# Compensation Philosophy and Policy

Our employees are our most valuable asset. Our overall compensation philosophy is to maintain a fair and equitable market-based compensation program that rewards performance and recognizes contributions made by all employees within the organization. While remaining fluid and flexible to meet changing economic and market conditions, we strive to pay market rates as is financially practical, taking into account individual performance and contributions.

**Primary Objectives of the Compensation Program:**

- Recruit, attract, retain, and engage skilled, productive and dedicated employees.
- Motivate and reward employees to perform their jobs in ways that contribute to the overall success of the organization.
- Establish and maintain competitive pay ranges that ensure positions are valued appropriately in relation to one another within the organization and are aligned with market rates offered by the competitive labor market.

**Compensation Plan Guidelines:**

In order to achieve the primary objectives of the organization's compensation program, determining and identifying base pay compensation levels consists of the following key elements:

- Having formal, current job descriptions which indicate essential job functions (including supervisory responsibilities, if applicable), and requisite knowledge/education, skill, and ability requirements.
- Regularly conducting compensation benchmarking against the external market.
- Providing pay increases that are commensurate with the market, individual performance, and organization performance.

**Job Descriptions:**

Each position in the organization has a corresponding job description. This description specifies the position's duties and responsibilities and details the tasks, processes, functions, and qualifications for the job. Job descriptions are reviewed periodically for accuracy and updated as necessary.

**Market Benchmarking:**

The organization uses an outside third party to objectively benchmark our job descriptions against current, valid, and reliable compensation survey data.  As a result, the organization has a competitive compensation structure that consists of pay grades and pay ranges for all positions. Pay grades and pay ranges are reviewed and updated when

necessary. Increases are given at the beginning of the following pay period when they fall outside of the organizational-wide benchmarking.

**Pay Ranges:**

Every position within the organization has a pay range. Each range has a designated minimum, midpoint, and maximum pay rate.

The amount paid to any individual employee is determined by the pay range for the position. It is the goal of IHLS to have all employees paid within their respective pay range. An appropriate pay rate will be determined for each employee based on the individual's relevant experience with respect to their current position, expertise, performance, and tenure. This process upholds the organization's philosophy that all employees contribute to the success of the organization and individual contributions will be acknowledged accordingly. Final base pay determination will be approved by the Executive/Management Team in coordination with Department Managers/Supervisors.

**Pay Adjustments:**

Pay adjustments must be approved in advance by the Executive Director and may occur for the following reasons: All pay changes will be communicated to the employee in writing prior to the effective date of the change.

**Annual Review and Pay Increases:**

Employees are eligible for an annual pay increase at the beginning of each fiscal year, provided they begin employment by June 30th of the previous fiscal year. The amount of base pay increase for an employee is dependent upon the board-approved increase where the employee's pay falls relative to their pay range, and the parameters of the approved operating budget.

If an employee's pay is at (or beyond) the maximum of the pay range, further pay increases will not be issued until the employee's pay rate is back within range.

If an employee obtains a certification or degree requirement based upon the current job description, they will be reevaluated within their pay grade to ensure that they are properly placed in the range taking into consideration the new certification or degree. Increases are given at the beginning of the following pay period after the certification and/or degree is obtained.

**Market Adjustment Increases:**

Adjustments in an employee's pay may occur separately from the annual review process to maintain internal equity. Pay adjustments may also occur when there is an unexpected market fluctuation for a particular position and the incumbent's current pay is below market.

**Promotional Increases:**

A promotion is a reassignment from a position with a lower pay grade to another position with a higher pay grade. In most cases, a base pay increase will accompany a promotion, but it is not required unless the employee's pay is below the minimum of the new position's range.

**Reassignment to a Position with a Lower Pay Range:**

On rare occasions, employees may move to a job of significantly decreased responsibility and a lower pay grade, either voluntarily or at the request of management. In some cases, a pay decrease may be initiated at the time of the job change, but is not required unless the employee's pay is above the maximum of the new position's range.

**Lateral Transfer:**

A lateral transfer is defined as a move from one position to another within the same pay grade. Lateral transfers typically involve no change in base pay.

# Timecard Submission and Approval Policy

**Purpose:** To ensure accurate and timely processing of payroll by establishing guidelines for the submission and approval of employee timecards.

**Scope:** This policy applies to all employees and their respective supervisors.

**Timecard Submission:**

- **Frequency:** Timecards must be submitted bi-weekly by the end of the designated pay period. It is a good practice to make sure your time is updated daily to ensure accurate hours worked.
- **Method:** Timecards will be submitted electronically in Paylocity. Employees are required to approve their timecards except in the case of emergency situations. Once you approve your time card, it will be automatically sent to your supervisor for their approval.
- **Accuracy/Missed Punches:** Employees are responsible for ensuring that their timecards accurately reflect the hours worked, including any overtime or time off.

