

# DEPARTMENT OF FINANCE AND ADMINISTRATION EMPLOYEE HANDBOOK



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**This DFA Employee Handbook is not a contract. If you have any questions regarding this handbook or your employment with DFA, please contact the DFA Human Resources Office (HR Office) at 501-324-9065.**

## PURPOSE OF HANDBOOK AND DISCLAIMER:

This Employee Handbook (Handbook) has been prepared to provide employees of the Arkansas Department of Finance and Administration (DFA) with a written summary of the State and federal laws, personnel policies and standards of conduct which govern employment with DFA; however, it is not all-inclusive. In the event of a conflict between a provision of this Handbook and applicable law, the provisions of that law, policy, or source document shall govern. The policies set forth in this Handbook may be altered, modified, or rescinded and new policies may be issued by the DFA Secretary at any time. As policies are written, changed, or updated, they take precedence over any conflicting information found in this Handbook. Employees will be notified of any policy changes referenced in this Handbook and are responsible for consulting DFA policies as needed.

This Handbook is not a contract of employment between DFA and its employees. Nothing described herein shall be held or construed to create a promise of employment or future benefits, or a binding contract between the State and its employees, retirees or their dependents, for benefits or for any other purpose. All employees shall remain subject to discharge or discipline to the same extent as if this Handbook had not been put into effect. All persons employed by the DFA are hired, evaluated, promoted, and/or discharged in accordance with the laws and policies governing employment with the State of Arkansas and its agencies. DFA employees are required to comply with this Handbook and the policies referenced herein. The DFA Human Resources office is available to answer questions and provide additional training as needed. You may contact the HR Office at 501.324.9065.



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

**OFFICE OF THE SECRETARY**

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Post Office Box 3278  
Little Rock, Arkansas 72203-3278  
Phone: (501) 682-2242  
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[www.arkansas.gov/dfa](http://www.arkansas.gov/dfa)

Dear Employee:

It is my pleasure to extend a warm welcome to you. On behalf of all of our employees at the Department of Finance and Administration ("DFA"), I am glad you have chosen to join our team and look forward to a positive working relationship.

We are a service organization, offering various types of administrative, managerial, and technical assistance to other departments and agencies of State government. In addition to other services, we are responsible for issuing driver licenses, registering motor vehicles, the administration of racing and alcoholic beverage laws, and the collection of taxes that finance most of State government.

Employees of this Department are proud of a reputation for being courteous and providing professional assistance to those whom we serve and take pride in the professional manner in which we conduct our business. Dedication and commitment from each of us ensures that the public is receiving the best possible return on their investment of tax dollars.

This DFA Employee Handbook is designed to provide assistance to you. Many questions, including concerns regarding leaves of absence, insurance, and conduct standards, as well as DFA policies and benefits of employment are answered in the Handbook. Please discuss any questions you have with your supervisor or the DFA Human Resources Manager as you adapt to your new position.

Again, welcome, and best wishes for your success!

Sincerely,

Jim Hudson  
Secretary

## **DEPARTMENT FUNCTIONS**

The primary functions of the Department of Finance and Administration are:

- To provide assistance to all state agencies in the management of their appropriated funds while exercising statutory controls over the agencies in these areas. The Secretary of the Department is the State's Chief Fiscal Officer and executes the responsibilities of making certain that expenditures are carried out in accordance with the laws of the State.
- To collect the general and special revenues assessed by law in an efficient and fair manner.
- To register all motor vehicles in the State and to issue all driver's licenses.
- To establish and enforce child support obligations, including the establishment of paternity.
- To administer the laws governing the sale and consumption of all alcoholic beverages, enforce alcoholic beverage laws, and administer pari-mutuel horse racing regulations.
- To administer the laws governing the Arkansas Lottery Commission.
- To administer the laws governing the Medical Marijuana Commission.

The three divisions of the Department of Finance and Administration are the Division of Management Services, the Division of Revenue, and the Division of Finance.

## SECTION 1- EMPLOYEE CONDUCT STANDARDS

### 1.1 Professionalism

DFA Employees are expected to carry out their responsibilities and perform their jobs in a professional manner. Employees must conduct themselves in a manner that prevents all forms of impropriety, insubordination, placement of self-interest above public interest, partiality, prejudice, threats, favoritism and undue influence. All persons, regardless of status, position, authority, tenure, race, sex or any other characteristic, must be treated with respect and dignity. There should be no cause for complaints against any DFA staff member because of rudeness, meanness, or condescension. Likewise, no DFA employee should be treated disrespectfully. Employees must be alert in conducting business with employees and non-employees to avoid even the appearance of misconduct, personal or financial gain, or conflict of interest. While performing DFA duties, employees are required to comply with federal and State laws, the DFA Code of Ethics and DFA policies.<sup>1</sup> Employees are required to report all suspected violations of Federal or State law involving DFA employees, or anyone contracted to provide services to DFA. Reports should be made to the Human Resources (HR) Office immediately upon the employee becoming aware of the suspected violation. Any DFA employee who fails to fully cooperate with any DFA investigation may be subject to disciplinary action up to and including termination.

