



AUHR 8.03 HOURS OF WORK, OVERTIME COMPENSATION & MANAGEMENT LEAVE: FLSA EXEMPT EMPLOYEES

Overtime Compensation Not Authorized For Employees Who Qualify as Exempt under FLSA

Compensation for hours worked beyond 40 in a workweek is not authorized for employees who qualify for exemption as defined by the Fair Labor Standards Act (FLSA). Acceptance of an exempt position with the City Auditor's Office constitutes acknowledgement that job responsibilities may require working in excess of 40 hours in a work week. **Emergency Exception:** Exempt employees may be eligible for overtime or compensatory time off, at straight time, for additional hours worked if necessitated by an emergency, as declared by the Mayor pursuant to Portland City Code section 15.08.020 or in accordance with the requirements of an established City Auditor's Office emergency plan, or as otherwise approved by the City Auditor and City Council.

Call Back Pay

There is no "call-back" pay for non-represented FLSA exempt employees who are called to return to work in situations other than an emergency, as defined in an existing City Auditor's Office Emergency Plan or as declared by the Mayor pursuant to Portland City Code Section 15.08.020.

Partial Day Absences

FLSA exempt employees are paid to work the amount of time required to fully perform their duties, which may require a working in excess of 40 hours in a workweek. Successful performance as an exempt employee is based on the work product, not on the amount of time worked. Performance issues may arise if exempt employees do not meet the desired performance objectives because they did not work the hours required to complete their job. Performance objectives can include an exempt employee's availability to assist and support others during City business hours.

Division managers in consultation with the City Auditor are responsible for setting and monitoring performance and accountability expectations.

Absences of less than two hours will generally not be charged to accumulated time off, such as vacation or sick leave, for non-represented FLSA exempt employees. Absences must still be pre-approved according to the City Auditor's Office work rules and expectations. See attached Guidance on Absences of Less

than One Day. Absences of two hours or more will be charged to appropriate leave.

If an employee does not have sufficient accrued leave to cover a partial day absence the leave should be “no pay,” in accordance with restrictions for FLSA exempt employees. Managers should consult with Management Services and legal counsel if this situation arises.

Management Leave

The City Auditor, on the recommendation of division managers, may grant up to eighty (80) hours additional paid leave per calendar year to non-represented FLSA exempt employees. The intent of management leave is to recognize exceptional additional individual efforts, performance, and achievements, including but not limited to those requiring work beyond the standard work week. The granting of management leave and the amount of leave awarded, is at the discretion of the City Auditor and does not constitute guaranteed time off. See [attached Guidance on Management Leave](#).

Management leave cannot be carried over to the following calendar year nor will it be paid out in cash if it is not used. Employees transferring between the Auditor’s Office and City bureaus during the course of the calendar year carry any management leave balances with them.

Management leave is not to be used as a method to subvert FLSA rules related to compensatory time.

Improper Salary Deduction

The City Auditor’s Office expressly prohibits improper salary deductions. An FLSA exempt employee who believe their salary has been reduced in violation of the law should report the matter as soon as possible to the City Auditor or Management Services. If corrections are in order, Management Services will work with appropriate personnel to ensure steps are taken to reimburse for any improper deductions and to demonstrate the Auditor’s Office’s good faith commitment to comply with this policy in the future.

FLSA Exempt Employees Covered by a Collective Bargaining Agreement

Rules for Hours of Work and Overtime for any represented FLSA exempt employee will be administered according to the collective bargaining agreement.

Human Resources Rule Information and History

Questions about this administrative rule may be directed to the [Management Services Division](#) of the Auditor's Office.

Adopted by the City Auditor December 11, 2017.

Adapted from City of Portland Human Resources Administrative Rule 8.03 Hours of Work, Overtime Compensation & Management Leave: FLSA Exempt Employees.

Adopted by Council March 6, 2002, Ordinance No. 176302.

Last revised April 25, 2016.