



Overtime and Compensatory Time

Purpose

This policy defines and describes the options available to employees who work overtime.

Persons Affected

This policy applies to all non-exempt and exempt employees. This policy does not apply to faculty.

Definition

Fair Labor Standards Act (FLSA): the federal law (29 U.S.C. §§ 201-219) that establishes overtime standards for employees.

Overtime: Time worked beyond normal agreed working hours.

Policy

Except as otherwise provided by law, no employee may accrue compensatory time for work performed at any location other than the employee's regular place of employment or duty point. An employee may accumulate compensatory time off for hours worked during any calendar week at the employee's personal residence if approved in advance by the president or president's designee.

Procedures

A. Approval

Employees' compensatory leave time must be approved in advance by the appropriate supervisor. Employees must request compensatory time leave using a department authorized electronic process or physical form. The request and approval process must be documented and retained in association with state regulated-records retention requirements.

If an employee submits a written request to use accrued compensatory time not later than the 90th day before the date on which the accrued compensatory time will lapse, the department head must approve in writing the employee's request or provide the employee with an alternate date on which the employee may use the compensatory time. The department head should make an effort to accommodate the employee's use of the accrued compensatory time before it lapses.

Specific instructions on how to report and approve time and leave are available on the payroll services website at <http://www.sfasu.edu/controller/payroll/index.asp>.



B. Non-Exempt Employees

A non-exempt employee under the Fair Labor Standards Act (FLSA) who works in excess of 40 hours in a workweek is entitled to compensation for the excess hours through one of the following methods:

1. The employee should take compensatory time off within twelve (12) months following the end of the workweek in which the overtime occurred at the rate of 1-1/2 hours off for each hour of overtime.
2. Payment must be made for all accumulated overtime in excess of 240 hours (160 hours at the 1-1/2 rate).
3. The appropriate vice president may grant approval for an employee to receive pay for overtime balances below 240 hours at the rate of 1-1/2 times the employee's regular rate of pay. The appropriate vice president may also grant approval for all employees performing specific functions in a department to receive payment for overtime. Payment for overtime balances of less than 240 hours is limited to overtime hours gained while:
 - a. conducting public safety activities;
 - b. responding to emergency situations;
 - c. performing maintenance and construction of SFA property or buildings during times when occupancy of the buildings or campus is reduced;
 - d. supporting or coordinating university events that occur in hours other than regular work hours; or
 - e. completing mission-critical special projects relating to the operations of the department.
4. With authorization of the president or the president's designee, an employee may be paid for the hours of compensatory time the employee earns for work directly related to a disaster or emergency declared by the appropriate officer of the state or federal government. Payment is subject to federal withholding.
5. Non-exempt part-time employees must be paid for hours worked over their designated hours; they may not accrue compensatory time.
6. Non-exempt employees (or their estate) must be paid for any unused accumulated compensatory time at the time of separation from employment or when transferring to an exempt classification. Payment is subject to federal withholding.

Any paid leave or holidays taken are not counted as hours worked in determining overtime hours under the preceding paragraph. In situations in which the employee has not worked more than 40 hours in a workweek but the total hours worked and hours of paid leave or paid holidays exceeds 40 hours, the employee shall be allowed equivalent compensatory time off for the excess hours. The compensatory time must be taken during the 12-month period following the end of the workweek in which the compensatory time was accrued or it lapses. Compensatory time under this paragraph may not be carried forward past the end of the 12-month period and only in specially approved instances may an employee, whose compensatory time off would be disruptive to normal teaching, research or other critical function, be paid for the unused time.



Exceptions to the workweek overtime calculation for University Police Department law enforcement officers shall be made in accordance with the FLSA.

To receive overtime pay, non-exempt employees will record all time worked in the approved timekeeping system. The system calculates overtime based on the rules established in this policy. Non-exempt employees must obtain approval from their appropriate vice president to receive overtime pay in lieu of compensatory time off. If the employee is to be paid for overtime, the employee's name, CID, and dates worked as overtime are to be recorded on the Time Record (<http://www.sfasu.edu/documents/time-record.pdf>) and submitted to the payroll office. If the overtime is to be paid from a funding source different from the employee's regular task code, the department head must approve and submit a Time Record to the appropriate vice president for signature, then route to the payroll office for payment.

D. Exempt Employees

An exempt employee is not subject to the overtime provisions of the FLSA and may be allowed compensatory time off for hours in excess of 40 hours in a work week in which the combination of hours worked, paid leave, and holidays exceeds a total of 40 hours. Each department is responsible for submitting the Comp Time Earned Record (found on the SFA Business Forms website) for all exempt employees in the department. The form must contain the employee's name, CID, total comp time hours earned for the month and the signature of each employee. The department head must sign the report and then route to the payroll office for processing. Forms must be submitted by the due date established by the payroll office. If time is not submitted by the due date, no compensatory time will be reported as earned during that pay period.

An exempt employee, may be allowed compensatory time off during the 12-month period following the end of the workweek in which the overtime was accrued, at a rate not to exceed equivalent time, but limited to 80 hours during any one fiscal year. Compensatory time earned and used during the consecutive weeks of an alternative work schedule does not count toward the 80-hour limit. Earned compensatory time not used within 12 months will expire. An exempt employee will not be paid for any unused compensatory time earned in this manner. It is the department head's responsibility to ensure exempt employees adhere to the limits of maximum use of compensatory time set forth by this policy. If an employee reports more than 80 hours of compensatory time used, the payroll office will adjust the leave to report it as vacation time used.

With authorization of the president or the president's designee, an employee may be paid for the hours of compensatory time the employee earns for work directly related to a disaster or emergency declared by the appropriate officer of the state or federal government.

Part-time exempt employees may accrue compensatory time when the number of hours worked plus holiday or other paid leave taken during that week exceeds the number of hours that the employee was designated to work.



Compensatory time must be authorized in advance, and leave taken must be recorded using the university's official leave reporting system(s). Leave documentation must be maintained in association with state record retention requirements.

Related Statues or Regulations, Rules, Policies, or Standards

Fair Labor Standards Act, 29 U.S.C. § 201 et seq.
29 C.F.R. §§ 541, 553

Tex. Gov't Code §§ 659.015, .016, .018, .022-.023

Responsible Executive

Vice President for Finance and Administration, Director of Human Resources

Forms

Request for Vacation, Compensatory Time, Sick Leave Taken (available from Human Resources); Comp Time Earned Exempt Employees Only; (available on the SFA Business Forms website)

Revision History

September 1, 2023 (original)