Written Notice.** All employees are requested (but not required) to provide written advance notice of their intention to leave the credit union. The notice should state the reason for the resignation and give the date of departure. To ensure an orderly transition, the following time period should be followed:
    - (1) **All Employees.** At least 2 weeks' notice is requested (but not required) to be provided. (Vacation days generally may not be included in the 2 week period.) If the employee provides oral rather than written notice, the employee's Manager should request a written resignation to be signed by the terminating employee.
    - (3) **Withdrawal of Resignation.** A withdrawal of resignation may not be allowed without the permission of Management.
  - b) **Discussion With Resigning Employee.** When an employee decides to leave and it is determined that an effort should be made to convince him/her to stay, Human Resources and/or

the appropriate Manager should arrange an immediate meeting. Employment alternatives can be discussed and problems may be resolved. In other instances, an exit interview should be conducted as outlined below.

- c) Absent Without Notice. As allowed by law, an employee will be considered as having voluntarily resigned in the following situations:
    - (1) Absence from work without notice for 2 days;
    - (2) Failure to return from a leave of absence within 2 days of the date specified; or
    - (3) Failure to return to work within 2 days as scheduled after being recalled from layoff.
  - d) Failure to Give Advance Notice. Employees failing to give proper advance notice may be ineligible for reemployment and may forfeit certain benefits if not formally accrued.
  - e) Employee Appeal of Job Abandonment. In extenuating circumstances relating to job abandonment, an employee may submit a written appeal for consideration. As appropriate, the employee may be reinstated.
2. Involuntary Termination Procedures. As an at-will employer, Resource One Credit Union may terminate an employee at any time, with or without warning or notice. When conducting an involuntary termination, Managers should observe the following recommendations:
- a) Confidentiality. Involuntary terminations should be dealt with privately and professionally.
  - b) Management Present. At least two members of Management should be present.
  - c) Short Meeting. The meeting should be brief (5-10 minutes) and should be controlled so that no opportunity to argue about the termination exists.
  - d) Clear Rationale. The basic reasons for the termination (the same as those documented in the employee file) should be explained. No vague, unsupported statements or opinions should be made.

- e) Information. As appropriate, information regarding benefits (such as COBRA) and other applicable credit union policies may be provided.
  - f) Documentation. A record of all that was said during the termination meeting should be completed and filed.
3. **Death of Employee**. A termination due to the death of an employee is effective as of the date of death. The Manager should notify Human Resources as soon as possible so that necessary benefits procedures can be initiated. (See Employee Serious Injury or Death.)
4. **Approval by Management**. All voluntary and involuntary terminations should be reviewed and approved by Human Resources. The Manager is responsible for all related paperwork which must also be reviewed by Human Resources. All separations should be fully documented and should include:
- a) Appropriate Support Information. Appraisals, corrective action documents, etc.;
  - b) Specific Incidents. Full documentation of detailed events that led up to the separation (as appropriate); and
  - c) Conclusions. The final reason(s) for separation.
5. **Exit Interviews**. An exit interview should be conducted with each terminating employee, generally during the last week of employment. Exit interviews should be utilized to obtain information that will promote better employee selection, placement, training, and managerial practices, and to retain the goodwill of the employee.
- a) During exit interviews, Management will use the Exit Interview Form to obtain and discuss the following information:
    - (1) Reasons for Termination. Record the employee's principal motivation and circumstances for leaving.
    - (2) Employee Feedback. Note complaints, criticisms, or suggestions that the employee may have regarding his/her position, Department, Manager, etc.

- (3) Benefits. Explain benefits available to terminating employees, including COBRA.
    - (4) Resource One Credit Union Property. Ensure that credit union property (keys, credit cards, etc.) and equipment have been returned.
    - (5) Confidentiality. As appropriate, remind the employee of his/her obligation to continue to protect confidential credit union information.
    - (6) Correct Address. Ensure that the employee's personal records (such as address) are current.
    - (7) References. Explain Resource One Credit Union's reference policy. (See Reference Requests.)
  - b) Two Resource One Credit Union union representatives should be present if the exit interview involves a particularly sensitive situation.
6. **Paychecks**. Employees who are discharged will be paid within 6 days of their termination date. Employees who voluntarily terminate employment will be paid by the next scheduled pay date. Final paychecks for deceased employees will be processed as required by state law.
  7. **Payment for Accrued PTO Leave**. Upon separation of employment, employees may be paid accrued but unused PTO hours, up to a maximum of 40 hours, after the completion of one (1) year of service. Employees who have completed five (5) plus years of service, may be paid up to 80 hours of accrued but unused PTO hours. Employees are required to provide the credit union with at least a two (2) weeks' notice of resignation, and must actually work according to his/her regular schedule during the entire notice period, in order to be paid accrued PTO hours upon resignation.
  8. **Severance and Release**. At Management's discretion, severance pay may be provided to terminating employees and a release of legal claims may be obtained. (See Severance Pay.)
  9. **Procedures are Guidelines Only**. The credit union reserves the right to alter these procedures at any time. AS AN AT-WILL EMPLOYER, THE CREDIT UNION MAY TERMINATE EMPLOYMENT AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT PRIOR NOTICE.

10. **Non-Discriminatory Terminations.** As part of our Equal Employment Opportunity (EEO) commitment, all terminations will be conducted on a non-discriminatory basis.

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## **Chapter 6000**

### **EMPLOYEE RESPONSIBILITIES**

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- 6010 Appearance and Grooming**
- 6020 Attendance and Dependability**
- 6030 Communication and Computer Security**
- 6040 Confidentiality**
- 6050 Conflicts of Interest**
- 6060 Drugs and Alcohol**
- 6065 Fraud**
- 6070 Employee Conduct and Work Rules**
- 6072 Personal Finances**
- 6075 Personal Financial Transactions**
- 6080 Personal Property, Searches and Inspections**
- 6100 Safety**
- 6110 Smoking and Other Tobacco Use**
- 6115 Social Media**
- 6120 Solicitation and Distribution Activities**
- 6150 Whistleblowing: Reporting Serious Inappropriate Conduct**
- 6160 Workplace Violence**

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## Section 6010 Appearance and Grooming

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### General Policy Statement:

Service and professionalism are what separate Resource One Credit Union from its competition. The nature of our business demands that an employee's appearance reflect an appropriate professional image and be consistent with an employee's particular duties. All employees are expected to conform to Resource One Credit Union's dress and grooming standards.

### Guidelines:

1. **Clothing Appropriate to the Work.** Dress, grooming, and hygiene should be appropriate to the nature of work, degree of member contact, expected business standards, and the need to maintain job safety.
2. **Expected Attire.**
  - a) **Employees with Public Contact.** Employees who frequently interact with the public are expected to be professionally dressed and to convey a positive Resource One Credit Union image. Employees should present an appearance consistent with accepted standards within the industry.
    - (1) **Women.** Appropriate dress for women includes dresses, skirt/pants suits, slacks, blouses, sweaters,, khaki/Docker type pants, and golf/polo-type shirts. The length of a dress or skirt should not hinder any duty assigned by the supervisor. Appropriate footwear is also expected. Resource One Credit Union logo wear may also be worn..
    - (2) **Men.** Appropriate dress for men includes suits, slacks, dress shirts, banded-collar shirts, sport coats/blazers, khaki/Dockers type pants, golf/polo-type shirt. Ties are optional and socks must be worn with the appropriate footwear. Resource One Credit Union logo-wear may also be worn..
3. **Prohibited Attire.** Extreme, immodest, or revealing attire is not

permitted. Prohibited attire includes Denim (except when approved by Management), flannel shirts, athletic wear, t-shirts, halter tops, tank tops, spaghetti straps, shorts, skirts, leggings, flip flops/sandals/thongs, canvas shoes, or sneakers (except when approved by Management).

4. **Special Dress Standards.** As designated by Management, specific dress standards may be required of employees in some positions.
5. **Casual Dress Days.** On designated "casual dress days" employees may wear more informal attire than usual. Informal attire includes: Jeans with tucked in, button down credit union logo attire. Any other attire as approved by Management. However, employees are still required to wear modest, neat, and clean clothing.
6. **Grooming.** Good personal hygiene is absolutely essential. Employees are expected to be clean, neat, and well groomed.
  - a) **Perfume.** Employees should avoid excessive perfume, cologne, or other fragrances.
  - b) **Hair.** Extreme hair styles or colors are not appropriate for business. Hair, beards, and mustaches must be kept neat, clean, and controlled.
  - c) **Personal Hygiene.** Employees whose personal hygiene presents a problem or concern will be so advised by their immediate Manager. It will be the employee's responsibility to take appropriate action to correct the problem.
7. **Excessive Jewelry, Body Piercing and Tattoos.** The following items are not allowed: facial jewelry, such as eyebrow rings, nose rings, lip rings, and tongue studs are not permissible. Torso body piercings with visible jewelry that can be seen through or under clothing may not be worn during business hours or company events. Management reserves the right to ask an employee to remove or cover any tattoo or body art that is deemed inappropriate for the workplace.
8. **Dress Outside the Credit Union.** Employees who travel on credit union business, attend business-related seminars and/or training programs, or whose business takes them outside of the office are expected to continue to adhere to Resource One Credit Union dress standards.

9. **Corrective Action**. Improperly groomed or dressed employees will be subject to corrective action including termination. Where necessary, such employees will be sent home to comply with established standards. Nonexempt employees will not be paid for missed work under such circumstances.
  
10. **Contact Human Resources**. An employee who seeks a religious accommodation because he/she believes that religious beliefs conflict with a dress code should meet with his/her Manager or Human Resources to discuss the issue. (See EEO). Employees who have questions or concerns regarding our dress and grooming policies should contact Human Resources for further information.

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## Section 6020 Attendance and Dependability

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### General Policy Statement:

Absenteeism and tardiness burden co-workers, disrupt business operations, and reduce the quality of member service. Therefore, good attendance, punctuality, and dependability are required of all employees. Attendance and tardiness problems will result in corrective action, up to and including termination.

### Guidelines:

1. **Resource One Credit Union Expectations.**
  - a) **Punctuality.** Employees are expected to be at work and to return from breaks as scheduled.
  - b) **Responsibility.**
    - (1) Employees should be at their work stations, ready to work at their scheduled time.
    - (2) Employees are not permitted to leave before their scheduled quitting time, unless specifically authorized by the Manager.
    - (3) Employees are expected to work any assigned overtime. (See Overtime.)
2. **Notification of Absence/Tardiness.** Employees are responsible for giving their Manager as much advance notice as possible of anticipated tardiness, absence, or of the need to leave early.
  - a) **Reason For Absence and Return Date.** Employees should explain the reason for the absence or lateness and when they will return to work. Employees should personally notify their Managers on a daily basis unless a return to work day has been established or an alternate arrangement has been established.
  - b) **Personal Notification Required.** Employees should

personally notify their Manager, calling at least 30 minutes before their scheduled starting time, if they will be absent or late. Leaving a voice mail message or having someone call for the employee (except in unusual circumstances) does not satisfy this requirement.

- c) Responsibility to Contact Another Manager. Employees should notify another Manager or Human Resources if they are unable to contact their Manager. Notifying another employee is not acceptable.
  - d) Extenuating Circumstances. Consideration will be given in extenuating circumstances that prevent an employee's giving timely notice.
3. **Health Certification.** Documentation of medical condition and/or suitability for work may be required in certain situations. At Management's discretion, additional medical opinions may also be requested. Additional opinions requested will be obtained at credit union expense. The following circumstances are examples which may warrant medical certification:
- a) Sickness or Injury. The employee is absent from work as a result of illness or injury. (See Paid Time Off.)
  - b) Return From Leave. The employee is returning from a health related leave of absence. (See Leave policies.)
4. **Serious Illness or Injury.** Absences resulting from serious illnesses or injuries, supported by medical certification, will be given special consideration. During such absences, employees should maintain regular contact with their Managers regarding their conditions and anticipated return.
5. **Emergency Closing.** Severe weather, natural disasters, power outages, and other emergencies may require the closing of credit union facilities. As allowed by federal and state law, time off due to emergency closings or shortening of hours is unpaid. Where possible, with managerial approval, nonexempt employees may be allowed to "make-up" work hours missed due to such closings.
6. **Make-up Time.** Employees may not work extra hours to make-up missed work time without the Manager's permission. "Make-up" work should occur infrequently and not be utilized as a tool to compensate for frequent tardiness or excessive absences. Make-up time is also not appropriate where it would create an overtime

situation.

7. **Leaving Credit Union Premises.** Employees must receive managerial permission before leaving the workplace during working hours.
8. **Absent Without Notice.** An employee who has been absent for 2 days without providing appropriate notice to his/her Manager will be considered to have voluntarily terminated. See Termination Policy, Absence Without Notice paragraph for more information.
9. **Manager Responsibility.** Managers have primary responsibility for monitoring and promoting good employee attendance.
  - a) **Records.** Records of daily attendance should be accurate and current. Employees' attendance records should be reviewed periodically and included as part of the performance appraisal. Absenteeism and lateness may reduce an employee's opportunities for advancement and compensation increases.
  - b) **Follow-up Discussion.** If appropriate, a Manager should meet with an employee to discuss attendance problems.
    - (1) **Documentation.** The Manager should document the discussion and record the dates and reasons for the absences or tardies.
    - (2) **Verbal or Written Warning.** The Manager should remind the employee of credit union attendance policies and if necessary, warn that continued problems will result in further corrective action, including termination.
  - c) **Tracking Problems.** In determining whether there is an attendance problem, Managers should consider the employee's:
    - (1) Reasons for past absences;
    - (2) Length of service;
    - (3) Level of past and present performance;
    - (4) Attendance pattern in past years; and
    - (5) Current attendance record, and the duration and

frequency of absences.

- d) Ensuring Employee is Ready to Work. Managers should ensure that employees are properly dressed, and prepared to work. Employees unable or not prepared to work should be sent home. Nonexempt employees may not be paid for missed work under such circumstances.
10. **Corrective Action.** Violations for which corrective action may be taken include:
- a) Failure to notify the credit union of any absence or delay;
  - b) Excessive absence;
  - c) Excessive tardiness;
  - d) Leaving work before the designated quitting time without permission;
  - e) Lying about reasons for absence; or
  - f) Discernible patterns of absence or lateness (e.g., Mondays, Fridays, or absence following holidays).
11. **FMLA and ADA.** Absences taken in accordance with the Americans with Disabilities Act (ADA), the Family and Medical Leave Act (FMLA), and similar leaves will be treated according to the terms of those Acts.

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## **Section 6030**

### **Communication and Computer Security**

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#### **General Policy Statement:**

Communication and information systems (telephone, cell phone, fax, computers, laptops, email, voicemail, Internet, Intranet, etc.) are provided for business purposes. All computer equipment, peripherals, and software are Resource One Credit Union property and are provided for business purposes. All communications or information stored or transmitted using credit union equipment is the sole property of Resource One Credit Union. Communication equipment should be used properly, efficiently, and in accordance with Resource One Credit Union policy. We are concerned that all communications maintain our reputation, confidential information, and integrity. At the same time they must minimize legal risks and disruptions. Therefore, it's important to note that Resource One Credit Union rules and standards apply to all communications using Resource One Credit Union communication and information systems.

The integrity of our computer resources is extremely important to the successful operation of our business. Proper use and control of computer resources is the responsibility of all employees. Therefore, employees should also be aware that any work completed on Resource One Credit Union computers is subject to monitoring and review and that they should have no expectation of privacy regarding this information. The use of communication systems must conform to all credit union policies and work rules.

Intentional or reckless violation of established policies or improper use of our computers, data, or programs will result in corrective action up to and including termination. Additionally, employees involved in member support and programming which involves access to Resource One Credit Union products and client data are held to the highest professional standards of confidentiality, security, and service to our members.

For additional and more specific information regarding Resource One Credit Union's communication and computer security policies, please reference the Information Security User Guidelines.

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## Section 6040 Confidentiality

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### General Policy Statement:

Resource One Credit Union's business information (which includes member data) should not be communicated outside the credit union except as necessary in the ordinary course of business. Confidential information should only be shared within Resource One Credit Union and only with those employees who have legitimate business related needs. All information related to members, employees, credit union records, financial information or other sensitive information is considered to be confidential information. The inappropriate release of confidential information, either internally or externally will result in corrective action, including possible termination and/or legal action.

### Guidelines:

1. **Application of Policy.** The terms of this policy apply to all employees, contractors, and agents as well as any individual who obtains access to confidential information as the result of training, education, auditing, investigations, or other activities, regardless of where such activities take place.
2. **Examples of Confidential Information.** Confidential information may include, but is not limited to:
  - a) Member records, data, personal and other member business information;
  - b) Verbal discussions related to members that may be overheard;
  - c) Information contained in human resource files;
  - d) Sensitive employee information such as corrective actions, EEO charges, performance evaluations, or investigative actions;
  - e) Financial and statistical records;
  - f) Proprietary credit union information;

- g) Credit Union policies and procedures;
- h) Internal memos and communications not intended for public consumption;
- i) Marketing plans, sales figures, and pricing strategies;
- j) Strategic plans or other "material inside" information;
- k) Computer files and other information systems;
- l) Research and development material including proposed plans, ideas, or products; and
- m) Trade secrets.

3. **Management Responsibilities.**

- a) Identifying Confidential Information.
- b) Establishing Security Procedures. Managers are responsible to ensure that Department procedures are established and enforced for the control, security, maintenance, release, and destruction of confidential information.
- c) Training. Employees should be properly trained in confidential information procedures.
- d) Enforcing Standards. Adherence to confidentiality standards may be part of an employee's performance appraisal.
- e) Release of Information. Confidential information will not be discussed with anyone or released to anyone except those employees or members who have been approved to receive such information on a legitimate "need to know" basis.

4. **Employee Responsibilities.** Maintaining confidentiality is a condition of employment. All employees are responsible for acting with complete professionalism when discussing credit union business or handling credit union files or information.

- a) Refrain From Copying Confidential Information. Employees may not reproduce any confidential information except for the exclusive benefit of the credit union.

- b) Protect Information Away From Credit Union Property. Confidential materials carried off of credit union premises should be carefully safeguarded. Taking information either physically or mentally from the office for any purpose other than the benefit of the credit union is grounds for dismissal.
  - c) Guard Casual Conversation. Employees should ensure that conversations in restaurants or public places do not involve confidential credit union information. Employees should also avoid unnecessary disclosure of non-confidential information as well.
  - d) Surrender Confidential Materials Upon Termination. Upon separating from the credit union, employees have a responsibility to surrender any confidential written materials. It is also expected that confidentiality will be maintained after termination of employment.
  - e) Ensure Proper Storage and Filing. Employees should ensure that all confidential information is safeguarded by filing/storing it properly when it is not in use.
  - f) Refrain From Unnecessary/Unauthorized Use of Information. Employees should refrain from seeking or using information that they are not authorized to use and/or have no business reason to gather, including information regarding members' accounts.
  - g) Employee Rights Under the NLRA. Our Confidentiality policy is not intended to interfere with employees legal rights to engage in concerted, protected activities involving the terms and conditions of employment.
5. **Requests for Information and Reference Checks Must be Submitted to Management.** Release of confidential information to any outside individual, credit union or agency requires the prior authorization of Management. All outside requests for confidential information must be immediately referred to Management. Requests for references will be handled in accordance with the established Reference Policy. (See Reference Requests.)
6. **Corrective Action.** Any violation of the confidentiality standards established in this policy will result in corrective action, up to and including termination, even if the employee does not actually benefit from the disclosed information.



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## Section 6050 Conflicts of Interest

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### General Policy Statement:

Resource One Credit Union recognizes the right of employees to participate in private activities outside their employment which are unrelated to our business. However, employees are hired and continue their employment with the understanding that Resource One Credit Union is their primary employer and that other employment or business involvement which conflicts with our business interests or the interests of our members is strictly prohibited. If an activity is contemplated which could result in a real or perceived conflict of interest, the employee must make full disclosure of the activity to Management for prior review and approval.

### Guidelines:

1. **General Examples Are Illustrative Only.** The following Code of Ethics sets forth general principles which both guide and protect employees and which contain broad examples outlining expected employee behavior. Since it is impractical to address all possible ethical issues, specific questions about the propriety of conduct or business relationships should be brought to Management's attention.
2. **Employee Integrity.** Employees of our credit union have, as their first duty, to conduct themselves in a manner deserving of public trust and confidence, both on and off the job. Our credit union's reputation for excellence and fairness in our business activities is built upon each individual's ethical conduct. We expect all of our employees to conduct themselves with utmost integrity and at the highest of ethical standards at all times.
3. **Employee Inventions.** Some employees may develop or invent new products, software, processes or other intellectual property during employment or arising out of our employment relationship. As a condition of employment, the credit union retains exclusive ownership of such inventions, improvements, software, and other work created during employment or which arises out of our business.

Employees must promptly inform their Managers of each invention,

software development, improvement, discovery, related documentation or other work creation. They are also obligated to assist the credit union, without further compensation, in obtaining patent, copyright or other legal protection. However, such inventions remain credit union property whether or not they are otherwise legally protected.

4. **Employee Conflicts of Interest.** To maintain independence of judgment, employees (and their families and household members) must avoid any potential conflict or appearance of compromise that might arise because of economic or personal self-interest. Potential conflicts of interest include:
  - a) Outside Activities Which Negatively Impact the Credit Union. An employee's outside business activities compete or potentially could compete with the credit union or such activities could damage or impede credit union business.
  - b) Inappropriate Use of Credit Union Connections. An employee's business interests might benefit because of access to credit union information or through credibility associated with employment at the credit union.
  - c) Business Transaction Involving Personal Business, Family, Friends, and Associates. Such transactions should be referred to Management and the potential conflict of interest should be disclosed.
  - d) Improper Personal Benefits. The employee, his/her family, or friends personally benefit, either directly or indirectly, because of actions taken by the employee on the job, including profiting from the sale of goods or services.
  - e) Business Interest in Member/Supplier Connection. An employee represents the credit union in a business dealing with a member/supplier where the employee holds an interest in the member's/supplier's business.
  - f) Purchase of Credit Union Assets. An employee purchases an asset from the credit union without appropriate Management approval.
  - g) Use of Credit Union Facilities, Equipment, or Supplies for Personal Activities. An employee uses credit union equipment, supplies, or facilities for his/her personal benefit or for the benefit of an outside credit union.