**Supervisor Approval:**

- **Review and Approval:** Supervisors must promptly review their employees' timecards for accuracy and completeness.
- **Timeliness:** Timecard approvals must be completed by noon on Monday following the close of the pay period.
- **Corrections:** If errors are found, supervisors must notify the employee and make the necessary corrections before approving the timecard.
- **Time-Off Approvals:** All time-off approvals must be approved or disapproved within 2 business days of being requested or before timecards are due, whichever is first. Vacation approvals should be approved or disapproved as soon as possible.

**\*\* Note that, for time off covered by the Paid Leave for All Workers Act (PLAW), employees do not need to request time off in advance if the need for leave is not foreseeable; in these cases, the employee must provide as much notice as is practicable.**

**Exceptions and Adjustments:**

- **Exceptions:** In exceptional cases, such as extended absences or unexpected schedule changes, employees must obtain prior approval from their supervisor.
- **Adjustments:** Any adjustments to timecards must be documented and approved by the supervisor.

**Consequences of Non-Compliance:**

- **Delays in Pay:** Failure to submit timecards or obtain necessary approvals may result in delays in payroll processing.

- **Disciplinary Action:** Repeated violations of this policy may lead to disciplinary action, up to and including termination of employment.

**Additional Considerations:**

- **Timekeeping Systems:** IHLS uses Paylocity as its timekeeping system. Details on how to use this system can be found in our organization's Intranet.
- **Overtime:** Overtime must be approved in advance by the supervisor outside of the departmental budget allotted hours. As set forth in the IHLS handbook, all employees will be properly paid for all time worked, regardless of whether the employee's supervisor has approved the overtime. However, employees are subject to disciplinary action for repeatedly working overtime without authorization.
- **Time Off:** The types of time off available (e.g., vacation, sick leave, and paid leave for all workers (PLAW) time) and the procedures for requesting and approving time off can also be found on the IHLS Intranet.

# Generative Artificial Intelligence (AI) Chatbot Usage Policy

**Purpose**

With the increasing popularity of generative AI chatbots such as OpenAI's ChatGPT and Google's Bard, it has become necessary to outline the proper use of such tools while working at IHLS. While we remain committed to adopting new technologies to aid our mission, when possible, we also understand the risks and limitations of generative AI chatbots and want to ensure responsible use. Our goal is to protect employees, members, vendors, and the organization from harm.

**Overview**

While AI chatbots can be used to perform a variety of functions, this policy addresses only the use of a web-based interface to ask or "prompt" the chatbot in a conversational manner to find answers to questions, or to create or edit written content.

Some examples of what could be created using an AI chatbot include:

- Emails and letters.
- Blog posts, reports and other publications.
- Sales and advertising copy.
- Policies and job descriptions.
- Spreadsheet calculations.
- Foreign language translations.
- Coding development or debugging.
- Document or information sorting.
- Outlines or summaries of internal or external information.

There are, however, risks in using this technology, including uncertainty about who owns the AI-created content and security/privacy concerns with inputting proprietary IHLS information or sensitive information about an employee, member library, etc., when interacting with the chatbot. Additionally, the accuracy of the content created by these technologies cannot be relied upon, as the information may be outdated, misleading, or—in some cases—fabricated.

**Eligibility**

This policy applies to all employees of IHLS and to all work associated with IHLS that those employees perform, whether on or off organization premises.

**Policy**

Limited use of generative AI chatbots will be allowed while performing work for IHLS with the approval of your supervisor. IHLS employee email addresses, credentials, or phone numbers can be used to create an account with these technologies. No IHLS data of any kind may be submitted (copied, typed, etc.) into these platforms.

All AI-generated content must be reviewed for accuracy before relying on it for work purposes. If a reliable source cannot be found to verify factual information generated by the chatbot, that information cannot be used for work purposes.

Acceptable uses include:

- For general-knowledge questions meant to enhance your understanding on a work-related topic.
- To brainstorm ideas related to projects you are working on.
- To create formulas for Excel spreadsheets or similar programs.
- To develop or debug code, to be verified before deployment.
- To draft an email or letter.
- To summarize online research or to create outlines for content projects to assist in full coverage of a topic. Only content written by employees may be included in a final product.

Unacceptable uses include:

- Failing to properly cite an AI chatbot when used as a resource. (Please refer to the MARCOM Intranet on the IHLS *style guide on proper citations*.)