- h) Providing Inappropriate "Discounts" to Select Accounts. An employee waives/reduces credit union income relating to accounts where a conflict of interest may exist.
  - i) Diversion of Business Opportunities for Personal Gain. An employee diverts for personal gain, any business opportunity from which our credit union may profit.
  - j) Transactions Involving Vendor and Business Associates. Transactions involving vendors and other business associates must be conducted at "arms length" to ensure that even the appearance of a conflict of interest does not exist.
  - k) Processing Personal Transactions. Processing personal transactions to an employee or family or household member's account.
  - l) Biasing Financial or Other Business. Using a position at the credit union to improperly interfere with or unfairly bias business decisions or other financial analyses.
  - m) Developing Inappropriate Relationships. Developing a relationship with a member or other business contact which may jeopardize an employee's independent judgment.
5. **Appearance of a Conflict of Interest.** The appearance of a conflict of interest may be just as damaging to the credit union's reputation as an actual conflict. All employees should objectively examine their actions periodically so that an outside observer (such as a member, government agent, vendor, or other employee) would have no reason to believe that a conflict of interest might exist.
6. **Gifts Received From External Contacts.** Employees and their families and friends are prohibited from accepting anything of value (including gifts or cash) from outside business contacts. These exchanges may be seen as attempts to unduly influence business relationships.
- a) Discourage Gifts. The employee is responsible to tactfully discourage such gifts.
  - b) Manager Informed. Employees given gifts of more than nominal value must inform their Manager immediately. All such cases will be subject to final review by Management, who will approve any exceptions in writing.

- c) Unacceptable Gifts. Examples of inappropriate gifts or favors include:
    - (1) Expensive entertainment;
    - (2) Free or discounted travel or vacation facilities;
    - (3) Free or discounted services or equipment;
    - (4) Loans;
    - (5) Clothing, jewelry; or
    - (6) Any gift with a total value of \$50 or more. Any exceptions must be approved by Executive Management.
  
  - d) Acceptable Gifts (Exceptions to the Gift Rule). Nominal gifts are acceptable when it is clear that:
    - (1) The intent is not to try to exert any influence over credit union transactions;
    - (2) The gift is unsolicited; and
    - (3) The gift is a customary business courtesy. Employees may accept typical business gifts of minimal value such as lunches, plants, pens, Christmas candy, or inexpensive entertainment.
  
  - e) Personal Gifts. Employees may also accept gifts or favors based on clearly identifiable family or personal relationships, under circumstances motivated by the relationship rather than business interests.
7. **Gifts Given to External Contacts.** No employee may offer an external business contact a valuable gift in an effort to seek a favorable result for the credit union or for any personal interest. It is accepted and appropriate practice to give gifts of minimal value (see 6d) above), but expensive gifts should not be given to members or potential members. (See Business Entertainment and Gifts.)
8. **Outside Employment.** Employees are expected to devote full-time attention and energy to their positions at our credit union. No

outside employment or consultation is permitted which would impact job performance, encroach on working time, interfere with regular duties, or involve or appear to involve a conflict of interest. (See Outside Employment.) Any exception to this policy must be approved by Management.

9. **Outside Board of Directors.** Employees are generally prohibited from serving on the Board of Directors of any organization that has dealings with the credit union.
  
10. **Financial Interest Disclosure.** Employees (or their families) must completely disclose financial interests held in any credit union which may be considered a competitor or business contact of the credit union. If Management concludes that a real or perceived conflict of interest exists, appropriate action to resolve the conflict should be taken.
  - a) **Full Disclosure of a Financial Interest.** The following should be included in the written disclosure of a financial interest:
    - (1) A detailed description of the personal interests of the employee or his/her immediate family;
    - (2) A full financial disclosure of all costs, commissions, and/or profits in any proposed or ongoing transactions; and
    - (3) Identification of any potential or proposed transaction which may adversely affect the employee's job performance or create any real or perceived conflict of interest.
  
  - b) **Ongoing Monitoring.** Managers of employees who are engaged in approved outside business activities must maintain an ongoing review of the situation to ensure that changed circumstances do not create violations of this policy.
  
  - c) **Diversion of Profits.** Employees may not divert for personal gain any business opportunity from which the credit union may profit, unless the credit union has decided not to pursue the opportunity. However, even in instances where the credit union has chosen to forgo a business transaction, an employee must make full disclosure of his/her intentions to Management to ensure that no conflict of interest is created.

11. **Other Outside Activities.**
- a) **Participation in Community Activities.** Employees are encouraged to participate in charitable, religious, educational, and community nonprofit activities. Management supports participation in such activities so long as employee job performance is not affected. However, unless approved by Management, credit union supplies and equipment should not be used to solicit financial support or provide other assistance to community organizations. (See Involvement in Community/Political Activities.)
  - b) **Political Involvement.** Management believes that it is important for employees to take an active interest in political and governmental affairs. All such involvement, however, must be undertaken during personal time and not as representatives of the credit union unless it is a credit union sponsored event. Political contributions (including cash, goods, or services) may not be made in behalf of the credit union without prior Management approval. (See Involvement in Community/Political Activities.)
  - c) **Seeking Political Office.** Employees who desire to run for a political office should discuss this intent with Management to ensure that a conflict of interest would not be created and that political activities would not adversely affect job performance. In political matters and community affairs, personal viewpoints and activities should not be attributed to the credit union. Personal activities must be clearly separated from credit union business.
12. **Non-Business Relationships.** Personal relationships with credit union competitors, suppliers, regulators, and other government officials are discouraged. Such relationships are clearly improper if they can be reasonably construed by others as influencing or obligating the employee in current or future business dealings or as attempts to improperly influence others.
13. **Employee Rights Under the NLRA.** Our Conflicts of Interest policy is not intended to interfere with employees' legal rights to engage in concerted, protected activities involving the terms and conditions of their employment.
14. **Reporting Violations.** Employees are required to report to Management all violations or suspected violations of this Code of Ethics. All reports will be handled professionally and as

confidentially as possible.

15. **Corrective Action.** The guidelines established in this section should be taken very seriously. Employees who breach or disregard the conflict of interest/ethics policy will be subject to corrective action including termination.
16. **Relatives and Friends Defined.** For purposes of this policy a "relative" or "friend" is anyone whose relationship is included under the Hiring of Relatives section of this manual or who has a significant and closely held relationship.
17. **Related Policies.** See Involvement in Community/Political Activities.

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## Section 6060 Drugs and Alcohol

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### General Policy Statement:

Resource One Credit Union has a strong commitment to maintaining a drug-free, healthy, and safe workplace. Consistent with the spirit and intent of this commitment we have established this policy regarding substance abuse. All employees (including Management) will be required to comply with the guidelines of this policy as a condition of employment. Failure to comply will result in corrective action up to and including termination. Nothing in this policy is intended to suggest that employment with Resource One Credit Union is other than employment-at-will. A copy of our employee drug and alcohol policy will be distributed to employees and will be available for review by prospective employees at various Resource One Credit Union locations.

### Guidelines:

1. **Workplace Prohibitions.** The following acts are strictly prohibited while on credit union property or work sites, while conducting credit union business off-premises (regardless of location) or while operating any credit union vehicle, equipment, or private vehicle on credit union business.
  - a) **Illegal Drugs, Alcohol, and Non-Prescribed Controlled Substances.** The credit union prohibits the buying, selling, transportation, possession, distribution, consumption, or use of illegal drugs, alcohol, or controlled substances not required by a physician's prescription on credit union premises, while on credit union business, or at any time during working hours.
  - b) **Use of Illicit Drugs, Alcohol, or Non-Prescribed Controlled Substances.** The credit union further prohibits the consumption or use of illegal drugs, alcohol or controlled substances not required by a physician's prescription off credit union premises or during non-working hours where such use might, in the credit union's judgment:
    - (1) Impair the employee's work performance;
    - (2) Affect the safety and welfare of other employees on

the job; or

(3) Otherwise interfere with the credit union's interest.

c) Use of Prescription Drugs. The use of controlled substances in accordance with a physician's prescription will not be the basis for corrective action by the credit union unless, (as allowed by law), the credit union determines that such use might impair the individual's work performance or threaten safety.

2. **Testing**. The credit union respects employees' rights of privacy while recognizing our responsibility to provide a safe work environment for all employees and the public. Therefore, the credit union reserves the right to conduct drug tests on any employee or applicant, at any time, unless prohibited by law.

a) Pre-Employment. A prospective (post offer/pre-employment) employee may be required to submit to testing for controlled substances as a condition of employment. As a condition of employment, an employee must sign a consent form agreeing to be tested for drugs.

b) Current Employees. The credit union may require, and an employee must submit to, testing for controlled substances and alcohol whenever the credit union has reason to believe that the employee has violated the policies set forth in Section 1, or for the following purposes:

(1) Impaired Performance. All employees are expected to report to work in appropriate mental and physical condition. The influence of drugs and alcohol can reduce efficiency and productivity, and may create a disruptive working environment. Employees may be required to undergo immediate evaluations under various circumstances including, but not limited to:

(a) Investigation of possible individual employee impairment or inability to perform essential job functions;

(b) Investigation of accidents and injuries in the workplace or incidents of workplace theft;

(c) Maintenance of safety for employees or the general public;

- (d) Maintenance of productivity, quality of products or services, or security of property or information; or
      - (e) Compliance with regulations mandated by federal or state government.
    - (2) Random Testing. The credit union reserves the right to institute random testing of employees as allowed by law.
    - (3) Signed Acknowledgment. All employees should be given copies of the Drug and Alcohol policy and should sign forms acknowledging that they have received and read the policy and consent to testing under its terms. The signed acknowledgment should be kept in each employee's human resource file.
    - (4) Compensation For Test Time. Any drug or alcohol testing shall be deemed "hours worked" for compensation and benefits purposes. Further, the credit union will pay all costs associated with testing.
  - c) Management. Management personnel will be tested under the same circumstances as employees.
3. **Confidentiality**. All information, interviews, reports, statements, memoranda, or test results received by the credit union through controlled substance and alcohol testing are confidential communications kept apart from regular human resource records and will be processed through the office on a "need to know" basis. Such information will only be used in a proceeding related to a corrective action taken by the credit union or in defense of any action brought against the credit union.
4. **Collections and Testing**.
- a) Standard Laboratory Procedures. All sample collection and testing for controlled substances or alcohol shall be performed in accordance with standard laboratory operating procedures as mandated by applicable law and in such a manner as to reasonably preclude contamination, adulteration or erroneous identification of test results.
  - b) Tests Required. Controlled substance testing will be by the

Enzyme Multiplied Immunoassay Test ("EMIT") or a gas chromatographic procedure or any other scientifically accepted testing method the credit union may determine. If the initial test is positive, a confirmatory test will be done.

- c) Alcohol Testing. The credit union will test for alcohol by urinalysis or any other scientifically accepted method the credit union may determine.
  - d) Identification Required. To ensure reliability, the credit union will require presentation of reliable identification to the person collecting the samples.
  - e) Employee Information. An employee or prospective employee will be permitted to provide notification of any information which he or she considers relevant to the test, including identification of currently or recently used prescription or non-prescription drugs, or other relevant and medical information.
  - f) Refusal to Submit to Testing. If any employee refuses to submit to the drug or alcohol screening test or tests, such refusal may result in corrective action up to and including termination. If any prospective employee refuses to give written consent to a drug and/or alcohol screening test or tests, such refusal may result in the credit union's failure to take any further action toward employment.
  - g) Privacy. Testing shall be conducted under secure conditions and with due regard for the privacy of the individual being tested.
5. **Corrective Actions.** Any violation of this policy including receipt of a confirmed positive drug or alcohol test result, tampering with evidence or an employee's or applicant's refusal to provide a test sample, may, at the credit union's discretion, result in corrective action up to and including termination. Possible corrective and rehabilitation actions include, but are not limited to:
- a) Withdrawal of a job offer to a prospective employee;
  - b) Suspension with or without pay;
  - c) Termination;
  - d) Requirement of employee enrollment (at his/her own

expense) and successful completion of a rehabilitation, treatment, or counseling program approved by the credit union;

- e) Additional and ongoing drug and alcohol testing as a condition of employment; and/or
- f) Other corrective actions in accordance with credit union policies and procedures. (See Corrective Action.)

Resource One Credit Union reserves the right, at its sole discretion, not to follow the corrective actions stated above.

6. **Searches**. All employee searches should be conducted by at least two credit union representatives and must be approved in advance by Human Resources. Any illegal substance confiscated will be turned over to the appropriate legal authorities for further investigation. As allowed by law, Management or other authorized personnel may conduct searches and surveillance of:

- a) **Credit Union Property**. Employees may have no expectation of privacy on credit union property. Credit Union property includes, but is not limited to grounds, facilities, equipment, furniture, storage areas, vehicles, etc.
- b) **Employee's Person and Personal Property**. Personal property includes any employee belongings (including vehicles) located on credit union premises. An employee who fails to cooperate in a search investigation will be subject to corrective action.

7. **Manager Responsibility**.

- a) **Reporting**.
  - (1) **Suspicious Behavior**. Managers have a responsibility to immediately inform Human Resources of any employee exhibiting peculiar or suspicious behavior which may indicate a substance abuse problem. Such behavior may include unsteady gait, slurred speech, excess absenteeism, declining productivity, on-the-job accidents, or arguments with members or co-workers.
  - (2) **Suspected Drug or Alcohol Activity**. Managers must also immediately report any other suspected drug or

alcohol related activity in the workplace.

- b) Documentation, Not Investigation. Managers should not discuss their suspicions with other employees and should not conduct their own investigations. The Manager's role is to document job performance and not to determine underlying causes.
- c) Human Resource Evaluation. Human Resources will conduct a confidential and professional investigation and decide whether an employee should be:
  - (1) Removed from service;
  - (2) Required to undergo a medical exam; and/or
  - (3) Screened for drugs and alcohol.

8. **Employee Responsibility**. Any employee who has a reasonable suspicion of a violation of this policy or observes prohibited substance use/abuse by another employee should contact Human Resources or his/her Manager immediately. The suspicion **should not** be discussed with any other employee and the investigation will be undertaken at the discretion of Human Resources.

9. **Counseling and Treatment**. Employees with alcohol or drug-related problems are encouraged and in some instances required to participate in counseling and treatment.

- a) Confidentiality. Counseling for dependency or other drug related problems is considered confidential.
- b) Counseling Will Not Prevent Appropriate Corrective Action. Employees will not be penalized for seeking counseling. However, counseling and treatment do not shield employees from the consequences of poor performance or misconduct. Participation in counseling or rehabilitation programs will not:
  - (1) Protect an employee from appropriate corrective action, or
  - (2) Relieve an employee of the responsibility to perform assigned duties safely, efficiently, and to meet established performance standards required of all employees.

10. **Use of Alcohol for Business-Related Events.** The use or presence of alcoholic beverages on credit union premises is strictly prohibited, except when approved by Management for special business related events or entertainment. All employees are expected to behave responsibly and to observe state liquor laws regarding age and motor vehicle operation.
11. **Employee Notification of Drug Conviction.** As applicable under the Drug-Free Workplace Act, all employees who are convicted of any criminal drug or alcohol violation occurring in the workplace must report the conviction to Human Resources within five (5) days.
12. **Drug and Alcohol Policy Not a Contract.** The credit union reserves the right to change this Drug and Alcohol Policy at any time for any reason. **Additionally, the policy is not a contract and does not limit or change the credit union's employment-at-will policy.**

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## **Section 6065 Fraud**

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### **General Policy Statement:**

Resource One Credit Union considers fraud or dishonesty on the part of its employees as unacceptable conduct and cause for immediate termination of employment.

### **Guidelines:**

1. Acts which are considered to be either fraudulent or dishonest include, but are not limited to, the following:
  - A. Manipulation of credit union records or documents and member information, including, but not limited to information related to: loan accounts; documents; computer records; share drafts; share or investment accounts, time sheets, applications, check requests, reimbursement forms.
  - B. Theft of any kind regardless of who benefits, including stealing from members' accounts, overpayment of dividends, and creating fictitious loans.
  - C. Check kiting accounts (writing of checks when funds are not available).
  - D. Forgery.
  - E. Unauthorized use or request of funds.
  - F. Unauthorized or unapproved salary advances or overtime reimbursement.
  - G. Intentionally failing to secure collateral to properly record a security interest in collateral or pledging a member's shares as collateral without that member's permission.
  - H. Intentional violation of credit union rules, internal controls, regulations, procedures, work policies, or Code of Ethics.
  - I. Granting or requesting preferential treatment for ANYONE.

- J. Divulging confidential information without authorization.
  - K. Unauthorized transactions such as loans or unapproved funds disbursements.
  - L. Abuse of account and service privileges offered by the credit union.
  - M. Performing transactions on personal accounts or those of family members.
  - N. Manipulation of computer records, documents, or members accounts outside the normal scope of duties.
2. Claims of fraudulent or dishonest behavior will be investigated. Any employee found having committed fraud or the actions described above will be subject to immediate discharge.

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## Section 6070 Employee Conduct and Work Rules

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### General Policy Statement:

Employee conduct and work standards have been established to promote a productive and safe work environment. Behavior which fails to meet established standards or violates Resource One Credit Union's rules must be corrected and may be subject to disciplinary action, including termination.

### Guidelines:

1. **Employment-At-Will.** The expected conduct and work rules outlined below are merely examples of the types of behavior which may subject an employee to corrective action. Our credit union, as an at-will employer, maintains complete discretion over corrective action and termination policies and practices.
  
2. **Expectations.** All employees are expected to meet established performance and conduct requirements. While it would be impossible to compile complete lists of expected behavior and/or unacceptable conduct subject to corrective action, the following guidelines provide a general outline of expectations.
  - a) **Performance.** Employees are expected to perform their jobs efficiently, effectively, and in accordance with established procedures. The following are examples of performance misconduct which are subject to corrective action:
    - (1) Failure to meet quality standards and deadlines;
    - (2) Refusal to work overtime;
    - (3) Insubordination or failing to follow Manager directions or accept work assignments;
    - (4) Unprofessional conduct or rudeness to members or co-workers; and/or
    - (5) Violation of safety rules and failure to wear prescribed safety gear.

b) Attendance. Employees are expected to arrive at work on time, as scheduled and return from breaks promptly. Advance notification should be given to the Manager when the employee will be absent or tardy. (See Attendance and Dependability.) The following are examples of attendance misconduct which are subject to corrective action:

- (1) Excessive tardiness;
- (2) Excessive absences;
- (3) Leaving work early without permission; and/or
- (4) Unauthorized absence from work station during the workday.

c) Honesty and Integrity. Employees are expected to demonstrate honesty and candor in the conduct of all business activities, including observance of the spirit as well as the letter of the law. Utilization of credit union property, including financial assets, equipment, furniture, buildings, records, and information must be in accordance with the highest standards of integrity and trust. Employees are responsible for reporting any illegal or unethical actions of employees and non-employees to Management. The following are examples of behaviors subject to corrective action:

- (1) Willful or negligent damage, theft, or misuse of property;
- (2) Falsification of credit union records or documents (including time and absence records, employment applications, medical reports, work records, expense accounts, or other business records);
- (3) Failure to report injury or unsafe conditions, or to cooperate in credit union investigations;
- (4) Divulging confidential credit union information without authorization;
- (5) Unauthorized transactions; and
- (6) Use of credit union time or equipment for

unauthorized or personal purposes. (See number (4) below.)

- d) Behavior. Employees are expected to conduct themselves, both professionally and personally, in a manner that is consistent with the professional reputation of the business and to avoid any activities that might reflect adversely upon the credit union. The following are examples of inappropriate behaviors subject to corrective action:
- (1) Violation of dress and grooming code;
  - (2) Working under the influence of alcohol and/or illegal drugs;
  - (3) Possession, use, or sale of alcohol or illegal drugs at work or on credit union property;
  - (4) Using offensive, foul, or abusive language;
  - (5) Possession of guns, explosives, or other weapons on credit union property (In Texas, prohibition of firearms and ammunition on credit union property is expressly prohibited by state law. Employees may still be prohibited from possessing a firearm or ammunition in credit union facilities.);
  - (6) Fighting with or threatening fellow employees or non-employees;
  - (7) Harassment, bullying, or discrimination of any kind (including sexual harassment);
  - (8) Tobacco use in unauthorized areas;
  - (9) Pranks, or practical jokes that result in damage to credit union property or are detrimental to other employees;
  - (10) Conviction of a felony relevant to an employee's position or employee/credit union safety;
  - (11) Any willful or negligent act which endangers the safety, health, or well-being of another person;
  - (12) Misconduct or any act which disrupts work or

discredits the credit union;

- (13) Personal employee relationships that create significant problems including conflicts of interest, declines in productivity, employee discord, and potential charges of sexual harassment. Intimate Manager/subordinate relationships are strongly discouraged and will be subject to closer review and stricter standards; and/or
  - (14) Improper use of social media (See Social Media); and/or
  - (15) Violation of credit union policies.
- e) Workplace Violence. Our employees are entitled to work in a safe environment. Therefore, violence in our workplace will not be tolerated or condoned.
3. **Use of Credit Union Equipment Prohibited**. Borrowing credit union equipment for personal purposes is not permitted as items can be easily misplaced, damaged, or lost. When unusual circumstances arise, Management must be consulted for special permission.
4. **Employee Rights Under the NLRA**. Our Employee Conduct and Work Rules policies are not intended to interfere with employees' legal rights to engage in concerted, protected activities involving the terms and conditions of employment.

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## Section 6072 Personal Finances

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### General Policy Statement:

The integrity and reputation of Resource One Credit Union are critical to its growth and success. To ensure that our members are well served and that Resource One Credit Union assets and interests are safeguarded, employees, officials, and officers are held to particularly high standards both professionally and personally. All employees, officials, and officers are expected to conduct themselves and their financial affairs in a manner deserving of public trust and confidence that reflects favorably on Resource One Credit Union.

### Guidelines:

1. **Expected Employee Conduct.** Since the success of our credit union depends upon the public's trust, it is extremely important that employees, officials, and officers conduct their personal affairs so as to avoid discrediting or embarrassing themselves or our organization, or negatively impacting job performance.
  
2. **Personal Transactions with the Credit Union.**
  - a) **Same Standards and Programs as Members.** All employee accounts, loans, and other transactions (except for special employee discount programs) will be treated the same as those of any other member with regard to fees, account privileges, credit standards, collections procedures, and any other processing policy or procedure. (See Personal Financial Transactions.)
  
  - b) **Abuse of Account and Service Privileges.**
    - (1) Employees may not misuse credit union services by:
      - (a) Abusing overdraft protection or draft guarantees;
      - (b) Failing to make timely loan or fee payments; and/or
      - (c) Cashing funds at the credit union which are

returned for insufficient funds.

- (2) Employee accounts will be treated as other member accounts and violations may result in account closure. Flagrant abuse will be reviewed on a case-by-case basis and may result in termination.
3. **Garnishment.** An employee whose wages are garnished or assigned will be notified by Human Resources upon receipt of the assignment. If any additional assignments are received, and depending upon the circumstances of the case, the employee may be subject to corrective action as permitted by state law.
4. **Employee Bankruptcy.** An applicant or employee will not be denied employment or terminated solely because he/she has filed a bankruptcy petition.
5. **Disclosure of Employee Financial History.** An employee's personal financial information will not be disclosed to third parties without the employee's written consent or as required by law.
6. **Managers' Responsibilities.** Managers are responsible to provide advice and financial counsel to employees as requested and as is necessary.
7. **Related Policies.** See Personal Financial Transactions and Conflicts of Interest.

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## Section 6075

### Personal Financial Transactions

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#### **General Policy Statement:**

As a service and convenience, our employees are encouraged to transact their personal financial business with Resource One Credit Union. In some instances, as outlined below, free or discounted services are available to Resource One Credit Union employees. However, in no instance may an employee's personal transactions create a conflict of interest or potential conflict of interest. All transactions must comply with standard operational and accounting procedures and meet our established Code of Ethics.

#### **Guidelines:**

1. **Credit to Employees.**
  - a) **Rates and Standards.** Loans may be extended to employees, officials, and officers at the same rates and under the same credit standards as are applied to all members. In some limited circumstances, as outlined below, employees may receive credit union services at reduced rates.
  - b) **Loan Approval.** In all instances, loan applications are to be evaluated and approved under the credit union's established employee loan approval process. Officials, officers, and employees who benefit directly or indirectly from a loan from the credit union may not participate in the approval process. All loans are subject to the same review standards and conditions that all credit union applicants must satisfy.
  - c) **Board and Committee Members.** Regulations require Board approval of certain loans and extensions of credit and prohibit preferential treatment, loan terms, and loan rates.
2. **Discounted Employee Benefits.** Employees are provided the following credit union services at either no charge or reduced rates. Limitations may apply and services are subject to change. Current fees waived for employees include:

Account statement copy fees, Account closure within 90 days of

opening fee, Account research fee, All monthly service charges, ATM fees, Collection drafts fee, Copy of drafts fee, Domestic wire transfer (outgoing) fee, Draft printing charges, Gift card fee, Money order fee, Replace lost ATM card fee, Stop payment fee, Telephone transfers/withdrawals fee, Temporary draft fee, Western Union fee

3. **Overdrafts, Late Payments, and Other Fees.** Employees' account and financial privileges and benefits that are abused through overdrafts, late payments, over limits, or insufficient funds may be revoked at any time. Such employees may also be subject to corrective action. Overdraft charges, late payments, penalties, and any other collection fees will not be waived for employees, nor will payment deadlines be extended. The accounts and transactions of employees and Managers will be handled and processed in the same manner as those of any member.
4. **Arm's Length Transactions Required.** All transactions with employees, their friends, families, or business interests (other than the special discounted benefits listed above) must be at "arms length" and evaluated, approved, and administered under the same criteria and standards as are required for a financial transaction of any of our members. Terms, fees, rates, prices, purchases of repossessed property, foreclosures, etc. must be the same as those offered any member. Special approval of transactions with credit union insiders is required as outlined in the Policy and Procedures Manual.
5. **Account Transactions.** Officials, officers, and employees may not personally process or post entries to their own accounts, those of immediate family or household members, or on accounts where they act as a joint owner or co-maker. Examples of such transactions include:
  - a) Cashing checks;
  - b) Receiving or disbursing money or funds;
  - c) Processing loans or loan refinances or adjustments;
  - d) Corrections or adjustments of financial transactions;
  - e) Maintaining files; or
  - f) Providing credit ratings.



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## Section 6080

### Personal Property, Searches and Inspections

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#### **General Policy Statement:**

Resource One Credit Union will make reasonable efforts to assist employees in protecting their personal property while at work. However, Resource One Credit Union does not assume responsibility for its theft, damage, or disappearance. Other employees, members, and vendors may have access to employee work areas, consequently, employees should not keep valuable property or large amounts of cash at work. Additionally, to ensure workplace security and safety, all Resource One Credit Union facilities, property, and employees' personal property on Resource One Credit Union premises are subject to inspection upon request.

#### **Guidelines:**

1. **Employee Responsibility.** Employees are responsible for assisting with the general security of credit union property and work areas.
  - a) **Personal Property.** Employees should protect personal property brought to work. Such property should not be left unattended or in open sight. Damage or theft of personal property should be reported immediately to the Manager. Further, good judgment should be used when displaying personal items. Employees should ensure that such items are professional and do not hamper credit union functions or sales efforts.
  - b) **Unfamiliar or Suspicious Persons.** Employees should notify their Manager immediately of any unfamiliar or suspicious persons on credit union premises. Unfamiliar persons should be offered assistance and escorted to the appropriate area as required.
2. **Assigned Storage Areas.** Provided storage areas and work stations will remain under the credit union's control.
  - a) **Locks, Keys, and Lock Combinations Provided.** Locks, keys, and combinations for secured storage areas will be provided. Employees may not use their own locks.

- b) Credit Union Pass Keys. Management will hold pass keys to all secured areas as well as keys to file cabinets, desks, etc.
  - c) Passwords. While employees may use passwords to use computers and other tools, management maintains access to these credit union resources and may search them at any time.
3. **Searches and Inspections**. Occasionally, we may be required to conduct internal investigations relating to security, auditing, or work-related matters. Employees are required to assist and fully cooperate in the investigations. Resource One Credit Union reserves the right to inspect, without notice, all credit union property, equipment, storage facilities, and any employee personal belongings on credit union premises.
- a) Credit Union Owned Equipment. Employee computer files, voice mail, email, storage facilities, cabinets, desks, lockers, etc. are credit union equipment and are subject to inspection at any time.
  - b) Personal Property. Employee personal property is subject to inspection. Permission to bring briefcases, purses, packages, lunch boxes, personal vehicles or any other closed containers on credit union premises is conditional on the employee granting a right of inspection upon request.
  - c) Inspectors. Human Resources should be contacted prior to any inspection. At least two representatives of Management should conduct inspections and as practical, the affected employee may be present. The scope of the inspection should be limited to the business purpose for which it was conducted. Inspections should be conducted in the least intrusive way possible.
  - d) Illegal Possessions. Any illegal and/or unauthorized articles discovered may be taken into custody and/or turned over to legal authorities.
  - e) Corrective Action. Any employee who refuses to submit to a search, assist in an investigation, or is found in possession of prohibited articles will be subject to corrective action up to and including termination.
  - f) Non-Discriminatory. Inspections will be undertaken in a non-

discriminatory fashion, only when business related, and when there is a reasonable suspicion of a violation of credit union rules.

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## Section 6100 Safety

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### General Policy Statement:

Employee safety is important to Resource One Credit Union. Our goal is to prevent all occupational injuries and illnesses and to eliminate foreseeable hazards. We also seek to comply with all federal, state, and local safety, health, and environment regulations. Maintaining a safe and healthy workplace is the joint responsibility of Resource One Credit Union and all of its employees. The following safety policies have been established to enable us to achieve our goals.

### Guidelines:

1. **Human Resources' Responsibilities.** Human Resources is responsible for developing, implementing, administering, and evaluating the credit union's health and safety program.
2. **Managers' Responsibilities.** Managers have special responsibility through leadership and example to effectively implement this policy. Their responsibilities include:
  - a) Understanding all related policies and procedures;
  - b) Ensuring that all employees (especially new employees) are appropriately trained in health and safety issues;
  - c) Inspecting work areas regularly and identifying and reporting health or safety concerns;
  - d) Ensuring that all safety rules are implemented and that corrective action is taken immediately when an employee fails to follow a rule;
  - e) Providing all safety and health information to employees as required by credit union policy and applicable law;
  - f) Reporting all workplace injuries, illnesses, and accidents regardless of severity;
  - g) Ensuring that employees use only tools and equipment which they are fully qualified and authorized to use;

- h) Ensuring that employees use all safety equipment and prescribed adaptive devices; and
  - i) Participating in accident investigations as required.
3. **Employees' Responsibilities.** Employees have a responsibility for their own contribution to safety in the workplace. Their responsibilities include:
- a) Understanding all related policies and procedures;
  - b) Taking care to ensure individual workspaces are kept clean and free of debris that might cause a safety concern; and
  - c) Reporting all workplace injuries, illnesses, and accidents regardless of severity.
4. **Reporting of Injuries and Accidents.** Federal law (OSHA) requires that records of workplace injuries, illnesses, and accidents be maintained. Therefore all job-related injuries, illnesses, and accidents, regardless of severity, must be reported to Human Resources immediately. (See Medical Reporting and Health Certification.)
5. **Reporting of Unsafe Conditions.** All employees are responsible to immediately report any unsafe conditions or practices to their Managers, to Human Resources, or to any other member of Management. Reports may be made anonymously if necessary. Employees should also report all suspicious persons, potentially violent situations, or persons possessing any weapons. Visitor access to credit union facilities should be restricted and monitored.
6. **Employee Suggestions.** Employees often provide the best safety improvement ideas. Therefore, employees are strongly encouraged to submit suggestions to their Manager, Human Resources, or another member of Management.
7. **Use and Possession of Deadly Weapons.** No employee (other than authorized security personnel) may possess any deadly weapons (e.g., such as guns, knives, etc.) in credit union facilities, including in any vehicle in the parking lot (except where such a prohibition is expressly prohibited by state law. In the state of Texas the prohibition of firearms and ammunition on company property is prohibited. Employees may be prohibited from possessing firearms and ammunition in credit union facilities). This

weapons ban includes employees legally licensed to carry weapons. Employees who violate this policy will be subject to immediate corrective action up to and including termination.

8. **No Retaliation or Reprisal.** No employee may be discriminated against because he/she has reported any safety or health concern or has participated in a related investigation or proceeding. Retaliation in any form will not be tolerated.
9. **Corrective Action.** Employees who violate credit union safety policies may be subject to corrective action up to and including termination.

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## Section 6110 Smoking and Other Tobacco Use

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### General Policy Statement:

Resource One Credit Union is committed to providing a work environment which supports employee health and safety and credit union productivity. For the protection of all employees, and to ensure compliance with federal and state law, tobacco use is not allowed in Resource One Credit Union buildings including any work areas, break rooms, and hallways. Tobacco use includes: cigarettes, cigars, pipes, as well as smokeless tobacco products such as chewing tobacco or snuff. While the use of smokeless tobacco products may not directly affect the health of others, its use may be offensive to other employees or members. Employees who use tobacco should do so outside in authorized areas, at least 25 feet from the building during approved breaks and lunch periods. Visitors should also be asked to refrain from using tobacco in Resource One Credit Union buildings. All employees are expected to be courteous in respecting the needs and rights of others.

### Guidelines:

1. **Enforcement.** Managers are responsible for monitoring and ensuring compliance with tobacco use policies.
2. **Break Time Abuse.** Tobacco users are responsible to refrain from abusing break times. Employees who utilize their rest breaks to smoke or use other tobacco products should ensure that designated areas remain clean and that scheduled break times are not exceeded.
3. **Corrective Action.** Employees who violate this policy will be subject to appropriate corrective action up to and including termination.
4. **Human Resources Assistance.** Any tobacco use controversy that cannot be satisfactorily resolved by the individuals involved and/or their Manager should be referred to Human Resources. No retaliatory or adverse personnel action will be taken against an employee who exercises his/her rights under the tobacco use policy.

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## Section 6115 Social Media

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### General Policy Statement:

Resource One Credit Union understands that social media can be a fun and rewarding way to share life and opinions with family, friends, and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist employees in making responsible decisions about their use of social media, we have established these guidelines for appropriate use of social media.

This policy applies to all employees who work for Resource One Credit Union.

### Guidelines:

1. **Social Media Can Mean Many Things.** In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log, or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the credit union, as well as any other form of electronic communication.
2. **Employees Are Solely Responsible.** The same principles and guidelines found in the credit union policies and three basic beliefs apply to employee activities online. Ultimately, employees are solely responsible for what they post online. Before creating online content, employees should consider some of the risks and rewards that are involved. They should keep in mind that any conduct that adversely affects job performance, the performance of fellow employees, or otherwise adversely affects members, suppliers, people who work on behalf of the credit union or the credit union's legitimate business interests may result in disciplinary action, up to and including termination.
3. **Employees Should Know and Follow the Rules.** Employees should carefully read these guidelines, and the Employee Conduct & Work Rules, Communication & Information Systems, and

Harassment policies, and ensure postings are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may result in disciplinary action, up to and including termination.

4. **Employees Should Be Respectful.** Employees should always be fair and courteous to fellow employees, members, suppliers, or people who work on behalf of the credit union. Also, they should keep in mind that work-related complaints are more likely to get resolved by speaking directly with co-workers or by utilizing our Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if employees decide to post complaints or criticism, they should avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparages members, employees or suppliers, or that might constitute harassment or bullying.

Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation, or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion, or any other status protected by law or credit union policy.

5. **Be Honest and Accurate.** Employees should make sure they are always honest and accurate when posting information or news, and if a mistake is made, it should be corrected quickly. Be open about any previous posts that have been altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Employees should never post any information or rumors that they know to be false about the credit union, fellow employees, members, suppliers, people working on behalf of the credit union or competitors.

6. **Post Only Appropriate and Respectful Content.**

- a) **Confidentiality.** Employees should maintain the confidentiality of the credit union's trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Employees should not post internal reports, policies, procedures, or other internal business-related confidential communications.

- b) **Financial Disclosure Laws.** Employees should respect financial disclosure laws. It is illegal to communicate or give

a "tip" on inside information to others so that they may buy or sell stocks or securities. Such online conduct may also violate Insider Trading rules.

- c) Links. Employees should not create a link from their blog, website, or other social networking site to the credit unions website without identifying themselves as an employee.
  - d) Express Only Personal Opinions. Employees must never represent themselves as a spokesperson for the credit union. If the credit union is a subject of the content being created, employees should be clear and open about the fact that they are an employee and make it clear that their views do not represent those of the credit union, fellow employees, members, suppliers or people working on behalf of the credit union. If a blog is published or posts made online related to the work an employee does or subjects associated with the credit union, employees must make it clear that they are not speaking on behalf of the credit union. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of the credit union."
7. **Using Social Media at Work**. Employees should refrain from using social media while on work time or on equipment we provide, unless it is work-related as authorized by their manager or consistent with the Computer Security and Use Policy. Employees should not use the credit union's email addresses to register on social networks, blogs, or other online tools utilized for personal use.
8. **Retaliation is Prohibited**. The credit union prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.
9. **Media Contacts**. Employees should not speak to the media on the credit union's behalf without contacting Senior Management. All media inquiries should be directed to them.

If you have questions or need further guidance, please contact Human Resources.

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## Section 6120 Solicitation and Distribution Activities

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### General Policy Statement:

In order to minimize work interruptions and to maintain productive business operations, solicitation and distribution activities are restricted as permitted by law.

### Guidelines:

1. **Non-Employees.** Non-employees are generally prohibited from conducting any form of solicitation or distribution of information or goods on credit union premises.
  - a) **Examples of Prohibited Activities.**
    - (1) Soliciting contributions for community, religious, political, or other charitable groups;
    - (2) Solicitation of memberships, fees, or dues;
    - (3) Petitioning for signatures;
    - (4) Distributing information or literature;
    - (5) Selling goods, services, or subscriptions;
    - (6) Displaying advertisements or promotions; or
    - (7) Participating in any other similar conduct.
2. **Employees.** Employee solicitation and distribution activities are restricted.
  - a) **Prohibited During "Working Time."** Solicitation and distribution activities during working time (of either the soliciting or the approached employee) are strictly prohibited. Scheduled lunch and break periods are not considered "working time."
  - b) **Prohibited In Work Areas.** Distribution of materials is not

permitted in work areas at any time.

- c) **Sale of Goods or Services Prohibited.** The sale of goods or services for profit (e.g., sale of jewelry, beauty products, clothing, etc.) on credit union premises is prohibited. Sales of good and services for fundraisers may be allowed, during non-working time, if approved by Management.

From time to time, the credit union may celebrate birthdays, anniversaries, employee recognition, or other events. Any costs associated with credit union sponsored events, will be funded by the credit union with prior Executive Management approval. Employees are not required to fund these events and are not required to attend these types of events. Employee initiated events, such as a baby or wedding shower, may be held with prior management approval, if the event is held on credit union premises. Employees may be asked to contribute for a group gift, but must communicate that participation is optional.

3. **Resource One Credit Union Bulletin Boards and Email.** Credit Union bulletin boards and email should be limited to business purposes and credit union authorized postings only. Non-business emails should be infrequent and limited to non-working time. Employees' personal bulletin board announcements must be submitted to Human Resources for approval and posting. (See Communication and Information Systems.)
4. **Manager Responsibility for Enforcement.** Managers are accountable for ensuring the consistent and non-discriminatory enforcement of this policy.
5. **Corrective Action.** Violations of established Solicitation and Distribution policies may result in corrective action up to and including termination.
6. **Employee Rights Under the NLRA.** Our Solicitation policy is not intended to interfere with employees' legal rights to engage in concerted, protected activities involving the terms and conditions of employment.

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## Section 6150

### Whistleblowing: Reporting Serious Inappropriate Conduct

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#### General Policy Statement:

Resource One Credit Union is committed to the highest possible standards of ethical, moral, and business conduct in all of our relationships and business operations. As part of that commitment, we encourage and expect employees and others who have serious concerns or who have observed unethical, fraudulent, improper, or illegal conduct to communicate that information without fear of retaliation.

Resource One Credit Union's intent is to promote openness, honesty, and accountability so that inappropriate actions can be addressed quickly and that any wrongdoing can be prevented in the future. Our goal is to create a culture in which we all “step up,” don’t “look the other way,” and act responsibly to maintain our reputation and the public’s trust. This policy is intended to supplement, but not replace our discrimination, harassment, and complaint policies. Individual employee complaints and concerns about basic employment issues are generally handled through those policies.

#### Guidelines:

1. **Whistleblower Defined.** Whistleblowing can be described as providing information about potentially unethical, illegal, fraudulent, or other seriously inappropriate conduct. Employees are often the first to know about such actions, but whistleblowers can also include officers, directors, vendors, clients, volunteers, contractors, or other third parties.
2. **Types of Wrongdoing Addressed.** Whistleblowing can involve any type of serious unethical, potentially illegal, or other conduct that violates our standards. It can include, but isn’t limited to:
  - a) Questionable financial, accounting, and auditing practices;
  - b) Dangerous, unhealthy or unsafe practices that are likely to harm any person or property;
  - c) Violations of laws, regulations, or other government standards;

- d) Violation of or failure to implement our policies or practices;
  - e) Breach of conduct, confidentiality, conflict of interest, or internal ethics standards;
  - f) Discrimination, harassment, or serious mistreatment of employees or third parties;
  - g) Abuse of power or authority for unauthorized or inappropriate purposes;
  - h) Failure to address or report an issue that puts us at serious financial or other risk;
  - i) Misuse or theft of credit union funds or property;
  - j) Unprofessional treatment of clients, vendors, or others;
  - k) Falsification or inappropriate destruction of records or documents; or
  - l) Fraud or serious deliberate errors.
3. **Reporting Inappropriate Activities.** Whistleblowers can report suspected, inappropriate activities in several ways. Reports can be made to the immediate supervisor. A manager or supervisor who receives information from a whistleblower should provide that information to Human Resources. Or, if the manager or supervisor is uncomfortable reporting to Human Resources, a member of senior management should be informed. However, if there is a conflict of interest, it's possible that the supervisor may be involved in the activities, or the whistleblower feels uncomfortable, then a report can be made to any of the following.
- a) Information can be provided to any member of management who may have responsibility for reviewing the activities or may be able to address them properly.
  - b) Human Resources.
  - c) Any Member of Senior Management.
  - d) Compliance or Whistleblower Officer.
4. **Reports Made in Writing or Verbally.** It is suggested that allegations of wrongdoing be made in writing so that the situation,

facts, and details are clearly described. However, written reports are not required.

5. **Anonymous Reports.** While it's helpful to discuss and verify allegations with a whistleblower, information may be provided anonymously.
6. **Investigating Allegations.**
  - a) **Who Investigates.** As appropriate, whistleblower allegations may be investigated by management, the board of directors, internal audit, the police, and/or an external third party. Whistleblowers' responsibilities are to report, not investigate any allegations.
  - b) **Initial Determination.** If possible, a determination will be made within 10 business days of whether further investigation is required or the case can be closed. Where appropriate the whistleblower will be informed of the decision to investigate further or close the case. If the case is closed and the whistleblower still believes the allegations to be valid he/she should provide the information to another member of management.
  - c) **Further Investigation.** Where possible, investigations will be completed within 30 business days from the initial report. Appropriate corrective action will be taken as required, and the whistleblower informed of what actions were taken to the extent possible and consistent with privacy and confidentiality concerns. Or, if no further actions are taken an explanation of that decision will be provided to the whistleblower.
  - d) **Duty to Cooperate in the Investigation.** All employees have a duty to fully cooperate in any investigation. Participants in the investigation should only discuss the situation with those who have "a need to know."
7. **Reporting Must Be Made in Good Faith.** Reports of inappropriate activities must be made in good faith. The individual should reasonably believe the information provided to be true. Individuals making malicious or knowingly false accusations are subject to serious corrective action, up to and including termination.
8. **No Retaliation.** Retaliation, coercion, intimidation, adverse employment actions, or harassment against employees or others

who provide information in good faith or who cooperate in investigations will not be tolerated. An individual who retaliates against a whistleblower will be subject to disciplinary action, up to and including termination.