Any violation of this policy will result in disciplinary action, up to and including termination.

**Training**

All managers will be trained on the proper use of generative AI chatbots in the workplace, and this training will be posted on the IHLS Intranet.

All questions related to this training should be addressed with the IT Department using the Teams Ask IT Channel.

**Ethical Use**

Employees must use generative AI chatbots in accordance with all IHLS's conduct and anti-discrimination/anti-harassment policies. These technologies must not be used to create content that is inappropriate, discriminatory, or otherwise harmful to others or the organization. Such use will result in disciplinary action, up to and including termination.

**Monitoring**

IHLS's Computer Use Policy and relevant monitoring policies still apply when using generative AI chatbots with IHLS equipment.

If you have any questions regarding this policy, please contact *the IT Director.*

**Drug-Testing Policy (Random Testing)**

**Purpose**

This policy describes IHLS's procedures for conducting random drug testing of employees in its efforts to maintain a safe and drug-free workplace.

**Random Selection**

IHLS will randomly drug-test employees to ensure compliance with its drug-free workplace policy on a quarterly basis. Random testing means employees will be selected for testing using a computer-based random-number generator. This will result in an equal probability that any employee from the entire group of employees will be tested.

Each quarter, on a day selected by a computer-based random-date generator, the human resources department will pull a random selection of employee names and immediately notify the employees selected for testing. Testing must be completed on the same workday the employee is selected, absent extenuating circumstances such as out-of-town travel. In all circumstances, testing must be completed within 24 hours of selection.

If an employee selected for testing is unavailable for a legitimate reason such as an extended medical absence, human resources will document the circumstances for failure to test.

IHLS has no discretion to waive the testing of an employee selected at random.

**Substances Covered by Drug Testing**

Employees will be tested for their use of commonly abused controlled substances, which include opiates, cocaine, phencyclidine (PCP), amphetamine, and chemical derivatives of these substances.  Specifically, the following are included in the panel IHLS uses for random drug testing:  cocaine metabolites, codeine/morphine, hydrocodone/hydromorphone, oxycodone/oxymorphone, phencyclidine (PCP), amphetamine/methamphetamine, MMDA and MDA.  Radom testing does not include marijuana (THC) or alcohol.

Employees must advise the testing lab of all prescription drugs taken in the past month before the test and must be prepared to show proof of such prescriptions upon request.

**Testing Methods and Procedures**

All testing will be conducted by a licensed independent medical laboratory, which will follow testing standards established by the state or federal government. Testing will be conducted on a urine sample provided by the employee to the testing laboratory under procedures established by the laboratory to ensure the privacy of the employee, while also protecting against tampering with or alteration of the test results. The cutoff limits for initial and confirmatory testing are set by the laboratory and an employee may request this information from Human Resources.

Employees will be considered to be engaged at work during the time spent taking a drug test and employees will be paid as time worked for travel to and from the testing facility and will be compensated for such time at their regular rate of pay, with the exception of retesting at the request of the employee.

IHLS will pay for the cost of the initial testing, including the confirmation of any positive test result by gas chromatography. The testing lab will retain samples in accordance with state law,

so that an employee may request a retest of the sample at his or her own expense if the employee disagrees with the test result.

**Refusal to Test**

Employees who refuse to submit to a test or who adulterate, dilute, or otherwise tamper with a test specimen or interfere with testing will be subject to immediate discharge.

**Consequences of Positive Test Results**

If an employee tests positive on an initial screening test, the employee will be temporarily suspended while the confirmation test is being conducted.

A positive test result confirmed by a medical review officer of the laboratory will result in termination of employment in accordance with IHLS's zero tolerance drug free workplace policy

All employees have the right to discuss their test results with testing laboratory personnel and IHLS. These discussions should be considered confidential, except that the information disclosed will be communicated to personnel within IHLS or within the laboratory who need to know such information to make proper decisions regarding the test results or regarding the employment of the individual.

**Recordkeeping**

All records concerning test results will be kept by IHLS in confidential medical files that are maintained separately from employee personnel files. Employees have a right to obtain copies of all test results from the testing laboratory or from IHLS.

**Retesting**

Employees may request a retest of their positive test results at their own expense within five working days after notification of a positive test result.

Where the employee believes that the positive test result was affected by taking lawful or prescribed substances not in violation of company policy, the employee may be suspended without pay pending substantiation of the employee's claims. Employees will be provided no more than five business days in which to produce this additional information.

IHLS will review the situation where a retest indicates a negative result after the initial test was confirmed to be positive.  However, IHLS cannot guarantee that this information will result in reversal of the discharge decision.  The facts of each specific situation will be taken into account.