9. **Confidentiality**. Reports of wrongdoing will be kept as confidential as possible, consistent with the need to conduct an investigation, comply with applicable laws, and cooperate with government officials.

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## Section 6160 Workplace Violence

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### General Policy Statement:

Resource One Credit Union's goal is to provide a safe workplace for all employees, members, vendors, and guests and to protect Resource One Credit Union property. To promote a safe workplace and to reduce the risk of violence, all threatening, aggressive, and violent behavior, including bullying, verbal and written threats, and physical attacks are prohibited. The possession of firearms, ammunition, and dangerous or deadly weapons in Resource One Credit Union facilities, except by authorized personnel, is also prohibited. (Except where state law expressly provides otherwise, this prohibition also applies to Resource One Credit Union-controlled space, such as parking lots. In the state of Texas employers may not prohibit firearms or ammunition on company property. However, Resource One Credit Union may prohibit firearms and ammunition in credit union facilities.) Such conduct by employees or non-employees will not be tolerated.

### Guidelines:

1. **Human Resources' Responsibilities.** Human Resources is responsible for developing, implementing, administering, and evaluating the credit union's workplace safety and violence prevention program.
2. **Employees' Responsibilities.**
  - a) **Reporting.** All potentially threatening, dangerous, or suspicious situations should be immediately reported to the employee's supervisor, Human Resources, or another member of management.
  - b) **Don't Challenge Potentially Violent Individuals.** **In no event should an employee attempt to investigate or resolve a potentially violent, suspicious, or threatening situation.** All such incidents will be handled by Management. Employees should never endanger themselves attempting to disarm or remove a potentially violent individual.
  - c) **Police.** Employees should not hesitate to call the police if confronted with potentially violent or dangerous situations

that require emergency assistance.

3. **Managers' Responsibilities.** Managers have special responsibility through leadership and example to implement this policy. Their responsibilities include:
  - a) **Reporting.** Being especially alert to potentially violent or threatening situations and reporting all possible instances to Human Resources or to Senior Management.
  - b) **Communicating to Employees.** Informing employees of our credit union's commitment to a safe workplace, conveying our policy to them, and encouraging them to report potential problems.
  - c) **Recognizing Problems.** Identifying workplace violence concerns as well as non-violent instances of bullying.
  - d) **Suggestions.** Providing suggestions as to how to best implement our commitment to workplace safety and make ongoing improvements.
  - e) **Implementing Policies.** Ensuring that workplace safety rules are implemented and that any related corrective actions are implemented immediately.
  
4. **Prohibited Conduct.** Our credit union will not tolerate any form of workplace violence or threat of violence committed by employees or non-employees. Such prohibited behavior includes but is not limited to:
  - a) Injuring or threatening physical injury to another person;
  - b) Hitting, shoving or fighting with an individual;
  - c) Bullying others with actions that offend, degrade, intimidate or humiliate a person;
  - d) Making threatening remarks or written communications or behaving in a threatening manner;
  - e) Behaving in a hostile or aggressive manner that creates a reasonable fear of injury or subjects another to extreme emotional distress;
  - f) Damaging or threatening to damage credit union, employee

or non-employee property intentionally or because of gross negligence;

- g) Possessing a firearm or other weapon in credit union facilities (except where such a prohibition is expressly prohibited by state law);
  - h) Committing acts of stalking and/or harassment;
  - i) Behaving in a manner which disrupts another's work performance or the credit union's ability to execute its mission.
5. **Investigations.** All reports of potentially violent or threatening situations will be taken seriously and investigated immediately by Human Resources or another representative of Senior Management. Employees are required to cooperate in any investigation.
  6. **Confidentiality.** Confidentiality will be maintained as much as possible, however a guarantee of absolute confidentiality cannot be made. Information will be shared on a need-to-know basis only.
  7. **Anonymity.** Reports to Human Resources or management may be made anonymously, as situations require.
  8. **Retaliation Prohibited.** No employee may be discriminated or retaliated against because he/she has reported any potential workplace threat or violence or has participated in a related investigation or proceeding.
  9. **Corrective Action.** Appropriate corrective action up to and including termination will be taken against any employee found to have violated this policy.
  10. **Sharing Outcomes.** As is appropriate, Human Resources (or management) will inform the involved and affected employees of the investigation process and/or outcome of the situation.

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## **Chapter 7000**

# **COMPENSATION AND BENEFITS**

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- 7010 COBRA - Insurance Continuation**
- 7015 Compensation Program Administration**
- 7020 Insurance and Retirement Benefits**
- 7030 Overtime**
- 7040 Rest and Lunch Breaks**
- 7050 Payroll Procedures**
- 7060 Severance Pay**
- 7070 Time Records**
- 7080 Working Hours**

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## Section 7010 COBRA - Insurance Continuation

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### General Policy Statement:

COBRA generally applies to businesses which offer "group health plans" and employ 20 or more employees on at least 50% of regular business days during the preceding calendar year. An "employee" includes full or part-time workers, partners, and also independent contractors if they are eligible to participate in the plan. Part-time employees are counted as fractional employees based upon hours worked. When an employer reaches 20 employees it becomes subject to COBRA the next calendar year.

In specified circumstances, COBRA allows qualified employees and their families who have lost insurance coverage to pay for a temporary extension of coverage. COBRA coverage is not automatic. Employees must inform Human Resources that an extension in coverage is desired and then complete and submit all required paperwork within established timeframes. The following are very general guidelines. Human Resources should be contacted for more specific in-depth information, **the actual law should be reviewed** and a **professional contacted** for more specific information.

### Guidelines:

1. **Qualified Beneficiaries**. "Qualified beneficiaries" under COBRA include persons (such as employees, ex-employees, spouses and dependents) who had company group health insurance coverage before a "qualifying event" occurred. Additionally, a child that is born to or placed for adoption with the covered employee during a period of COBRA coverage will be eligible to become a qualified beneficiary.
  
2. **"Group Health Plan" Defined**. Insurance coverage offered under COBRA is identical to that provided to similarly situated plan beneficiaries who have not had qualifying events. COBRA may apply to various "group health" plans, including:
  - a) Traditional medical coverage;
  - b) Dental and vision programs; and

- c) Section 125 medical flexible spending accounts and cafeteria plans.
3. **Type of Coverage.** COBRA coverage must be identical to that provided to similarly situated plan beneficiaries who haven't had a qualifying event. If a single employer health plan offers more than one type of coverage (e.g., medical, dental and vision) a qualified beneficiary may be required to elect all coverage or no coverage. Employers aren't required to offer separate COBRA elections for different types of benefits.
4. **Qualifying Events and Coverage Periods.** A qualified beneficiary may have a right to choose and pay for COBRA coverage if a group health plan is lost because of any of the following "qualifying events." The length of the COBRA continuation depends upon the type of "qualifying event" and may generally extend from 18-36 months. The coverage period is measured from the date of the qualifying event.
- a) **18 Months of Coverage.** COBRA coverage for employment status changes generally lasts up to 18 months. Qualifying events include an employee's:
    - (1) Resignation or retirement;
    - (2) Layoff;
    - (3) Involuntary termination (other than for "gross misconduct");
    - (4) Voluntary or involuntary reduction in hours below the minimum threshold for participating in the health plan;
    - (5) Leave of absence; or
    - (6) Failure to return from FMLA leave.
  - b) **Extensions.**
    - (1) **Disabled Beneficiary.** If a qualified beneficiary is determined to be disabled on the date of the qualifying event or at any time during the first 60 days of COBRA coverage, COBRA coverage may, with proper notice, be extended up to 29 months.
    - (2) **Additional Qualifying Event.** Insurance coverage may

be extended up to 36 months if an additional qualifying event (e.g., employee's death, divorce/legal separation, employee's Medicare entitlement, or loss of dependent child status) occurs during the 18 or 29 month coverage period.

- c) 36 Months of Coverage. COBRA coverage generally lasts up to 36 months after the following qualifying events:
  - (1) Death of covered employee;
  - (2) Divorce or legal separation from the covered employee;
  - (3) Covered employee/retiree enrolls in Medicare; or
  - (4) Ineligibility of dependent child (child ceases to be covered).
- d) Employer's Bankruptcy. In limited circumstances involving special coverage, an employer's bankruptcy may be considered a qualifying event.

5. **Notice Requirements**. COBRA imposes very strict and complex notice requirements upon employers, plan administrators, and employees. Sample notices and additional information are available from the Department of Labor website: [www.dol.gov/ebsa](http://www.dol.gov/ebsa). Very generally there are several types of notices that must be provided. They include:

- a) General notice of COBRA rights that plan participants must receive when they become covered by a group health plan subject to COBRA;
- b) COBRA election and other notices that plan administrators must send to qualified beneficiaries; such as when a qualifying event occurs, when continuation coverage is unavailable, or continuation coverage is terminated;
- c) Notices of certain qualifying events that employers must send to plan administrators; and
- d) Notices of certain qualifying events or disability determinations that employees or beneficiaries must forward to plan administrators.

6. **Employees Must Act to Receive COBRA Coverage**. COBRA

coverage is not automatic. The Plan Administrator must be notified that continued coverage is desired.

- a) 60 Day Decision Period. Under the law, an employee or other covered beneficiary has **60 days** to elect COBRA coverage. The 60 day period begins on the later of:
  - (1) The date coverage is lost; or
  - (2) The date notice of COBRA eligibility is sent to the qualified beneficiary.
- b) Retroactive to Date of Lost Coverage. In most cases, once COBRA coverage is elected, it is retroactive to the date of the loss of coverage.

7. **Payment of Premiums.** COBRA coverage is paid for by the employee or other qualified beneficiary. Initial COBRA premiums must be paid **within 45 days** of the COBRA election.

- a) Monthly Premiums. Generally, once the initial premium has been paid subsequent payments must be made within 30 days of the required due date. Payments are considered made on the day they are sent and must be accepted from persons other than the qualified beneficiary. Additionally, a qualified beneficiary must be given a reasonable time (30 days) to correct an insignificant payment shortfall.
- b) Premium Amount.
  - (1) Generally, 102% of the applicable premium may be charged to the employee or other qualified beneficiary.
  - (2) Where coverage is extended to 29 months because of disability, the employee may be charged 150% of the regular rate for the last eleven months of coverage.

8. **Termination of COBRA Coverage.** COBRA coverage will be cancelled if the:

- a) Applicable coverage period expires;
- b) Qualified beneficiary fails to pay the premium within the specified time period;

- c) Qualified beneficiary is covered under another group plan which does not contain restrictions on pre-existing conditions;
  - d) A qualified beneficiary desiring dual coverage (e.g., as an employee and as a dependent spouse) who first becomes covered under the other plan after COBRA is elected, may have his/her COBRA coverage terminated. However, if he/she is covered under the other group plan (including Medicare) on or before the date COBRA is elected, then the dual coverage cannot be used as a reason to terminate COBRA.
  - e) Qualified beneficiary enrolls in Medicare after the COBRA election date; or
  - f) Company ceases to provide any group health plan to employees.
9. **FMLA and COBRA.** Under the Family and Medical Leave Act (FMLA), employees on qualified leaves must receive the same types of health insurance coverage, under the same conditions as if they were in active employment status. Therefore, since health insurance coverage must be maintained during an FMLA leave, the leave does not constitute a qualifying event and COBRA does not apply.

However, if an employee on an FMLA leave decides not to return to work, COBRA may apply and a qualifying event may occur when the company receives notice of the employee's intent to terminate or on the last day of FMLA leave if the employee decides not to return to work. A non-FMLA leave of absence may be a qualifying event if an employee loses group health coverage because of the leave.

Additionally, an employee is entitled to COBRA even if he had a lapse in coverage during an FMLA leave because the employee's portion of the premiums was not paid.

10. **Military Service and COBRA.** Employees called to military duty may also purchase COBRA continuation coverage. Employees on military leaves for 30 days or less may not be required to pay more for the coverage than they would have paid had they remained with the company. Employees whose military leave extends beyond 30 days may be required to pay 102% of premiums. Generally, the COBRA coverage period is 18 months or the time of the leave,

whichever is less.

11. **Contact an Expert.** For additional detailed information consult your attorney, insurance provider, or go to the Department of Labor's website. This is a difficult area of HR law and requires the assistance of experts!

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## Section 7015 Compensation Program Administration

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### General Policy Statement:

Recruiting and retaining outstanding, high performing employees is critical to Resource One Credit Union's continued success. Consequently, we have adopted a compensation philosophy and program that seeks to legally, fairly and consistently reward employees throughout Resource One Credit Union. However, all compensation decisions are at management's discretion and will include consideration of Resource One Credit Union's financial health and business position.

### Guidelines:

1. **Program Objectives.** Our salary administration program has the following objectives:
  - a) **External Competitiveness.** To attract and retain quality employees, credit union salary levels should be competitive with pay for comparable jobs in the labor market.
  - b) **Internal Equity.** Credit Union salaries should be fair within our credit union. Internal differences in pay rates should be based on distinctions in responsibility, job impact, knowledge, skill requirements and overall "worth" to the credit union.
  - c) **Fairness and Consistency.** Each employee's pay should relate to the value of the work he or she performs. Salary opportunities should correlate to increases in the quality of work, responsibility, and employee contribution.
  - d) **Legally Implemented.** Ensuring that our compensation programs comply with the federal Fair Labor Standards Act, applicable state and local law, and any related legal requirements is an ongoing responsibility. Pay policies and practices should be reviewed regularly to ensure compliance with various requirements. It should be noted that improper deductions from exempt employees' salaries are specifically prohibited, that employees are encouraged to report any pay discrepancies or questions to Human Resources, and that

employees will be reimbursed should any improper deductions take place.

- e) Non-discriminatory. Inherent in our Equal Employment Opportunity commitment is our implementation of non-discriminatory pay policies and practices. Compensation programs should be reviewed regularly to ensure compliance with EEO standards.
- f) Clarity. Employees should understand their roles in the credit union and how the credit union reward system works. Managers should know how to effectively implement our salary administration program.
- g) Motivational. Employees should be motivated to improve their performances.
- h) Strategic. Our compensation program should support our credit union missions and strategic objectives.
- i) Cost Effective. A means for budgeting and controlling salary expenses should be provided.
- j) Continuity. Our salary administration system should support ongoing changes in credit union design, job content, and external market influences.
- k) Administrative Efficiency. The program should be easy to administer.

## 2. Program Elements.

- a) Compensation Philosophy. A philosophy, establishing the strategic goals of our compensation system, desired position in the labor market, and overall pay strategy should be established.
- b) Job Descriptions. Job descriptions are important tools to communicate credit union expectations and responsibilities to employees and Managers. They are also useful in evaluating job content, ensuring that salary survey comparisons are valid, assisting with ADA issues, and supporting personnel actions.
- c) Market Surveys. Market pricing is important to establish a dollar value of a job as compared with comparable positions

in the outside market.

- d) Job Evaluation. Job evaluation assigns relative internal values to jobs according to their functions, credit union relationships, duties, and responsibilities.
  - e) Job Classification and Slotting. Job classification places jobs within their appropriate ranges and grades.
  - f) Salary Structure. Our salary structure, consisting of a series of ranges or grades, is based on both internal and external considerations.
  - g) Incentives and Bonuses. Credit Union-wide, group, or individual incentive or bonus plans which support our business strategies may be developed.
  - h) Performance Appraisal. A formalized method of evaluating employee effectiveness provides the basis for making pay contingent on performance.
3. **Ongoing Compensation Reviews.** To ensure that our compensation program is effective and current, compensation rates, policies and procedures should be reviewed on a continuous basis. However, Management assumes the responsibility of determining external competitiveness and appropriateness of individual employee pay. All compensation decisions are at Management's discretion.
4. **Administered by Human Resources.** Human Resources is responsible for maintaining and administering the compensation program. Duties include:
- a) Regularly gathering and reviewing market salary data;
  - b) Ensuring that job descriptions and job evaluations are accurate and current;
  - c) Reviewing and adjusting salary ranges to ensure they are competitive and that positions are placed appropriately within the ranges;
  - d) Administering bonus and incentive plans;
  - e) Revising compensation policies and procedures as needed;

- f) Ensuring that employees and Managers understand our compensation system;
  - g) Acting as a program resource to employees and Managers; and
  - h) Ensuring that program budgets and goals are met.
5. **Compensation Committee.** To ensure the integrity and credibility of our compensation system, a compensation committee has been established to periodically review the program. Committee members will include representatives from Human Resources, Senior Management, and area Departments. The committee reviews procedures, addresses concerns, and considers feedback received from employees and Managers.
6. **Managers' Responsibilities.**
- a) Implementing the program within the policy guidelines, applicable law, including the federal Fair Labor Standards Act, and state and local requirements, and financial constraints established;
  - b) Ensuring that employees understand program elements and the relationship between pay and performance;
  - c) Assisting in maintaining the compensation system (e.g., updating job descriptions, conducting timely performance appraisals, assisting with incentive/bonus plans, etc. as needed); and
  - d) Conducting annual reviews of their employees' compensation to ensure that our commitments to pay fairness, equity, merit, and nondiscrimination are being implemented.
7. **Confidentiality.** Compensation program information should be shared internally on a "need to know" basis only. Salary ranges will be available to Managers for the employees that they supervise. Human Resources should be contacted for additional information. Credit Union salary information and pay plans are considered confidential. This policy is not intended to interfere with or limit employees' rights to engage in protected concerted activities regarding the terms and conditions of their employment.
8. **Salary Increases.** Salary increases, when given, are based on

merit, job performance, position, and credit union financial health. An employee's salary may be adjusted based on his/her annual performance appraisal. The percentage increase is based on performance rating and in accordance with annual guideline increases established. Increases outside of the established guidelines or any other salary increases must be approved in advance by Human Resources.

9. **Promotional Increases.** A promotion occurs either because an employee accepts a job with increased accountability or because the responsibilities of the current job have increased significantly to merit an increase. Promotional increases should be within the range established in the promotional guidelines chart. All other promotional ranges must be approved in advance by Human Resources.
  
10. **New Hires and Reinstated Employees.**
  - a) **New Hires.** The starting salary of new hires should be no less than the minimum amount established for the position. Applicants considered capable of performing the position's duties within a minimum time period and who meet the minimum qualifications for the job are normally hired at the minimum amount. A starting salary beyond the minimum should be determined by the new hire's experience, qualifications, market factors, and internal equity. Managers should ensure employees are consistently placed in the ranges, both within their Departments and with regard to other areas of the credit union. Salaries of new hires must not create internal inequities. All new hires salaries must be approved by Human Resources.
  
  - b) **Reinstated/Re-hired Employees.** Reinstated and re-hired employees will be placed into the same classifications and rates of pay, if the salary ranges have not been adjusted. If the ranges have been adjusted, new rates, in the same relative positions, will be assigned. If reinstated to different positions, the individuals will be treated as new hires.
  
11. **Special Increase.** Exceptional circumstances may require that a special salary adjustment be made to an employee's salary. All such adjustments must be approved in advance by Human Resources.
  
12. **Demotion.** A job demotion and salary reduction may occur either as the result of an employee accepting another position with lessor

accountabilities or because the responsibilities of the current job have changed significantly. All reductions in an employee's salary must be approved in advance by Human Resources.

13. **Employee Concerns and Appeals.** Employees with questions or concerns regarding their pay or any elements of the compensation program should contact their Manager, Department Manager, or Human Resources.
14. **Pay Policies at Credit Union's Discretion.** Compensation policies and procedures are developed and implemented in the credit union's sole discretion and may be unilaterally modified or revoked at any time. Policy guidelines may not be followed in every circumstance.

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## Section 7020 Insurance and Retirement Benefits

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### General Policy Statement:

Eligible employees are offered various insurance and retirement benefits. Information summarizing these benefits is provided to participating employees periodically and as required by law. The programs outlined below are described in depth in official documents located in Human Resources. Those documents are controlling and should be reviewed when specific questions arise. **Benefit plans involving current, past, or retired employees may be changed or eliminated at any time at Resource One Credit Union's sole discretion.**

### Guidelines:

1. **Benefits Offered.** Eligible employees are provided a wide range of benefits in addition to those required by law (e.g., Social Security, Workers' Compensation, and Unemployment Insurance). Benefit programs are designed to assist employees in caring for themselves and their families. Eligibility is dependent upon a number of factors including employee classification and time employed. Some plans require employee contributions and waiting periods. Plan documents should be reviewed and Human Resources consulted for further information. Benefit plans offered include:
  - Medical
  - Dental
  - Vision
  - Life Insurance
  - Short Term Disability
  - Long Term Disability
  - 401k
  - Supplemental Insurance
  
2. **Benefit Documents.** Details of benefits offered are found in materials and plan descriptions provided to employees as they become eligible for various programs and during open enrollment periods. Additional information required by the Employee Retirement Income Security Act (ERISA) and other applicable law is contained in official plan documents and booklets kept in Human Resources. Such information is controlling and is available for

employee review at any time.

3. **Human Resources (or Designee) as Administrator.** Human Resources or designee is responsible for administering and overseeing all credit union benefit programs. He/She should be consulted regarding any questions or concerns involving credit union programs.
4. **Termination of Benefits.** Most benefits including Medical, Dental and Vision end on the last day of the month in which employment is terminated..
5. **COBRA.** Qualified employees and dependents that lose health care coverage under the credit union insurance plan may continue to buy coverage as group members for a limited time period. (See COBRA - Insurance Continuation.)
6. **Disclosure of Benefits.** As required by the Patient Protection and Affordable Care Act, the cost of employer-provided health insurance will be reported on the Form W-2 Wage and Tax Statement.

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## Section 7030 Overtime

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### General Policy Statement:

Resource One Credit Union employees may occasionally be required to work overtime hours to meet business needs. When overtime is required, Management will attempt to schedule hours fairly and consistently. Overtime compensation will be made in accordance with the following guidelines and applicable law.

### Guidelines:

1. **No Overtime Pay For Exempt Employees.** Employees exempt from the Fair Labor Standards Act's overtime requirements, (Managers, professionals, etc.) are not eligible to receive overtime pay.
  
2. **Overtime Pay For Nonexempt Employees.** Nonexempt full-time and part-time employees are eligible for overtime pay for work performed beyond 40 hours per workweek.
  - a) **Rate.** Work in excess of 40 hours during the normal workweek will be paid at one and one-half times the employee's hourly rate or regular rate, if different.
  
  - b) **Workweek Defined.** Overtime is calculated on a single workweek which includes seven consecutive days beginning at midnight on Sunday and ending at midnight on Saturday. Averaging of hours or compensation between separate workweeks is not allowed.
  
  - c) **Based on Hours Worked.** As required by law, overtime pay is based on actual "hours worked." Time off for lunch breaks, PTO leave, holidays, funeral leave, jury leave, or any leave of absence is not considered "hours worked" for purposes of calculating overtime. (See Working Hours.)
  
  - d) **Discretionary Income Excluded.** Discretionary wages that are not performance related may be excluded from overtime calculations. Discretionary wages include:

- (1) Holiday or discretionary bonuses;
  - (2) Severance pay or the payment of unused accrued leave at the time of termination; or
  - (3) Paid leave hours.
- e) Processing Pay. Employees will normally receive payment for overtime in the pay period following the period in which the overtime is worked. Time sheets must be properly completed, signed by the Manager, and submitted to Payroll on time.
3. **Authorization For Overtime.** Managers are responsible for ensuring that appropriate controls are established to prevent unauthorized overtime.
- a) Prior Approval of Overtime. Prior approval of a Manager is required before any nonexempt employee may work overtime.
  - b) Time Sheets Signed. Time records with overtime hours logged must be signed by the Manager in order to be processed.
  - c) Overtime Without Authorization. Overtime worked without prior authorization may result in corrective action, up to and including termination. However, an employee who works overtime must be paid overtime, even if it was not authorized.
4. **Compensatory Time.**
- a) Purpose. Compensatory time may be utilized by Managers to control the number of hours worked by nonexempt employees who have already accrued 40 hours during the week so that:
    - (1) Overtime is not required; or
    - (2) The amount of overtime required is minimized.
  - b) Must Occur During the Workweek. Compensatory time (for nonexempt employees) must be given during the workweek in which overtime would occur. It cannot be given in lieu of overtime pay during another workweek.

- c) May Not be Given Instead of Pay for Accrued Overtime. Compensatory time may not be given in lieu of overtime hours already accrued.
  
- 5. **Notice of Overtime.** Managers will attempt to provide employees with reasonable notice when the need for overtime work arises. However advance notice may not always be possible. When possible, consideration will be given to employees who prefer not to work overtime.
  
- 6. **Corrective Action.** Failure to work overtime may result in corrective action, up to and including termination.
  
- 7. **Related Policies.** See Working Hours, Time Records, Payroll Procedures.

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## Section 7040 Rest and Lunch Breaks

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### General Policy Statement:

Full-time, nonexempt employees may take rest breaks and a lunch break during a normal eight hour work day in accordance with the guidelines below. Exempt employees are also entitled to breaks as is appropriate.

### Guidelines:

1. **Scheduling**. Managers are responsible for scheduling lunch and rest breaks with appropriate consideration for staffing needs and operational demands. Managers may change break schedules as work situations dictate.
2. **Lunch Breaks**. A full-time, nonexempt employee is normally required to take a one hour unpaid meal period during an eight hour workday. The length of the break may be changed if business needs require.
  - a) **Part-Time Employees**. Part-time employees who work more than one half of a day will also receive a meal break.
  - b) **Long Workdays**. Employees required to work two or more hours of overtime may also receive an additional unpaid meal period.
  - c) **No Working Through Lunch Hour**. Except with Management's permission, an employee may not work through a meal period.
3. **Rest Breaks**. Full-time, nonexempt employees may take rest breaks as needed. Rest breaks should not exceed 10-15 minutes.
  - a) **Staggered Times**. Break times should be staggered to maintain adequate staffing.
4. **Breaks for Nursing Mothers**. Reasonable breaks for nursing mothers to express breast milk will be provided for up to one year after the child's birth, as required by the Fair Labor Standards Act, or as required by applicable state law. A private place (other than a

restroom) will be provided for this purpose. The break time may be paid or unpaid, depending upon whether a "normal" break time is used, the length of the break, and as legally required. The employee should coordinate these breaks with her supervisor.

5. **Compensation for Breaks.** Meal periods for nonexempt employees are not considered "hours worked" and are unpaid. Rest breaks are considered "time worked" and will be paid.
  - a) **Exceptions.** Employees who are required to work during lunch will be paid for their meal time.
  - b) **Time Records.** Nonexempt employees are required to record the beginning and end of their meal periods on time records. However, scheduled breaks do not need to be recorded.
6. **Abuse of Break Time.** Employees who violate or abuse lunch or rest break privileges will be subject to corrective action, up to and including termination.
  - a) **Tardiness.** Employees must take meal and rest breaks at their scheduled times and return to work promptly. Employees will not be paid for unauthorized break times.
  - b) **Distracting Others.** Employees on breaks should not distract others who are working. Breaks should be taken away from work stations in the employee break room or a similar area.
  - c) **Food in Work Areas.** Food is not permitted at work stations during lunch or rest breaks unless an employee cannot leave the work area due to work load.
7. **Leaving Credit Union Premises.** Employees on rest breaks should not leave credit union facilities without their Manager's permission.
8. **ADA Accommodations.** Breaks and schedules may be modified to provide reasonable accommodations as required under the Americans with Disabilities Act.

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## Section 7050 Payroll Procedures

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### General Policy Statement:

Resource One Credit Union seeks to provide fair, competitive wages and salaries which recognize each individual's unique contribution to the overall goals of Resource One Credit Union. As part of our compensation program, we strive to provide timely and accurate payment to employees in compliance with all applicable laws.

### Guidelines:

1. **Payroll Procedures.** Employees are paid bi-weekly. Each check will compensate employees for the time period beginning on Sunday and ending on Saturday.
  - a) **Pay Period.** A pay period consists of 14 days beginning Sunday and ending Saturday.
  - b) **Holidays.** If payday happens to fall on a scheduled day off (e.g., holiday), checks will normally be distributed on the last working day before the scheduled pay date.
  - c) **Paycheck Distribution.** Paychecks will be given personally to employees or deposited directly into an employee's checking or savings account. Direct deposit requires an employee's written authorization. Arrangements for mailing or pick-up by another person must be made in advance and in writing with Human Resources.
  - d) **Early Checks.** Under no circumstances will the credit union release any paychecks prior to the announced schedule.
  - e) **Lost Checks.** Payroll must be notified in writing as soon as possible if a paycheck is lost so that a replacement check can be issued. However, the credit union is not responsible for a lost check if payment cannot be stopped. Stop payment processing fees will be the responsibility of the employee.
  - f) **No Salary Advances Will Be Made.**

- g) Paycheck Errors and Complaints. An employee who believes an improper deduction or a mistake has been made on his/her paycheck should inform Payroll immediately. Questions and mistakes will be promptly addressed and corrections and/or reimbursements processed as required.
  - h) Deductions From Exempt Employees' Salaries. No deductions will be made from exempt employees' salaries except as allowed by law. Some examples of permissible salary deductions include deductions for absences from work for one or more full days for: personal reasons, because of illness or injury if an employee has yet to qualify for our leave plan or has exhausted his/her leave, or resulting from certain unpaid disciplinary suspensions. Deductions relating to unpaid Family and Medical Leave (FMLA) or for hours not worked during the first or last week of employment are also appropriate. Contact Human Resources for more details or if you believe that an improper deduction has taken place. Employees will be promptly reimbursed for any improper deductions made.
  - i) Credit Union Commitment to Ensure Compliance With All Legal Requirements. We are strongly committed to providing a compensation program that is in compliance with federal, state, and local wage and hour, equal employment and related requirements.
2. **Earnings Statement.** On each payday, employees will receive a statement of earnings showing:
- a) Gross pay.
  - b) Statutory Deductions. State, federal, and Social Security, and Medicare taxes, and other legally mandated deductions are automatically deducted.
  - c) Voluntary Deductions. Deductions such as insurance premiums and savings plans will be made with an employee's written permission. Note, however, that some retirement programs permit automatic enrollment. In those instances, contributions will be deducted automatically unless an employee has provided "opt out" notification to Human Resources.
  - d) Net pay.

3. **Federal Withholding.** The amount of federal withholding of pay is determined by the number of exemptions claimed on Form W-4 (Employee's Withholding Allowance Certificate). An employee whose marital status or number of exemptions changes should submit a new W-4 to Human Resources.
4. **Garnishment.** An employee whose wages are garnished or assigned will be notified by Human Resources upon receipt of the assignment. If any additional assignments are received, and depending upon the circumstances of the case, the employee may be subject to corrective action as permitted by state law.
5. **Employee Bankruptcy.** An applicant or employee will not be denied employment or terminated solely because he/she has filed a bankruptcy petition.
6. **Disclosure of Employee Financial History.** An employee's personal financial information will not be disclosed to third parties without the employee's written consent or as required by law.
7. **Employee Questions or Complaints.** Employees who have questions or concerns regarding any compensation programs or policies are encouraged to contact their Manager or Human Resources.
8. **Pay Policies at Credit Union's Discretion.** Salary policies and procedures are developed and implemented in the credit union's sole discretion and may be unilaterally modified or revoked at any time.
9. **Related Policies.** See Working Hours, Time Records, Overtime, Compensation Program Administration, and Termination of Employment.

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## Section 7060 Severance Pay

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### General Policy Statement:

Severance benefits may be provided to eligible employees who have been terminated involuntarily. Through the severance pay policy, Resource One Credit Union seeks to provide income continuance for eligible employees while they are seeking new employment. Employees will be informed of severance plans as required. Management reserves complete discretion to change or abolish severance pay as it deems necessary.

### Guidelines:

1. **Eligibility.**
  - a) **Eligible Employees.** Terminated full-time employees who have completed at least one year of service may be eligible for severance benefits. Severance pay is determined on a case-by-case basis and may be provided in a variety of circumstances including:
    - (1) Job abolishment;
    - (2) Reduction in force;
    - (3) Early retirement;
    - (4) Job mismatch or instances where the employee was unable to satisfactorily perform job duties; and
    - (5) Other non-willful reasons that are not prejudicial to the credit union.
  - b) **Ineligible Employees.** Employees may be ineligible for severance pay for a number of reasons including, but not limited to:
    - (1) Resigning or abandoning their jobs, failing to return from approved leaves of absence, or otherwise leaving the credit union voluntarily;

- (2) Having a temporary or part-time employee status;
- (3) Having been offered but refusing to accept another suitable position with the credit union;
- (4) Being terminated for violation of credit union rules, standards, or policies;
- (5) Being laid off for a period of short duration;
- (6) Retiring from the credit union under "normal" conditions not involving elimination of the job or not involving the employee's voluntary early retirement; or
- (7) Failing to satisfy the eligibility criteria in section (1) above.

2. **Pay Benefits.** Severance formulas vary depending upon the circumstances, the employee's years of service, and the employee's position. Employees will typically be eligible to receive severance according to the following formula:

Non-Management Employees: One (1) week's pay for each year of service up to a maximum of eight (8) weeks.

Management Employees: One (1) week's pay for each year of service up to a maximum of twelve (12) weeks.

Executive Management: One (1) week's pay for each year of service up to a maximum of twenty-six ( 26) weeks.

3. **Lump Sum Payments.** Generally, severance allowances will be paid in lump sums when final paychecks are provided.
4. **Credit Union Discretion to Modify Plan.** The credit union reserves complete discretion to change or eliminate policies.
5. **Release Agreement.** In consideration for severance pay, an employee may be required to sign an agreement releasing the credit union from all actions, suits, and claims relating to the termination or arising out of the employment relationship. Failure to sign a release may limit or deny severance payments.

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## Section 7070 Time Records

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### General Policy Statement:

To ensure that employees are appropriately compensated and that Resource One Credit Union is in compliance with the Fair Labor Standards Act and applicable State law, complete records of employee hours worked will be maintained. Nonexempt employees are required to record actual time worked and use of accrued leave time on official time records. Exempt employees are not required to record actual time worked but must account for daily attendance and record accrued leave days utilized. Care should be taken to ensure that time records are completed accurately. Alteration or falsification of any time record is strictly prohibited.

### Guidelines:

1. **Nonexempt Employee Time Records.** Nonexempt employees must complete daily time records. These records of actual hours worked will be approved by the Manager on a bi-weekly basis. Paid hours off, such as holidays, PTO, etc. are recorded but are not designated as "hours worked."
  - a) **Required Information.** The daily time record for nonexempt employees must include:
    - (1) Starting time;
    - (2) Time off for lunch;
    - (3) Stopping time;
    - (4) Total hours worked daily;
    - (5) Use of accrued leave;
    - (6) Manager's approval.
  - b) **Manager Responsibility.** Managers will be accountable for:
    - (1) Reviewing and resolving any discrepancies on the time record;

- (2) Recording paid absences, (e.g., holidays, PTO, funeral, or jury leave) as appropriate;
  - (3) Recording unpaid time-off;
  - (4) Verifying authorized overtime;
  - (5) Completing time records for absent employees; and
  - (6) Approving the time record and submitting it to Payroll for processing.
- d) Assigned Work Times. Nonexempt employees must comply with assigned starting and ending work times.
- (1) Employees may not sign in or start work before their assigned work hours.
  - (2) Employees may not continue to work or sign-out beyond their assigned stopping times.
  - (3) Employees must take their assigned lunch breaks.
  - (4) Managers must approve any changes in an employee's assigned starting and ending hours.
- e) Time Record Falsification. Completing another employee's time record or misrepresenting or altering information on a time record violates credit union policy and will subject an employee to corrective action, including termination. (See Employee Conduct and Corrective Action.)
- f) Workweek. The workweek for purposes of overtime calculation begins Sunday and ends Saturday. (See Working Hours.)
- g) Overtime. All overtime hours require prior approval of Management. (See Overtime.)
- h) Corrections to Time Records. If corrections or changes are made to a time record, the Manager must verify the change by signing the time record.
2. **Exempt Employees**. Executives, professional employees, outside sales representatives, administrative, computer, and highly

compensated employees who qualify for exempt status under the Fair Labor Standards Act should comply with the following time record procedures:

- a) No Daily Work Record. Exempt employees are not required to track daily hours but should keep a weekly record reporting attendance and days away from work.
- b) Weekly Leave Record. Use of PTO should be tracked and recorded weekly.
- c) No Overtime. Exempt employees are not eligible to be paid overtime for work performed beyond a forty hour workweek.
- d) Corrective Action. Exempt employees who abuse their exempt status and are excessively late or frequently leave early will be subject to corrective action.
- e) Salary Deductions. Salary deductions may be made for various full day absences of an exempt employee including for absences for personal reasons, because of illness or injury if he/she has yet to qualify for the leave plan or has exhausted the leave allowance and for certain unpaid disciplinary suspensions. Additionally, deductions may also be made for unpaid leave taken under the FMLA, for partial week salary payments where the employee did not work a full week during the first or last week of employment, and for other reasons as allowed by law. All deductions will be made in accordance with the Fair Labor Standards Act and applicable state provisions.

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## Section 7080 Working Hours

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### General Policy Statement:

In accordance with applicable law, Resource One Credit Union reserves the right to schedule work hours as business and credit union needs require. Daily and weekly work schedules may be changed at the complete discretion of Resource One Credit Union to meet varying business conditions. While attempts will be made to establish steady and predictable work hours, there are no guarantees of minimum or maximum hours.

### Guidelines:

1. **Workweek.** The 40 hour workweek begins Sunday and ends Saturday. There is no guarantee that 40 hours of work will be scheduled weekly.
2. **Workday.** Full-time, nonexempt employees generally work eight hours each day and are provided a one hour unpaid lunch break. Hours may vary depending on the position and credit union requirements. Work and break schedules will be arranged by the Manager. (See Rest and Lunch Breaks.) Staffing needs and operational demands may necessitate daily work schedule changes.
3. **Scheduling Changes.** Any changes in starting or ending hours or scheduling of shifts or overtime must be approved by Management. The credit union retains the right to change the normal working hours on either a temporary or a permanent basis. Changes in work schedules will be announced as far in advance as practical. However, lack of notice is not an acceptable reason for refusing work.
4. **Breaks.** Employees will not be paid for meal breaks, however, rest breaks will be paid time. Employees are required to take assigned meal breaks. (See Rest and Lunch Breaks.)
5. **Hours Worked.** The Fair Labor Standards Act (FLSA) requires that nonexempt employees be paid at least the minimum wage for "hours worked" and be paid overtime wages for "hours worked" in excess of 40 during any workweek. Broadly defined, "hours

worked" includes any time that an employee is required to be at work or on duty, is under the employer's control, or is performing activities which are primarily of benefit to the employer. Examples of "hours worked" include:

- a) Rest Breaks.
- b) Pre and Post Work Activities. Time before and after an employee's "principal activities" (preparatory and concluding tasks) constitute "hours worked" if the time is spent on functions integral and closely related to an employee's primary duties. Examples include: an employee in a chemical plant changing into and out of special clothes or an employee preparing or cleaning equipment. Time spent walking to and from the dressing area to the work area, and time spent waiting to remove clothing or equipment is also compensable.
- c) Idle or Stand-by Time. Idle or stand-by time constitutes "hours worked" if it is controlled or requested by the credit union or it is of primary benefit to the credit union.
- d) On-Call Time. On-call or waiting time constitutes "hours worked" if the time is spent primarily for the credit union's benefit and the employee cannot effectively use the time for his or her own purposes.
- e) Travel Time.
  - (1) Work Day Travel. Once an employee begins work, time spent traveling which involves principal work activities is "hours worked." (Traveling between work sites after reporting for work would be included.)
  - (2) Overnight Travel. Travel time during regular hours on regular working days as well as on Sundays, Saturdays, and holidays which corresponds to an employee's normal working hours is "hours worked." However, time spent outside regular work hours as a passenger in a car, train, airplane, etc. is not considered work time.
- f) Medical Attention. Time spent waiting for and receiving medical attention at the employer's request is work time.

6. Not Considered "Hours Worked." Time not controlled by the

credit union or not for the credit union's benefit generally does not constitute "hours worked." Such time would include:

- a) Early Arrival. Time spent waiting to start regular work hours is not considered work time.
- b) Lunch Breaks. Meal breaks of at least 30 minutes where the employee is completely relieved from job tasks will be unpaid.
- c) Ordinary Home-To-Work Travel. Time spent commuting locally to and from work whether in an employee or in an employer-provided vehicle is not considered time worked.
- d) Leave Hours. Time off for PTO, holidays, and jury duty, etc. will not be considered time worked. (See Paid Time Off, Holidays, etc.)
- e) Training. Attendance at special training sessions is not regarded as time worked if all of the following conditions apply:
  - (1) Attendance is not during regular working hours;
  - (2) Attendance is not required by the credit union; (Attendance is not voluntary if the employee believes that non-attendance would adversely affect employment.)
  - (3) The course, lecture, or meeting is not directly related to the employee's job; (Training is directly related if it is designed to make an employee more effective in his/her present job, not if it teaches a different job.) and
  - (4) The employee performs no productive work during such attendance.

7. **Overtime**. Managers may require employees to work overtime as necessary. As much notice as possible will be provided when the need for overtime work arises. However, advance notice may not always be feasible. (See Overtime.)

- a) No Overtime Without Prior Authorization. The Manager's prior authorization is required for all overtime work.

- b) Overtime Compensation. Compensation for overtime work will be paid to nonexempt employees at one and one-half times the regular hourly rate of pay for all hours worked beyond 40 in any given workweek.
8. **Unauthorized Work**. The FLSA provides that an employee must be compensated for unauthorized work that, even though prohibited by credit union policy, is allowed to occur without Management's knowledge. Therefore, Managers are responsible for ensuring that employees are not "allowed" or "permitted" to work beyond their regularly scheduled working hours unless such hours are properly authorized and recorded. Typical examples of unauthorized work include when an employee voluntarily:
- a) Works Extra Hours. Coming early or staying late to catch up on work is not allowed unless approved in advance by the Manager.
  - b) Skips Lunch. Employees are required to take lunch breaks, unless prior approval is granted.
  - c) Takes Work Home. The Manager must provide special prior approval for any work completed outside credit union premises.

Management must make every effort to see that unauthorized work is not performed and if necessary, should discipline employees who continue to work without authorization.

9. **Make-Up Work**. Nonexempt employees may not "make-up" work hours if an overtime situation would be created or if the hours were initially "lost" because of the employee's own actions. Employees who are repeatedly late or miss work frequently should be dealt with through the corrective action process and not allowed to make up work. In other instances, work may be made up at the Manager's discretion.

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## **Chapter 8000**

### **TIME OFF**

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- 8010 Family and Medical Leave**
- 8020 Funeral Leave**
- 8030 Holidays**
- 8040 Jury, Witness, and Voting Leave**
- 8050 Military Leave**
- 8060 Personal and Other Leaves of Absence**
- 8065 Paid Time Off (PTO)**
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## Section 8010 Family and Medical Leave

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### General Policy Statement:

Family and medical leaves of absence will be granted and administered in accordance with the Family and Medical Leave Act (FMLA) and applicable state law. The length of each leave of absence and the compensation received (if any) during the leave will be determined as outlined below. Non-FMLA leaves are subject to Management approval which is conditioned upon the employee's work record, the reason for the request, and Department needs. (See Personal and Other Leaves of Absence.)

### Guidelines:

1. **Reasons For 12 Week FMLA Leave.** The Family and Medical Leave Act allows eligible employees to take up to 12 workweeks of leave during a "12 month period" for the family and medical reasons listed below. The "12 month period" is determined by a rolling calculation and is measured backward from the date leave is used. FMLA leave may be taken for:
  - a) **Parental Leave.** The birth of an employee's child and the care of the newborn child, or the placement of a child with an employee for adoption or foster care and to care for the newly placed child;
  - b) **Family Medical Leave.** To care for an employee's spouse, child, or parent (but not in-law) with a serious health condition;
  - c) **Employee's Medical Leave.** An employee's own serious health condition (including work-related injuries) that makes the employee unable to perform one or more of the functions of his or her job; and/or
  - d) **Military Active Duty Leave.** For any "qualifying exigency" arising out of the active duty in a foreign country (or the notification of an impending call or order to active duty) of the employee's spouse, child, or parent who is a member of any branch of the military, including the National Guard or Reserves.

2. **26 Week Military Servicemember (Caregiver) Family Leave.** An eligible employee who is the spouse, child, parent, or next of kin of a covered servicemember is entitled to a total of 26 workweeks of leave during a single 12-month period to care for the injured or ill servicemember.
  - a) Next of Kin. Next of kin is defined to include the nearest blood relative of the individual, other than spouse, parent, or child.
  - b) Purpose of Leave. Leave is allowed for a serious illness or injury, undergoing medical treatment, recuperation, or therapy, or otherwise being in outpatient status or on the temporary disability retired list.
  
3. **Definition of "Child" and "Parent" Under the FMLA.**
  - a) Son or Daughter Defined. The FMLA defines a son or daughter as a biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing "in loco parentis" (in place of the parent) and who is under 18 years old. An adult son or daughter who is 18 years or older must meet four requirements before the employee may take FMLA leave to provide care:
    - (1) have a mental or physical disability as defined under the Americans with Disabilities Act as amended by the ADA Amendments Act;
    - (2) be incapable of caring for himself/herself because of the disability;
    - (3) have a serious health condition; and.
    - (4) be in need of care because of the serious health condition.
  - b) Parent Broadly Defined.
    - (1) Includes "Non-traditional Parents." A biological or legal relationship between the employee and child is not required.
    - (2) "In Loco Parentis." (Standing in place of the parents.) An employee should be considered a parent under

the FMLA if he or she provides day-to-day care or financial support for the child.

(3) Examples of Those Considered Parents Under "In Loco Parentis." Employees who may be considered parents and therefore protected under the FMLA could include: an employee raising a child with a same sex or unmarried partner, grandparents, and other relatives who provide day-to-day care, or parents who divorce and remarry (the biological parents and the new spouses could all be eligible). However, limited relationships, such as caring for a child whose parents are on vacation would not qualify for FMLA leave.

(4) Documentation Required. An employee seeking to provide care as a parent in loco parentis may be required to provide reasonable documentation or a statement outlining the family relationship and situation. Whether an employee's relationship with a child is covered under the FMLA is evaluated on a case-by-case basis.

4. **Eligibility.** Employees are eligible for Family and Medical Leave if they have:

- a) Worked for the credit union for at least 12 months, which need not be consecutive;
- b) Worked for at least 1,250 hours during the previous 12 months; and
- c) Worked at a site with 50 or more employees or where 50 or more employees are located within 75 miles of the work site.

5. **Employee and Family Medical Leaves of Absence.** An employee with a serious health condition, who is unable to perform his/her job, or an employee with a child, spouse, or parent with a serious health condition may be granted a medical leave of absence. (See also Paid Time Off.)

a) Serious Health Conditions Defined. A "serious health condition" is an illness, injury, impairment, or physical or mental condition that involves:

- (1) Inpatient care, or

- (2) Continuing treatment by a health care provider. Continuing treatment includes incapacity of more than 3 consecutive calendar days involving:
- Treatment two or more times or under the orders of a health care provider. The two visits must occur within 30 days of the beginning of the incapacity, with the initial visit occurring within seven days of the first day of incapacity, or
  - Treatment by a health care provider on at least one occasion that results in a supervised regimen of continuing treatment. An initial (or only) visit to a health care provider must occur within seven days of the start of the incapacity; or
- (3) Incapacity caused by pregnancy (including severe morning sickness), childbirth, or other related medical conditions or time needed for prenatal visits; or
- (4) Incapacity and related treatment due to chronic, serious continuing conditions such as asthma, diabetes, epilepsy, migraine headaches. A chronic condition requires periodic visits (at least twice per year) for treatment. Conditions causing episodic, as well as continuing incapacity, are included; or
- (5) Cases where multiple treatments (e.g., chemotherapy, radiation, dialysis, etc.) are required; or
- (6) Incapacity which is permanent or long-term and which may not be treatable (e.g., Alzheimer's, severe stroke, or the terminal stages of a disease); or
- (7) Substance abuse, but only if the requirements defining "serious illness" are met and the absence is for treatment.

Note: In some circumstances, a "serious health condition" may also include a collection of minor illnesses which, when examined separately, may not be "serious" but when considered together may fall within FMLA provisions.

- b) Certification Required.
- (1) Initial Certification. Resource One Credit Union may require initial certification from a health care provider to support a Medical Leave request. If necessary, a health care provider representing the credit union, a Human Resource professional, leave administrator, or manager (but not the direct supervisor) may, with the employee's permission, contact the employee's appropriate health care provider to clarify or confirm the information in the medical certification. Additionally, the credit union may require the employee to obtain a second or third (and binding) medical opinion at credit union expense. The DOL's Form WH-380E or 380F (family member) may be used for certification.
  - (2) Ongoing Certification. During the leave, the credit union may require provider recertification as allowed by law. Such certifications are limited to inquiry about the serious health condition that is causing the current need for leave.
  - (3) New Certification Each Year. The credit union may also require a new certification if an employee wants to take FMLA leave in a new year for the same medical condition under which leave was taken in the previous year.
  - (4) Failure to Provide Documentation. Failure to provide requested leave documentation may result in denial of leave or termination of employment.
- c) Intermittent or Reduced Schedule Leave. An employee may take leave for his/her serious health condition or that of a family member continuously, intermittently, or on a reduced schedule when such leave is medically necessary or is taken to provide care or psychological comfort to a covered family member.
- (1) Consideration of Credit Union Operations. If the need for intermittent or reduced leave is foreseeable, employees must attempt to schedule their leave so as to not disrupt credit union operations.
  - (2) Temporary Transfers. When intermittent or reduced

leave is necessary, the credit union may temporarily transfer an employee to an alternative, equivalent position that better accommodates recurring periods of leave.

6. **Parental Leave of Absence.** Female and male employees may be granted parental leaves of absence to care for newborn children, newly adopted children, or newly placed foster children.
  - a) Time frame. Parental leave must be taken within 12 months of the child's birth or placement.
  - b) Leave Must Be Continuous. No intermittent or reduced leave is allowed except with Management's permission.
  
7. **Covered Active (Qualifying Exigencies) Duty Leave.**
  - a) Certification Required. Resource One credit union may require that a request for Active Duty leave be supported by certification as the Department of Labor regulations allow. The DOL's Form WH-384 may be used for this purpose. A copy of the military member's Rest and Recuperation leave orders, or other documentation issued by the military setting forth the dates of the military member's leave is also required.
  - b) Intermittent or Reduced Leave. An employee may take Active Duty leave on a continuous, intermittent or reduced leave basis.
  - c) Qualifying Exigencies. "Qualifying exigencies" include: short notice deployment, military events and related activities, childcare and social activities, financial and legal arrangements, counseling, rest and recuperation, post-deployment activities, or other activities agreed to by the credit union and employee.
  - d) Military Members. "Military members" includes members of any branch of the military, including the Reserves or National Guard and the Regular Armed Forces, called to active duty in a foreign country.
  
8. **Military (Caregiver) Family Leave.** Servicemember leave is available to care for a covered, seriously ill or injured servicemember who is undergoing medical treatment, recuperation, therapy, is in outpatient status, or is on the temporary disability

retired list. Leave may be taken for a serious, service-related injury or illness, incurred in the line of duty, within five years of serving in the military.

- a) Covered Servicemember. "Covered servicemember" is defined as a current member of the Regular Armed Forces, the National Guard, and Reserves. It also includes those on the temporary disability retired list.
- b) Serious Illness or Injury. A "serious illness or injury" means an illness or injury incurred or aggravated in the line of active duty that may make a servicemember medically unfit to perform his or her military duties, i.e., the duties of office, grade, rank, or rating. Injuries or illnesses that existed before the beginning of the servicemember's active duty and were aggravated by service in the line of duty on active duty in the Armed Forces are also considered to be a "serious illness or injury".
- c) Leave Limited. This 26 week leave is available only during a single 12-month period. Servicemember leave when combined with any other FMLA leave may not exceed 26 weeks in a single 12-month period. The "single 12 month period" begins on the first day an eligible employee takes FMLA leave to care for a covered service member.
- d) Certification Required. To support the request for leave, the credit union may require certification by the health care provider of the son, daughter, spouse, parent, or next of kin of the employee. Failure to provide requested leave documentation may result in denial of leave or termination of employment. Employees may also be required to provide documentation confirming their relationship to the covered servicemember. The DOL's Form WH-385 may be used for this purpose.
- e) Intermittent or Reduced Leave. An employee may take servicemember leave on a continuous, intermittent, or reduced leave basis when medically necessary, or to provide care or psychological comfort.

When intermittent or reduced leave is necessary, the credit union may temporarily transfer an employee to an alternative, equivalent position that better accommodates recurring periods of leave.

9. **Husband and Wife Employed by the Credit Union.** If both a husband and wife are employed by the credit union, the following restrictions apply.
- a) **Parent Leave.** If both the husband and wife are employed by the credit union, the total parental leave is limited to 12 weeks.
  - b) **Family Medical Leave.** If leave is requested because of the illness of a child or of the other spouse, each spouse is entitled to 12 weeks of leave. However, the total family member leave is limited to 12 weeks to care for a seriously ill parent.
  - c) **Servicemember Leave.** If both a husband and wife are eligible and employed by the credit union then servicemember leave is limited to 26 workweeks during the single 12-month period if the leave involves servicemember leave only, or the leave involves a combination of servicemember and other FMLA leave.
10. **Employee Notice Requirements.** If possible, employees seeking parental, family medical, employee medical, or servicemember leaves must give 30 days advance notice to Management of the need to take FMLA leave. If such advance notice is not possible, notice should be given as soon as practicable, generally the day the employee becomes aware of the need for leave or the next business day. Absent unusual circumstances, normal procedures for requesting leave should be followed. Employees seeking Active Duty leave should provide notice as is reasonable and practicable.
- a) **Leave Request Form.** Employees should submit an Employee Request for Family Medical Leave to Human Resources.
  - b) **Appointment With Human Resources.** Where possible, employees should meet with Human Resources prior to beginning leaves. During this appointment each employee should:
    - (1) Be informed of leave certification and credit union reporting requirements;
    - (2) Be advised of the status of his or her participation in benefit programs;

- (3) Make arrangements, if necessary, for premium payments to ensure continuous insurance coverage; and
  - (4) Be informed of related rights under the FMLA.
- c) Change in Anticipated Return to Work Date. If it becomes necessary for an employee to take more or less leave than originally intended, he/she must provide reasonable notice (i.e., generally within two business days) of the changed circumstances and new return to work date.
  - d) Consideration of Credit Union Operations. If the need for employee, family member, or servicemember medical leave is foreseeable, employees should make a reasonable attempt to schedule treatment so as to not disrupt credit union operations.
11. **Employer Notice Requirement.** Employers are required to provide several types of notice to employees. They include:
- a) General Notice. A "General FMLA Notice" must be posted and incorporated into an employee handbook or other written guidance. If no handbook or materials exist then the notice must be given to employees upon hire. The DOL's WH Publication 1420 may be used.
  - b) Eligibility Notice. An "Eligibility Notice" must be issued within five business days of a leave request or after learning that a leave may be covered under FMLA. THE DOL's revised FORM WH-381 may be used for this purpose.
  - c) Rights and Responsibilities Notice. A written "Rights and Responsibilities Notice" must be provided at the same time as the Eligibility Notice. The DOL's revised Form WH-381 may be used for this purpose.
  - d) Designation Notice. A written "Designation Notice" must be issued within five business days after receiving enough information to determine whether a leave qualifies as FMLA leave. The DOL's Form WH-382 may be used for this purpose.
12. **Use of Accumulated Time Off.** Employees on leaves must use (as allowed by law) accumulated paid time off as outlined below. Any paid leave used will be charged against an employees FMLA

leave period. Once "paid time-off" is exhausted, the remainder of an employees leave will be unpaid.

- a) Employee or Family Medical and Servicemember Leave. An employee on a medical leave of absence or family medical leave of absence may use accumulated Sick Leave Bank hours. Employees on servicemember leave must use PTO hours while on leave from work (as appropriate). Note, however, the credit union is only required to provide paid sick leave in situations in which it is normally provided according to credit union policy.
  - b) Parental or Active Duty Leaves. Employees on parental or active duty leaves must use PTO hours but may not utilize Sick Leave Bank hours.
  - c) Normal Leave Rules Apply. Normal leave procedures apply to the use of paid time off for FMLA leave.
13. **Exempt Employees and Partial Day Absences.** Exempt employees may take unpaid, partial day FMLA leave as allowed by law. Such leave does not alter exempt status under the Fair Labor Standards Act.
14. **Military Leave Counts Toward FMLA Eligibility.** Federal military leave law (USERRA) requires that a servicemember reemployed under its provisions be given credit for time he or she would have been employed but for the military service. Time served in the military counts when calculating FMLA eligibility.
15. **Workers' Compensation or Disability Payments Preclude Use of Paid Leave.** When an employee is receiving workers' compensation or disability payments while on an FMLA leave, neither the employee nor the credit union may require use of accrued paid leave. However, as allowed by law, the employee and credit union may agree to supplement those benefits with paid leave.
16. **Benefits During Family and Medical Leave.** The credit union will provide health insurance and other benefits to employees on leave as required by law. Employees who receive health care benefits under current group health plans will continue to receive the same health benefits while on leave that they would have had if they had remained continuously employed.
- a) Employees Responsible For Premiums. Employees are

responsible for continued payment of their share of health insurance premiums, if applicable. Payment arrangements must be made.

- b) Credit Union May Recover Premiums. As allowed by law, the credit union may recover health insurance premiums it paid for an employee who fails to return from leave.
  - c) Length of Service Benefits Do Not Accrue. Employees retain their accrued benefits while on leave. However, benefits that accrue according to performance of actual work, including PTO and holidays do not accrue during leave periods.
17. **Reinstatement.** Employees returning from an FMLA leave of absence will be reinstated to their same positions held before the leave or equivalent ones with equivalent pay, benefits, and other employment terms.
- a) Employee Certification of Ability. Employees returning from medical leave may, as allowed by law, be required to provide fitness-for-duty certification of their ability to resume work.
  - b) Exceptions. An employee is entitled to reinstatement only if he/she would have been continually employed if FMLA leave had not been taken. If the same job or one of equivalent status and pay is not available as a result of credit union changes or a reduction in force, the employee will be treated in the same manner as though he/she were not on leave at the time of the reduction in force or credit union change.
18. **Key Employees.** Under limited circumstances, an employee who qualifies as a "key employee" under the law may be denied reinstatement after a leave.
- a) Key Employees Defined. Key employees are defined as salaried and among the highest paid 10% of employees within 75 miles of the employee's worksite.
  - b) Notice Required. Upon requesting FMLA leave or at a later time if appropriate, affected employees will be notified of their key employee status if there is any possibility that they may be denied reinstatement after their leaves.
19. **Failure to Return to Work Following FMLA Leave.** Except as required by law or extenuating circumstances, an employee who

fails to return to work following an FMLA leave will be considered to have voluntarily resigned and be terminated.

20. **FMLA Leave in Excess of 12 (or 26) Workweeks Per Year.** Except as required by law or extenuating circumstances, if an employee exceeds 12 weeks of FMLA leave during a one-year time period, or 26 workweeks of servicemember (caregiver) leave during a single 12-month period, he/she may be considered to have voluntarily resigned and be terminated due to excessive absenteeism.
21. **Interplay of FMLA, ADA and Workers' Compensation.** An injured or sick employee may have rights under the FMLA, ADA and Workers' Compensation or some combination of the statutes. Overlapping coverage is possible as each law serves different purposes and provides different, but sometimes overlapping benefits and protections. Therefore an employee's circumstances should first be analyzed separately under each statute, and then consideration should be given as to how the laws interact.
22. **Light Duty.** "Light duty" work does not count against FMLA leave entitlement or affect job restoration. At the end of a light duty assignment an employee has the right to be restored to the position held when FMLA leave began or may use the remainder of his or her FMLA leave until the end of the applicable 12-month period.
23. **Coordination of FMLA with State and Other Leave.** As is permitted by law, federal FMLA leave will be coordinated with and run concurrently with leave provided by state, local, or other federal law.

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## Section 8020 Funeral Leave

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### General Policy Statement:

Eligible full-time employees may use funeral leave to attend the funeral and make any necessary funeral arrangements associated with the death of an immediate family member in accordance with the guidelines below.

### Guidelines:

1. **Eligibility.** Regular, full-time employees are eligible to use funeral leave.
2. **Time Allowed.** Funeral leave of up to 3 days with pay is provided in cases of death in the immediate family providing such a length of time is required.
3. **Immediate Family Defined.** For the purposes of this policy, "immediate family" includes spouse, parents (step), children (step), sisters (step), brothers (step), grandparents (step), grandchildren (step), and comparable in-laws..
4. **Non-Immediate Family and Close Friend Exceptions.** In limited and unusual circumstances, funeral leave may be provided to attend the funeral of a non-immediate relative or close personal friend. Employees should make such special requests to Management and paid time off or unpaid time must be used.
5. **Approval by Management.** An employee requiring funeral leave should immediately inform his/her Manager. In all instances, funeral leave requires Management's approval.
6. **Extra Time.** If more than 3 days of funeral leave is needed because of travel time or extenuating circumstances, an employee may use PTO or unpaid time off, if approved. Accrued sick leave days may not be used for funeral leave.
7. **Part-Time Employees.** An employee who works less than full-time will not be eligible for paid funeral leave but may, with Management's approval, use unpaid leave to attend a funeral or handle family affairs.

8. **Compensation.** Funeral pay is calculated based on an employee's base rate of pay, not including commissions, incentives, overtime, or salary differentials. Funeral leave does not constitute "hours worked" for overtime purposes.

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## Section 8030 Holidays

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### General Policy Statement:

Resource One Credit Union recognizes the importance of leisure time and will observe holidays as designated by Management. Eligible full-time and part-time employees will receive holiday pay according to the guidelines established below.

### Guidelines:

1. **Schedule.** Management will determine the holiday schedule on an annual basis. Currently, all federal holidays are observed:
2. **Eligibility For Paid Time Off On Holidays.**
  - a) **Full-time and Part-time Employees.** Full-time employees and part-time employees are eligible for holiday pay. Part-time employees receive holiday pay only for those days and number of hours they would otherwise have worked.
  - b) **Must Work Day Before and Day After Holiday.** To be eligible for holiday pay, a nonexempt employee must work (or be on approved PTO or leave in active pay status) the last scheduled day immediately before the holiday and the first scheduled day immediately after it. At Management's request, absences due to illness or injury may require medical certifications. Exempt employees will be paid as required by the Fair Labor Standards Act.
  - c) **No Holiday Pay.** Holiday pay will not be approved when:
    - (1) It is the employee's last day of employment;
    - (2) The employee is scheduled to work and is absent without excuse;
    - (3) The employee is not in active pay status (e.g. unpaid leave, Workers Compensation leave, or lay-off); or
    - (4) Employment is on a temporary basis.

3. **Holiday Pay.** Holiday pay will be calculated using an employee's base rate of pay (not including commissions, incentives, shift differential, etc.).
4. **Holiday Not Considered "Hours Worked."** Holidays are not considered as "hours worked" for overtime purposes.
5. **Holidays On Weekends.** Where a holiday falls on a weekend, it may be observed on either the Friday before or the Monday after the holiday as scheduled by Management.
6. **Holidays During Vacation.** When a holiday observed by the credit union falls during an employee's scheduled PTO, it will not be counted as a PTO day. (See Vacations.)
7. **Employee Personal Time Off.** The credit union allows employees personal time off for religious observance, events of personal significance, or for business that cannot be taken care of outside regular work hours. Employees who need personal time off have the following options:
  - a) **PTO Days.** Employees may use accrued PTO days as necessary. (See Paid Time Off.)
  - c) **Unpaid Time Off.** In limited circumstances, the credit union may grant employees unpaid excused time off for personal needs.
8. **Working Holiday.** Business necessity may require scheduling employees to work on credit union holidays. Employees required and approved to work on scheduled holidays may receive additional holidays to be used, with Management's permission, at any time during the year.

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## Section 8040

### Jury, Witness, and Voting Leave

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#### General Policy Statement:

Resource One Credit Union employees are encouraged to fulfill their civic responsibilities by serving jury duty as required. Employees will be granted leave as needed to perform jury duty or to serve as witnesses in any municipal, county, state, or federal court, or before an administrative tribunal. Such leave will be granted and any compensation provided in accordance with the following guidelines. Time off to vote will also be granted as required by law.

#### Guidelines:

1. **Jury and Witness Duty.**
  - a) **Eligibility.** All employees are eligible for court-ordered witness or jury leave.
  - b) **Pay.**
    - (1) **Eligibility.** Full-time and part-time employees may be paid for up to 14 days (112 working hours) at their regular base rates for time absent from work for jury or witness duty. Part-time employees will be compensated only for the hours they would have been scheduled to work. Employees may use PTO or take unpaid leave if jury or witness duty exceeds 14 days (112 working hours).
    - (2) **Exempt Employees.** In addition to the paid days (above), exempt employees are also paid for any days during weeks they actually work.
    - (3) **Unpaid Jury Leave.** Employees who have not completed their Initial Employment Periods do not qualify for paid jury leave. In those instances employees may take unpaid leave or use paid time off.
  - c) **Procedure.** Employees must immediately provide their manager with copies of court notices. Jury or witness pay

and leave will not be authorized without prior documentation.

- (1) Breaks in Duty. An employee should report to work on any business day that the court schedule permits. If released from court early, the employee is expected to come to work.
  - (2) Jury Compensation. Fees received for jury or witness service must be submitted to the credit union to receive jury pay. Part-time employees and full-time employees who do not qualify for paid jury leave may retain their jury/witness fees.
  - (3) Manager Updates. An employee on jury or witness leave is expected to check in daily and advise his or her Manager of the status of court proceedings and availability for work.
2. Time Off to Vote. Employees whose work schedules do not allow them opportunity to vote in elections may receive up to 2 hours of paid time off to vote. Voting time must be scheduled at the beginning or end of the employee's work day and requires Management authorization. Employees should request time off to vote at least one day prior to Election Day to minimize disruption of operations.
  3. Compensation. Jury or witness pay is calculated based on an employee's base rate of pay, not including commissions, incentives, overtime, or salary differentials. Jury, witness, or voting leave does not constitute "hours worked" for overtime purposes.

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## Section 8050 Military Leave

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### General Policy Statement:

Employees returning from military service possess reinstatement, seniority, compensation, benefits, and other rights as are required by the federal Uniformed Services Employment & Reemployment Rights Act (USERRA) and other applicable law. Applicants and employees will not be discriminated against in any area of employment because of past, current, or prospective military service. The following guidelines provide a general summary of military leave rights and responsibilities. The actual law (federal and state) should be reviewed for more specific information.

### Guidelines:

1. **Eligibility**. Full and part-time employees are eligible for military leave. Temporary employees are generally excluded.
  - a) **Military Service Defined**. Military service can be voluntary or involuntary and includes: active duty, active duty for training, initial active duty for training, National Guard duty, and absence from work for an exam to determine a persons' fitness for duty, or funeral honors duty.
  - b) **Uniformed Services Defined**. Uniformed services include: Army, Navy, Marine Corps, Air Force, or Coast Guard, and their related National Guard and Reserve units, Public Health Service Corps, and other persons designated by the President.
2. **Initial Employee Notice to Credit Union**. To qualify for approved leave, an employee must, where possible, give notice of the anticipated military service. The notice may be written or verbal. Upon receipt of orders for active or reserve duty, an employee should notify the Manager and Human Resources immediately. A copy of orders should be included with the notification.
3. **Notice of Intent to Return to Work**. Unless injured or disabled during service, or due to circumstances beyond their control, employees must apply for re-employment as follows:

- a) Service of 30 Days or Less. An employee who has served 30 days or less must report for the next regularly scheduled work period plus eight hours.
  - b) Service From 31 to 180 Days. An employee who has served 31 to 180 days must report no later than 14 days following completion of service.
  - c) Service Over 180 Days. An employee who has served beyond 180 days must report no later than 90 days after completion of military service.
4. **Re-employment Rights.** Upon satisfactory (honorable) completion of military service, submission of appropriate documentation, and timely application, employees receive certain re-employment rights based on length of military service.
- a) Service of 90 Days or Less. An employee who served up to 90 days is entitled to re-employment in the job he/she would have held (as long as he/she is qualified) with all rights, as if employment had not been interrupted.
  - b) Service of 91 Days or More. Employees with 91 days or more of service may be returned to the positions they would have held if continuously employed (if qualified) or given positions of like seniority, status and pay.
  - c) Training or Retraining. Reasonable efforts will be made to enable returning service members to refresh or upgrade their skills to help them qualify for re-employment. Alternative reemployment positions will be provided as required.
  - d) Accommodations For Disability. If an employee, on return from military service, is physically unable to perform the duties of the job to which he/she is entitled upon return, the credit union will make reasonable efforts as required by law to accommodate and place the employee.
  - e) No Re-Employment if Credit Union Circumstances Changed. In very limited situations employees on military leave may not be re-employed if the credit union's circumstances have changed such that reemployment is impossible or unreasonable or would cause an undue hardship on the credit union. It is not a sufficient excuse that another person has been hired to fill the position or that no opening exists.

- f) No Termination Without Just Cause. Veterans are protected from termination without cause for a certain time period after returning to work.
  - (1) Service of 30 Days or Less. There is no protection against discharge without cause.
  - (2) Service From 31 to 180 Days. A returning veteran may not be terminated without cause for 180 days after reemployment.
  - (3) Service Over 180 Days. A returning veteran may not be terminated without cause for one year after re-employment.
  
- 5. **Health and Retirement Benefits.** Although employees who enter military service receive health benefits, they may also continue their credit union-sponsored coverage (if applicable).
  - a) Coverage Up to 24 Months. Employees on military leave may continue coverage for themselves and dependents for up to 24 months.
  - b) Leave Less Than 31 Days. An employee on leave for less than 31 days will be responsible for his/her regular premium payment.
  - c) Leave For 31 Days or More. An employee on leave for 31 days or more may be required to pay no more than 102% of the premium.
  - d) Military Service is "Credit Union Service." Military service is considered "credit union service" for purposes of the employee's retirement plan benefits where length of service is a factor. Retirement plan accrual and vesting must continue as if no break in service has occurred.
  
- 6. **Leave Accruals.** Paid leave accruals such as PTO will continue to accrue during the first 30 days of any military leave. Employees will also be treated as though continuously employed for determining benefits based solely on length of service such as vacation accrual rates and job seniority.
  
- 7. **Use of Accrued Paid Leave.** An employee may (but is not required to) use accrued PTO while on approved military leave. Employees who choose not to use their accrued paid leave during

military leave are still entitled to use those days at a later time during the year.

8. **Pay**. Federal law does not require that a military leave be paid. Therefore employees on military leave will be paid only as required by the Fair Labor Standards Act or state law.
9. **FMLA**. The law requires that time served in the military counts when calculating FMLA eligibility.

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## Section 8060 Personal and Other Leaves of Absence

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### General Policy Statement:

Employees whose personal situations may temporarily prevent them from working may be eligible for personal leaves of absence in accordance with applicable law and the guidelines below. Employees generally will not receive pay during these leaves, except where noted in this policy. Non-FMLA personal leaves of absence are generally considered privileges not "rights." Such leaves of absence will be subject to Management approval which will be based upon the employee's work record, the reason for the request, and business needs.

### Guidelines:

1. **Leave of Absence Defined.** For the purposes of this policy, a leave of absence is defined as an absence from work, whether paid or unpaid, that exceeds 2 calendar weeks.
2. **Types of Leaves.**
  - a) **Personal Leave of Absence.** The credit union may give a leave of absence to eligible employees who require time off from work to fulfill personal obligations or in instances where a FMLA leave is not available. Requests for leaves of absence for personal reasons will be considered on a case-by-case basis. Both the needs of the employee and the needs of the Department will be evaluated in determining whether or not a personal leave will be approved. Such leaves are generally unpaid.
3. **Eligibility For Leave.**
  - a) Full-time employees are eligible for non-FMLA personal leave of absence if they have:
    - (1) Worked for the credit union at least one year prior to leave request; and
    - (2) Exhausted all PTO.
  - b) Part-time employees may be eligible for leave in exceptional

circumstances.

4. **Duration of Leave.** The length of a personal leave of absence is at management's discretion, however such leaves may generally not exceed 14 days.
5. **Requesting Leave.** Requests for leaves of absence must be submitted in writing to Human Resources for review by the employee's Manager. If possible, leave requests should be made at least 30 days in advance.
  - a) Management's final decision to approve or disapprove the request will be based upon the:
    - (1) Employee's reasons for the leave;
    - (2) Length of time requested;
    - (3) Employee's job performance, attendance, and punctuality record;
    - (4) Operational requirements and staffing considerations of the affected Department; and
    - (5) The expectation that the employee will return to work when the leave expires.
  - b) Requests for leave extensions must be submitted as far in advance as possible and prior to the end of the approved leave.
6. **Credit Union Discretion.** The following decisions relating to leaves of absence will be made in the sole and absolute discretion of the credit union:
  - a) When and if a leave of absence is granted;
  - b) The duration of the leave;
  - c) Whether the employee will be compensated during the leave; (Most leaves of absence will be unpaid, except in rare situations.) and
  - d) Reinstatement procedures.
7. **Appointment Prior to Leave.** Employees should meet with

Human Resources prior to beginning any leave. During the meeting, information may be provided concerning:

- a) The effect the leave will have on the employee's benefits;
- b) How to make premium payments to ensure continuous insurance coverage;
- c) Reinstatement procedures; and
- d) The employee's responsibility to keep Management informed of the status of the leave of absence and of the expected return.

8. **Insurance Premiums for Non-FMLA Leaves.**

- a) Paid Leave of Absence. During any period that the employee is on an approved paid leave of absence, insurance contributions and coverage will continue as if the employee were in active status.
- b) Unpaid Leave of Absence. Regular credit union insurance coverage will end after 90 days of unpaid leave. Employees who want to continue insurance coverage will then become responsible for paying both the employee's and employer's share of the premiums due for the remainder of the approved leave. Additional insurance coverage can be available through COBRA. (See COBRA - Insurance Continuation.)

9. **Reinstatement From Non-FMLA, Personal Leaves.** Business conditions do not permit the credit union to guarantee that an employee will be reinstated to his/her old job or a comparable one. However, effort will be made to reinstate a returning employee to his/her former position or a similar one.

- a) Restoration of Seniority and Service Credits. Upon return from an approved leave, an employee's seniority and service credits will be reinstated.
- b) No Reinstatement Possible. If the employee's position or another suitable one is not available when the employee returns, the employee will be terminated.

10. **Communication With the Credit Union During Leave.** An employee on a leave of absence should maintain regular

communication with the credit union and provide notice of any changes in plans or intention to return to work.

11. **Certification and Release.**
  - a) **While on Medical Leave.** As allowed by law, the credit union may request written certification of an illness or injury from the employee's physician. Periodic re-certifications may also be requested.
  - b) **Return to Work.** A verification or release by a health care provider may be a condition of returning to work.
12. **Misrepresentation of Leave Purpose.** Abuse of the leave benefit including falsification of the leave purpose may result in corrective action including termination.
13. **Employee Arrest.** An arrested employee may be placed on a personal leave. Management will decide whether reinstatement of the employee is appropriate.
14. **No Employment With an Outside Employer.** Employees on leave may not work for other employers, except as authorized by Management.
15. **Non-Accrual of Paid Leave.** Paid leave (PTO, holidays, etc.) does not accrue during an unpaid leave.
16. **No Unemployment Insurance.** Unemployment insurance benefits cannot be collected while on a leave of absence without pay.
17. **Failure to Return.** An employee who fails to return to work as scheduled at the conclusion of a leave will be considered to have voluntarily resigned.

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## Section 8065 Paid Time Off (PTO)

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### General Policy Statement:

Time away from work for vacations, to pursue interests, to recover from illness or injury, or to attend to other family or personal needs (including funerals) is important. Therefore, Paid Time Off (PTO) is provided to employees according to the following guidelines. The program is designed to address the diverse needs of our employees. It provides considerable flexibility for employees to schedule time off from work for a variety of reasons without loss of pay. Employees can also build a reserve bank of PTO hours to cushion short periods of disability caused by accident or sickness. PTO may also be used, and in some instances must be used, in conjunction with Family and Medical Leave (FMLA).

### Guidelines:

1. **PTO Eligibility.**
  - a) Employees are eligible for PTO if they have:
    - (1) Completed 90 days of employment;
    - (2) Full-time or part-time status;
    - (3) PTO to cover the absence; and
    - (4) Authorization from their Manager.
  - b) In limited circumstances, authorized absences without pay may also be granted to full-time employees who have no accrued PTO available.
2. **Earned PTO.**
  - a) Awarded on Anniversary Date. PTO is earned based on length of employee service and is awarded to employees on their anniversary date. PTO hours may not be taken until they are earned. PTO does not accrue during:
    - (1) Unpaid leaves of absence;

- (2) Workers compensation or other disability leave; or
- (3) Layoffs.

b) Based on Length of Service.

<u>Length of Service</u>	<u>Full-Time: PTO Hours per Year</u>
3 months-1 year	40 hours
1 year-4 years	144 hours
5 years-9 years	184 hours
10+ years	224 hours

<u>Length of Service</u>	<u>Part-Time: PTO Hours per Year</u>
3 months-1 year	24 hours
1 year-4 years	76 hours
5 years-9 years	100 hours
10+ years	124 hours

c) Accrual for Rehires. Employees who separate from the credit union and then are rehired or recalled within 12 months will be credited for service previously accrued. If the break in service is greater than 12 months, PTO accrual will be based on the new rehire date.

3. Use of Leave. Accumulated PTO may be used for vacation, illness, funerals, and other personal and family needs. We strongly recommend, however, that employees accumulate a considerable number of hours to be used in instances of unexpected short-term disability. PTO may be, and in some instances is required to be, used in conjunction with Family and Medical and other leaves. (See Family and Medical Leave)

4. PTO Carryover. Full-time employees may carry over up to 40 hours of PTO into the next year. Part-time employees may carry over up to 24 hours. Carryover days will be placed into the employee's sick leave bank (See Sick Leave Bank below). All carryover hours will be credited to the employee's sick leave bank by the last day of the month following the employee's anniversary date. Employees may accumulate a maximum of 240 hours in their sick leave bank. Hours in excess of 240 will be lost. No compensation will be provided for hours "lost."

Sick Leave Bank. PTO carryover hours will be placed into a sick

leave bank for each employee. Employees may access these leave hours only if they are on an approved medical leave of absence (FMLA). Unused Sick Leave Bank hours may not be traded for cash or PTO hours. Additionally, employees are not paid for accrued Sick Leave Bank hours at termination or retirement.

5. **Unused Accrued PTO Days.** Unused PTO leave may not be traded for cash. Additionally, upon separation of employment, employees may be paid accrued but unused PTO hours, up to a maximum of 40 hours, after the completion of one (1) year of service. Employees who have completed five (5) plus years of service, may be paid up to 80 hours of accrued but unused PTO hours. Employees are required to provide the credit union with at least a two (2) weeks' notice of resignation, and must actually work according to his/her regular schedule during the entire notice period, in order to be paid accrued PTO hours upon resignation.
  
6. **Reporting Non-Scheduled Absences.** Employees unable to report to work due to illness or injury should call their Managers directly, each day of their absence. Employees must provide as much notice as possible and must call no later than thirty minutes before the scheduled start of work. If the Manager is not available, another Manager or Human Resources should be contacted. The employee, not a family member or friend, should contact the Manager unless the employee is medically incapacitated and unable to make the call.
  - a) **Failure to Report.** An employee who fails to contact his/her immediate Manager or Human Resources will be subject to corrective action including termination.
  - b) **Sickness During a Workday.** An employee who becomes sick during the work day should notify the Manager before leaving the premises.
  
7. **Scheduling PTO Leave.** Employees may schedule PTO days as soon as they are earned. Employees may take PTO following the completion of 90 days of employment. With credit union needs in mind, every effort will be made to grant employee requested PTO dates.
  - a) **Advance Requests.** PTO should be requested as much in advance as possible.
  - b) **Management Approval.** PTO requests are subject to Management approval based upon operating requirements,

staffing considerations, and business necessity.

- c) Conflicts. Employees who submit their PTO requests first will receive first scheduling priority. Any conflicts will be resolved at management discretion.
- d) Duration. PTO time must be taken in at least 1 hour increments and may generally be scheduled up to 2 week periods.
  - (1) As allowed by the federal Fair Labor Standards Act (FLSA) and applicable state law, exempt employees will have their PTO days charged in 1/2 day increments. Exempt employees who have yet to qualify for or earn PTO or who have used all of their applicable leave may have their salaries reduced for full day absences due to personal reasons or because of illness or injury.
  - (2) Long-term employees with more than ten days of accrued PTO time are requested to schedule PTO periods no longer than two regular work weeks. PTO's extending beyond two weeks require Management's approval.

- 8. **Five Consecutive Business Day Requirement**. Only full-time employees are required to take five (5) consecutive business days off each calendar year. A business day is any day that the credit union is open to members. For the purpose of this policy, Saturday and Sunday are excluded from the definition of a business day.

- a). Employees must use their Paid Time Off (PTO) if eligible during the time off from work. Any deficiencies between employees' PTO balance and time off will not be paid.

- b). If a recognized holiday falls during the five consecutive days, it is not counted as one of the five (5) consecutive business days. Therefore, employees would need to take an additional day off either immediately before or after their requested time off in order to fulfill the five (5) consecutive business day requirement.

- c). New hires are not required to take five (5) consecutive business days off until the following year after completion of their first year of service.

- 9. **Holidays During PTO**. A holiday observed by the credit union that occurs during a scheduled PTO, will not be counted as a PTO day.

10. **PTO During Leave.** Employees on non-FMLA leaves of absence (other than military leave or as prohibited by law) are required to use all earned PTO hours during those leave periods.
  
11. **Recordkeeping.**
  - a) **Deductions.** PTO deductions will be charged against an employee's accrued leave as allowed by the Fair Labor Standards Act and applicable state law. PTO deductions will be charged against an exempt employee's accrued leave in 1/2 day increments. PTO deductions will be charged against a nonexempt employee's accrued leave in hourly increments.
  
  - b) **Employees With No Accrued Leave.**
    - (1) **Exempt Employees.** Salary deductions may be made for full day absences when an exempt employee is absent for personal reasons or because of illness or injury, if the employee has yet to qualify for the PTO plan, or has exhausted his/her leave allowance. Partial day deductions may be made in accordance with FMLA leaves.
  
    - (2) **Nonexempt Employees.** Pay deductions may be made for full or partial day absences of nonexempt employees who have no paid leave available.
  
  - c) **Family and Medical Leave.** Accumulated days of PTO may be required to be used in conjunction with a Family and Medical Leave absence or other leaves of absence if an employee has exhausted their Sick Leave Bank. (See Family and Medical Leave.)
  
12. **Physician Certification.**
  - a) **Employees With No PTO Leave or Sick Bank Leave.** During medical absences for which no PTO or Sick Bank Leave is available, the credit union may request written certification of the illness or injury from the employee's physician. Periodic recertification may also be requested. Written confirmation of an employee's condition may also be required in instances where leave is requested immediately preceding or after PTO or holiday and if abuse of leave is suspected.

- b) Return to Work. A verification or release by a health care provider may be a condition of returning to work.
  - c) Exam by Credit Union Physician. The credit union reserves the right to require that an employee be examined by a physician of its choice, as allowed by law.
13. **Corrective Action.** Employees who abuse PTO policies or exceed their PTO leave may be subject to corrective action, up to and including termination. Employees who have used their accrued PTO leave will be granted excused absences without pay only in emergencies, unusual situations, or as required by law.
14. **Manager Responsibilities.** Managers should ensure that:
- a) Employee absences are properly recorded;
  - b) Employees are physically able to work upon their return;
  - c) Human Resources is appropriately informed of any employee attendance problems; and
  - d) Employee attendance problems are promptly addressed.
15. **Compensation.** PTO pay is calculated using an employee's base rate of pay at the time of absence. Compensation for days of absence will not include bonuses, incentives, commissions, or shift differentials. PTO days are not considered as "hours worked" for overtime calculations. (See Working Hours.)

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## Section 8069

### Serious Contagious Illnesses and Pandemics

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#### **General Policy Statement:**

As part of our emergency preparedness and business continuity planning, Resource One Credit Union has developed this policy to outline our response to contagious diseases that may cause widespread illness and seriously impact our workplace. Such illnesses can include pandemic flu, other viruses, additional infections, and other public health threats. Resource One Credit Union are committed to protecting employees' and visitors' health, while guarding their privacy and preventing any related discrimination. At the same time we seek to ensure that Resource One Credit Union continues our business operations and our service to members.

Our response to discovery of a serious communicable disease in the workplace is dependent upon current medical and public health guidance, transmission risks, specific circumstances of individuals, and available options.

#### **Guidelines:**

1. **Identification of Pandemic Response Team.** A coordinator, group of management level employees and necessary staff will be selected to serve as the *Pandemic Response Team*. The Team will include employees from key functional areas and varying locations, as may be appropriate.
  - a) **Coordinator's Responsibilities.**
    - (1) Monitor related information to ensure organizational preparedness.
    - (2) Maintain our plan and related information, and recommend changes as required. Work to ensure that essential credit union operations continue.
    - (3) Oversee employee preparedness and training. Coordinate delivery of workplace infection control information.
    - (4) Ensure the workplace has sufficient supplies, including soap, sanitizers, tissues, protective

equipment, cleaning products, and that the janitorial staff supports the infection control plan.

- (5) Stay familiar with national, state, and local governmental and public health agency provided information and services. Coordinate with health resources as may be necessary.
  - (6) Identify issues and develop a telework policy. Review equipment required. Prepare to continue “bare bones” operations from a number of remote locations.
  - (7) Implement the plan if needed.
  - (8) Develop and oversee an organizational communication plan to ensure employees and members stay well informed. Maintain employee vendor, and member contact lists. Use phone, email, the credit union website, and other communication vehicles. Coordinate all communication, especially external communication, with the President.
  - (9) Periodically test the plan, as possible, to ensure readiness.
  - (10) Annually, before each flu season, reinforce infection control procedures, the importance of vaccinations, and provide an overview of organizational policies. Provide recommendations and resources to help employees stay healthy outside of the workplace as well.
  - (11) Coordinate, as appropriate, our serious contagious illness plan with our disaster recovery plan.
- b) Team Responsibilities. Assist coordinator to:
- (1) Identify key functions, employees and vendors that are critical to operations should a contagious illness seriously impact the workplace.
  - (2) Formulate a backup plan to replace essential employees should they become ill.
  - (3) Identify staffing solutions that may be required including use of temporary employees, past

employees, and cross training of current employees. Identify functions that could be accomplished from home or at other locations.

- (4) Develop and maintain communication and operational plans for their assigned areas.
  - (5) Provide appropriate training to employees.
  - (6) Implement the plan.
2. **Identification of Key Personnel.** We will identify the employees whose positions would be critical to our continued operations during emergencies. As part of that process we will determine the resources and work arrangements that our key personnel will require. Additionally, back up personnel will be identified and trained to handle the duties of essential personnel who may be ill or unavailable during a pandemic.
3. **Identification of Key Functional Areas.** We will identify and evaluate the department and functions that would be critical to ongoing operations during a pandemic. Consideration will be given to criticality of function, how seriously the organization would be impacted without the function, how long the organization could operate without the function, and how much attention should be given to ensure the function remains operable. Once the key functions are identified, plans will be determined to make certain that critical operations continue.
4. **Identification of Critical Imports.** Identify key suppliers, vendors, materials, sub-contractors, etc., necessary to maintain operations by function and location.
5. **Sick Employees.** We expect employees who have contracted a serious contagious disease or been exposed to it because of contact with an infected individual to stay home and to seek medical attention as appropriate. Employees should provide notification of their illnesses as provided under our PTO policy. Supervisors are expected to send employees home if they believe them to be ill. Sick employees will be encouraged to stay home without fear of losing their jobs.
6. **Emergency PTO and Other Leave.** In the event of pandemic flu or other widespread contagious illness which results in abnormally high levels of absenteeism, management may invoke an Emergency PTO Leave Program.

- a) Employees will receive PTO as outlined in our PTO and Emergency Closing policies.
  - b) Unpaid PTO and leave that may be required from other events caused by the emergency, (such as closures of schools, childcare facilities, or public transportation) will also be granted as appropriate.
  - c) Employees who are at higher risk of serious medical complications from infection may be encouraged to work from home.
  - d) Family and Medical Leave will be provided as required by law and as outlined in our leave policies.
7. **Business Travel.** As circumstances dictate, we will reduce business travel as much as possible. Attempts will be made to postpone trips or utilize various forms of communication to conduct business long distance.
8. **Business Meetings and Work Areas.** As required, staff meetings and other workplace activities may be cancelled and work areas may be rearranged to create social distance. Work related exposure risks will be identified (e.g., sharing of equipment, materials, work and break areas) and minimized.
9. **Work Scheduling.** Staggered shifts may be used to minimize exposure. Flexible scheduling may also be utilized.
10. **No Discrimination.** We will not discriminate against any applicant, employee or other individual who has a communicable disease nor deny workplace access to such persons. However, as allowed by law, we do reserve the right to exclude someone from the workplace or organizational activities if doing so is necessary to protect his or her health or the health of others.
11. **Confidentiality and Privacy.** We seek to comply with all legal protections intended to protect a contagious individual's right to privacy and confidentiality. However, workplace health and safety concerns may require, as allowed by law, that certain information be disclosed to others on a limited and need to know basis.

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## **Chapter 9000**

# **EXPENSES AND REIMBURSEMENT**

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**9010 Business Entertainment and Gifts**

**9020 Business Travel**

**9030 Car Expenses**

**9040 Education and Training**

**9050 Expense Control and Reimbursement**

**9060 Participation in Professional and Other Organizations**

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## Section 9010 Business Entertainment and Gifts

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### General Policy Statement:

Business entertainment and gift giving may be useful in establishing and maintaining business relationships and creating goodwill. Therefore, Resource One Credit Union will pay for or reimburse employees for expenses incurred for business meals, entertainment expenses, and gifts if authorized in accordance with established guidelines below.

### Guidelines:

1. **Purposes.**
  - a) **Entertainment and Meals.** Business lunches, or entertainment of members, prospective members, or outside professionals may be necessary to establish or enhance working relationships.
  - b) **Nominal Gifts.** Giving typical business gifts of nominal value is appropriate unless such actions could be reasonably construed as attempts to influence business decisions. Employees, with prior authorization, may give gifts to business contacts for Christmas, birthdays, etc. as long as the gifts are appropriate and have received prior approval from Management. (See Conflicts of Interest.)
2. **Responsibility For Entertaining.** Managers should establish guidelines to indicate:
  - a) Who is permitted to provide business entertainment or gifts;
  - b) What type of authorization is necessary; and
  - c) The appropriate circumstances and spending guidelines for entertaining and gifts.
3. **Reimbursement.** Employees will be reimbursed for authorized and appropriate business-related meals, entertainment, gifts, and other expenses. Reimbursement requests must be authorized by the employee's Manager, properly documented, itemized, verified

by receipts, and submitted within 30 days of when they were incurred. (See Expense Control and Reimbursement.)

4. **Expenses Must Be Reasonable.** Inappropriate or extravagant entertainment expenses will not be reimbursed or paid for.
5. **Employee Entertainment.** Managers will be reimbursed for reasonable business-related entertainment of employees (such as rewards, team building, etc.) if pre-approved by Management.
6. **Alcohol On Credit Union Premises.** Except as approved by Management, the consumption of alcohol is prohibited during business parties, receptions, or entertainment functions which occur on credit union property or at outside locations.

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## Section 9020 Business Travel

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### General Policy Statement:

Employees will be reimbursed for all actual and reasonable travel expenses, including transportation, meals, and lodging costs, provided such travel is incurred in the authorized conduct of Resource One Credit Union business. All business travel must be approved in advance and employees are responsible for securing reasonable and cost effective travel arrangements.

### Guidelines:

1. **Reimbursable Expenses.** All employees must obtain prior approval before incurring business related travel expenses. Employees whose business travel has been approved should place all travel reservations through the credit union's designated travel agent.
  - a) In limited circumstances, an employee may receive a cash advance for anticipated expenses. Costs resulting from the following activities are generally reimbursable:
    - (1) Visiting other credit union facilities, members, prospects, and vendors;
    - (2) Attending meetings and conventions; or
    - (3) Participating in other job-related training functions.
  - b) All travel must be related to and within the scope of an employee's work activities. (See Expense Control and Reimbursement for reimbursement procedures.)
2. **Mode of Travel.** Employees are responsible for using the most economical form of transportation possible, given the circumstances.
  - a) **Airlines.** Employees are expected to:
    - (1) Fly coach or economy class;

- (2) Book fares as far in advance as possible to take advantage of reduced rates;
    - (3) Fly during non-peak times if scheduling permits and lower fares are available; and
    - (4) Fly the least expensive airline.
  - b) Use of Personal or Credit Union Vehicles. Transportation by car may be required if scheduling permits and it appears to be more economical than air travel. (See Car Expenses.)
  - c) Car Rentals. Car rentals are reimbursable only when other less costly forms of transportation are unavailable. Employees are required to rent compact cars unless only a larger car is available or circumstances necessitate a larger car. Employees are encouraged to use public transportation, complimentary shuttles, and/or share taxi expenses with a group whenever possible.
3. **Lodging.** Employees should stay in moderate, but adequate, accommodations with the best combination of location and price.
  - a) Convention or Special Rates. Whenever possible, employees should use hotels where a corporate or convention rate has been established. Asking for special or better rates is also advised when checking in at hotels.
  - b) Reimbursement. Lodging will be reimbursed at actual cost on a single rate basis or divided rate basis if the room is shared by more than one employee.
4. **Meals.** The amount of \$50 dollars is the suggested maximum daily expense allowance for employees traveling out of town on approved credit union business.
  - a) Adjustments. The suggested rate may be altered depending upon the destination and the typical expenses.
  - b) No Allowance for Companions. No daily allowance is authorized for spouses of employees or others traveling with the employee at his or her own expense, unless their attendance is deemed valuable for credit union business and is pre-approved by Management.
  - c) Receipts Required. Receipts evidencing actual meal

expenses must be submitted.

5. **Frequent Flyer and Hotel Club Programs.** Employees may retain accrued frequent flyer and hotel club program credits for their own personal use. However, employees should ensure that they continue to make the most economical travel arrangements, uninfluenced by potential airline or hotel travel awards.
6. **Credit Union Credit Cards.** Employees who travel frequently on business may be provided credit union credit cards.
  - a) **For Business Travel Only.** Credit Union credit cards may be used only for actual and necessary business related charges and not for any personal expenses.
  - b) **Inappropriate Use.** Employees are responsible for inappropriate credit card charges. Such improper use may also subject an employee to corrective action.
7. **Entertainment Expenses.** No reimbursement will be made for entertainment expenses during a business trip unless the entertainment is business related. (See Business Entertainment and Gifts.) The cost of personal magazines, movies, books, and newspapers should be paid by the employee.
8. **Miscellaneous Travel Expenses.** The following expenses may be reimbursed when incurred for approved business travel:
  - a) Laundry and other cleaning expenses; (Authorized for reimbursement only when extended out-of-town business travel is required. This provision does not include normal laundering that is necessary upon return home.)
  - b) Tolls;
  - c) Baggage handling;
  - d) Official telephone messages and periodic brief calls home (not to exceed one per day);
  - e) Parking fees; and
  - f) Taxi fares and tips (not to exceed 15% of the fare).
9. **Spouse/Friend Travel.** Employees will not be reimbursed for a spouse's or friend's travel expenses unless there is a business-

related purpose for such travel.

- a) Prior Approval. Employees seeking reimbursement for their companion's expenses must receive advance authorization.
  - b) May Not Disrupt Business. The employee may be accompanied by a spouse or friend only if his/her presence does not interfere with the business objectives of the trip.
10. **Personal Travel**. Generally, employees are also permitted to combine personal travel with business travel as long as time away from work is approved. Additional expenses arising from such non-business travel are the employee's responsibility.
11. **Compensation of Nonexempt Employees for Travel Time**.
- a) Regular Work Hours. Nonexempt employees will be compensated for travel time during regular working hours while on approved credit union business.
  - b) Regular Work Hours on Non-Work Days. Travel during regular working hours on non-work days (e.g., Saturday or Sunday) also is treated as "hours worked." (See Overtime.)
  - c) Outside of Regular Work Hours. Time traveling as a passenger (e.g., on a plane, bus, or in a car) outside of normal working hours is not considered "hours worked" unless the employee is actually working at the time.
12. **Related Policy**. (See Expense Control and Reimbursement.)

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## Section 9030 Car Expenses

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### General Policy Statement:

Resource One Credit Union owned cars may be provided to employees with demonstrated business needs. Additionally, employees may be reimbursed for use of their own cars on Resource One Credit Union business. All car expenses will be reimbursed subject to the following guidelines.

### Guidelines:

1. **Credit Union Vehicles.** Credit Union vehicles may be provided to employees as business needs warrant.
  - a) **Reimbursable Expenses.** Gas, tolls, parking, and related expenses will be reimbursed when incurred for approved business activities.
  - b) **Personal Use.** Use of credit union vehicles for personal non-business activities must be pre-approved by Management.
  
2. **Employee-Owned Vehicles.** Employees using their own cars for business purposes must receive prior authorization from Management.
  - a) **Mileage Allowance.** A mileage allowance, which may vary from year to year, for all costs related to vehicle operation will be provided.
  - b) **Mileage Record.** Employees must keep a detailed record of mileage for approved travel to ensure accurate reimbursement. (See Expense Control and Reimbursement.)
  - c) **Related Reimbursements.** Parking charges, tolls, and other related expenses are reimbursable if incurred for business-related travel.
  - d) **Management Approval.** Claims for mileage allowance and related reimbursement must be approved by the employee's Manager.

- e) Vehicle Allowance. In limited instances, a monthly vehicle allowance may be granted to Management or sales personnel who travel regularly on credit union business. This allowance is in lieu of a mileage and miscellaneous reimbursement allowance.
3. **Employee Responsibilities**. Employees are accountable for the responsible operation of credit union cars, personal vehicles, or rentals when traveling for business purposes.
- a) An employee who drives any vehicle on credit union business must:
    - (1) Be a Responsible Driver. Possess a current driver's license, an acceptable accident record, and be insurable. Refrain from using a mobile device while operating the vehicle, including texting, email, or other forms of instant messaging.
    - (2) Carry Insurance Coverage. Ensure that they have vehicle liability insurance in at least the minimum amounts required by state law and carry proof of such coverage. The employee assumes liability for his/her personal vehicle in work-related travel.
    - (3) Drive Safely. Ensure that the vehicle is operated safely. Employees adversely affected by sickness, alcohol, drugs, or any condition which impairs safety may not drive on credit union business.
    - (4) Check Vehicle. Inspect the vehicle and confirm that it is in good operating condition.
    - (5) Obey Traffic Laws. Observe all traffic laws including wearing a seat belt and use of cell phones while driving.
    - (6) Assume Responsibility for Fines. Pay any fines or parking violations incurred while driving on credit union business.
  - b) The employee's Manager is responsible to ensure that all related policies are followed and established safety standards met.

4. **Accidents.** An employee involved in an accident while traveling on credit union business must immediately report the incident (regardless of how minor) to his/her Manager.
5. **Compensation for Driving Time.** Nonexempt employees will be compensated for all time spent driving (other than ordinary "home to work" travel) while on approved credit union business. Driving is considered "hours worked" for pay purposes.
6. **Reimbursement Procedures.** (See Expense Control and Reimbursement.)

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## Section 9040 Education and Training

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### General Policy Statement:

Employees are encouraged to continue their education in order to maintain and enhance current skills and to prepare themselves for advancement opportunities. Consequently, Resource One Credit Union offers educational assistance according to the following guidelines.

### Guidelines:

1. **Equal Training Opportunities.** In our training and development activities, as in all of our Human Resource functions, we are committed to providing equal opportunities for all employees at all levels of our credit union.
2. **Training Must Not Interfere With Job Performance.** Education and training must not unduly interfere with an employee's job responsibilities and must be completed during non-work hours, unless otherwise directed by Management. Employees who allow outside education to negatively impact job performance may lose credit union financial assistance and be subject to corrective action.
3. **Requirements For Educational Assistance.** Financial assistance may be provided to full- and part-time employees, up to a maximum of \$1500 per calendar year, for education and training when the following requirements are met:
  - a) **Acceptable Educational Institutions or Seminars.** The educational experience must take place at approved colleges, universities, trade schools, or seminars. Correspondence courses do not normally qualify for assistance.
  - b) **Direct Relationship to Job.** Courses must be accredited or involve skills necessary for advancement within the credit union.
  - c) **Completion of One Year of Service.** Employees receiving assistance must have completed one year of continuous service.

- d) Employees Must Be in Active Employment Status.
  - e) Satisfactory Job Performance. Employees must be performing satisfactorily. Additionally, employees who have been subject to corrective action in the last year are generally not eligible for assistance.
4. **Manager Pre-Approval.** To guarantee reimbursement, requests for educational assistance must be approved prior to enrollment. The Manager should participate in career development planning with the employee and must approve all training. All training requests must also receive prior authorization from Human Resources.
5. **Criteria For Reimbursement.** The following criteria are reviewed in considering educational and training reimbursements:
- a) Department and credit union needs;
  - b) Employee career development plans;
  - c) Employee motivation and commitment;
  - d) Cost;
  - e) Cross-training needs;
  - f) Impact on productivity and credit union resources; and
  - g) The amount of educational assistance already provided to the employee.
6. **Reimbursement Form.** Within 30 days of completion of approved training, employees should submit a reimbursement form to the Training department with all required information including:
- a) Receipts. The cost of tuition, books, and fees should be itemized and documented.
  - b) Percentage of Reimbursement Expected. The expected reimbursement amount based upon the credit union's prescribed formula.
  - c) Transcripts. Official transcripts which indicate a qualifying grade of "C" or better will be reimbursed according to the

following guidelines:

Grade A = 100% reimbursement

Grade B = 75% reimbursement

Grade C = 50% reimbursement

In those cases of "pass" or "not pass," a pass is required to receive financial assistance.

7. **Advance Reimbursement.** In some instances, subject to Management discretion, employees may receive payment for training expenses prior to completion of the course work.
8. **Other Outside Assistance.** Employees eligible for reimbursement from other sources (e.g., a government sponsored program or a scholarship) may seek credit union educational assistance, but are reimbursed only for the difference between the amount received from the other funding source and the actual course cost.
9. **Employee Termination - Special Conditions For Reimbursement.**
  - a) **Full Reimbursement.** Employees will be fully reimbursed for all educational costs when training is interrupted because of a layoff or job reassignment at the credit union.
  - b) **No Reimbursement.** Employees will receive no reimbursement when, prior to completing course work, they:
    - (1) Are terminated for not fulfilling job responsibilities or violating expected rules of conduct; or
    - (2) Voluntarily separate from the credit union.
10. **Employee Repayment of Educational Assistance.** Educational assistance is provided with the expectation that employees will remain with the credit union and utilize newly acquired skills. However, unless applicable law requires otherwise, if an employee voluntarily terminates employment or is terminated for willful violation of credit union policy following training he/she may be required to reimburse the credit union.
  - a) **Full Amount Repaid by Employee.** The full amount reimbursed by the credit union must be repaid if the employee resigns or is terminated for willful violation of credit union policy within six months of completing course work.

- b) One-Half of Amount Repaid by Employee. One-half of the amount reimbursed by the credit union must be repaid if the employee resigns or is terminated for willful violation of policy between six months and one year after completing the course work.
  
- 11. No Guarantee of Promotion. While additional training opportunities may develop employee's skills and abilities, the credit union cannot guarantee that further education will provide pay increases or automatic advancement.
  
- 12. Compensation. Exempt employees will normally not be paid additional compensation for time spent on education and training activities. Nonexempt employees may receive additional pay if education and training constitute "hours worked." (See Working Hours.)
  
- 13. Employee Acknowledgment. Employees will be informed of credit union educational assistance and reimbursement policies and be asked to sign forms acknowledging their understanding and responsibilities prior to receiving Management permission for course work.

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## Section 9050 Expense Control and Reimbursement

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### General Policy Statement:

Resource One Credit Union employees' willingness to monitor business expenses is critical to our credit union's financial well-being. Employees should play a strong role in controlling expenses of products and services used in business related activities. Actual expenses incurred must be reasonable, reflect prudent business practices, and be in accord with established expense policies. Employees will be fully reimbursed for approved, necessary and job-related expenses incurred during Resource One Credit Union business.

### Guidelines:

1. **Reimbursement.**
  - a) Advance Approval Required. All expenditures must be approved in advance by Management.
  - b) Receipts Required. Receipts or evidence of expenditure must be submitted with all reimbursement requests. (Receipts for parking meters, tips, etc. are not required.)
  - c) Purchases or Charges. All purchases or items charged must be itemized on credit union expense reports.
  - d) Completion of Paperwork. When submitting a request for reimbursement, employees must:
    - (1) Complete the credit union expense voucher and include the following information:
      - (a) Employee number or employee name;
      - (b) Cost center number or Department;
      - (c) Complete description of products and/or services and reason for their purchase;
      - (d) If travel or mileage reimbursement is sought, travel destination, reason for travel, and/or

number of miles traveled;

(e) Receipts which include the date, vendor, and itemization of expenses;

(f) Manager signature; and

(g) Employee signature and date.

(2) Submit reimbursement requests and related paperwork within 30 days of the date the expense is incurred.

(3) Take special care when submitting expense reimbursement forms. Unapproved, incorrect, or incomplete forms will be returned for correction and will delay or prevent payment.

2. **Cash Advances.** In limited circumstances, employees may be given cash advances to cover reasonable, anticipated expenses. An employee should submit a written cash advance request to his/her Manager outlining specific expected expenses. Once expenses have been incurred, supporting receipts, adjustments for the cash advance, and any remaining expenses must be submitted. Unused cash advances (difference between advance and actual expenses) must be returned to the credit union.
3. **Utilize Manager as a Resource.** Employees should contact their Manager regarding questions relating to the appropriateness of expenses, reimbursement procedures, and other expense related issues. See related policies (Business Travel, Car Expenses, Business Entertainment and Gifts) for further information.
4. **Abuse of Expense Policy.** Employees who abuse the expense policy including falsifying or exaggerating expenses and incurring unnecessary and excessive expenses will be subject to corrective action up to and including termination. Unnecessary, unauthorized, and/or unreasonable expenses will not be reimbursed and will be the personal responsibility of the employee.

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**Section 9060**  
**Participation in Professional and Other Organizations**

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**General Policy Statement:**

Membership and participation in professional organizations can be important in promoting employee development and Resource One Credit Union's business interests. Professional memberships and related expenses which benefit Resource One Credit Union will be paid for or reimbursed by Resource One Credit Union as outlined below.

**Guidelines:**

1. **Pre-Approval.** Employees considering joining a professional organization or attending a seminar for which payment or reimbursement will be requested must obtain advance approval from Management.
2. **Justification of Professional Expenses.** When determining which professional expenses will be reimbursed, Management will evaluate the following:
  - a) The potential benefit to the credit union and the employee;
  - b) Possible disruptions to business operations; and
  - c) Budgetary considerations and the costs involved.
3. **Credit Union Selected Membership.** In some instances, Management may choose employees to represent the credit union with select organizations. All related membership expenses will be reimbursed in such situations.
4. **Reimbursable Expenses.** The credit union will pay for or reimburse the following types of professional expenses on a limited basis:
  - a) **Membership Dues.** Professional memberships will be paid as deemed appropriate by Management.
  - b) **Meetings, Seminars, and Conventions.** The credit union may pay for and/or reimburse related expenses of

attendance at professional seminars and conventions (including fees for materials). (See Expense Control and Reimbursement and Business Travel.)

5. **Potential Conflicts of Interest.**

a) **Leadership Positions.** Management authorization is required before employees may accept leadership roles or other positions in professional organizations requiring significant amounts of time or commitment of resources.

(1) Such activities must not significantly interfere with job performance or create a conflict of interest.

(2) Where appropriate, employees should ensure that they distinguish their personal views or opinions from the positions of the credit union.

b) **Professional Writing or Presentations.** Employees who write professional papers, participate in panel discussions, act as guest speakers, or give any type of public presentation must have the advance consent of Management. Care must be taken to ensure that:

(1) Credit Union confidentiality is maintained;

(2) Credit Union positions are accurately represented; and

(3) Employees distinguish their personal viewpoints from those of the credit union.

6. **Compensation For Participation in Professional Organizations and Related Activities.**

a) **Activities Outside Working Hours.** Employee initiated, voluntary, professional activities that are outside working hours are generally not compensated.

b) **Credit Union Initiated Participation.** Participation in a professional organization by nonexempt personnel during "off-duty hours" will be compensated as "hours worked" if it is required or suggested by the credit union.

c) **Professional or Leadership Positions.** Management will determine whether employees who hold positions with

professional organizations are eligible for additional compensation. Payment may be made, as deemed appropriate, for hours worked and expenses incurred.

- d) Exempt Employees. As in other instances, exempt employees do not receive additional compensation or overtime for additional responsibilities or hours worked. However, appropriate expenses may be reimbursed with Management's approval.