Employees are prohibited from engaging in conduct listed below and may receive discipline up to and including termination for such behavior. This list has been established to serve as examples of behavior that could warrant a range of disciplinary sanctions and is **not** exclusive.

1. Improper behavior related to attendance, including excessive absenteeism, tardiness, leaving work early, extending break periods, or failure to report to work when scheduled. Failure to report sick or annual leave time used as required by Section 4.9 or falsifying a timecard or other DFA record or giving false information to anyone whose duty is to make such record.
2. Displaying disrespectful, insubordinate, and/or inappropriate behaviors toward a DFA customer, employee, supervisor, manager or administrator.
3. Refusing to do assigned work or failing to carry out the reasonable assignment of a supervisor, manager or administrator or being inattentive to duty, including sleeping on the job.
4. Sexual harassment including, but not limited to, unwelcome sexual advances, requests for sexual favors, and other verbal and physical conduct of a sexual nature or behaviors which create a hostile work environment.
5. Examples include verbal harassment including, but not limited to, comments or questions about a person's sexual behavior, sexually oriented jokes, comments or questions about a person's body, and conversations with sexual innuendo, physical harassment including, but not limited to, unwelcome touching, fondling, patting, pinching, or kissing; and direct or implied threats to another that failure to cooperate with an inappropriate or sexual request or advance will result in negative employment consequences.
6. Violating any DFA Policy or any office rule, procedure, regulation, guideline or directive established by management including failure to comply with the DFA Dress Code Policy, Section 3.9, or Equal Employment Opportunity Policy Section 2.2.
7. Fighting, engaging in horseplay, or acting in any manner which endangers the safety of oneself or others. This includes acts of violence as well as threats of violence, threatening or intimidating other

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<sup>1</sup> <https://www.transform.ar.gov/wp-content/uploads/2020/04/14-Anti-FraudandCodeofEthics.pdf>

persons, fighting, or instigating a fight, or horseplay or Interfering in any way with the work of others or verbally abusing, physically attacking, or harassing any person.

8. Smoking outside of the designated areas on any DFA property including building, grounds, and vehicles in violation of Section 3.2, Smoke-Free Workplace.
9. Operating state-owned vehicles, equipment, or private vehicles on state business without proper license or operating any vehicle on DFA property in an unsafe or improper manner.
10. Possessing an unauthorized weapon, firearm, or explosive on DFA property.
11. Appropriating DFA equipment, time, or resources for personal use or gain.
12. Computer abuse, including but not limited to, misuse of computer accounts, unauthorized destruction of files, creating illegal accounts, possession of unauthorized passwords, disruptive behavior on the computer and non-work-related utilization of computer software or hardware.
13. Misusing or willfully neglecting DFA property, funds, materials, equipment or supplies or stealing or possessing without authority any equipment, tools, materials, or other property of the DFA or attempting to remove them from the premises without approval or permission from the appropriate authority or taking or attempting to take property from the DFA, employees, visitors or customers.
14. Providing false information on employment applications or other records.
15. Failure to comply with safety rules and regulations, including but not limited to failure to immediately report all accidents and injuries, failure to comply with and/or follow safety rules and regulations, and failure to wear required personal protective equipment.
16. Use of official position and influence for personal gain.
17. Unauthorized disclosure of confidential records or other confidential business information; and
18. Misconduct related to the use and/or possession of alcoholic beverages or controlled substances, while at work, including reasonable suspicion of the use of illegal substances or marijuana use by a qualified patient with a medical marijuana card.
19. Use of vulgar or obscene language, acts of moral turpitude, or any illegal act committed by an employee.

## **1.2 Conflicts of Interest**

DFA employees must not use their position or knowledge gained from their position for private or personal advantage. Arkansas Code Annotated (Ark. Code Ann.) § 21-8-304 lists activities that are ethically prohibited for State employees and officials. If an employee has questions about whether an activity is prohibited, the employee should immediately communicate with his or her immediate supervisor. If a situation arises where there is a potential conflict of interest, the employee should discuss this with an Administrator for advice and guidance on how to proceed. In addition, employees must comply with Executive Order 98-04 and the DFA policies which prohibit improper behavior, unacceptable personal integrity, or unacceptable ethics.<sup>2</sup>

## **1.3 Outside Activities, Employment, and Directorships**

DFA employees should avoid acquiring any business interest, engaging in outside employment, or participating in any activity outside DFA that would conflict with his or her official duties. DFA Employees must contact their supervisor prior to engaging in any outside employment. Failure to do so could result in disciplinary action including termination.

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<sup>2</sup> Arkansas Executive Order 98-04 <http://www.dfa.arkansas.gov/offices/internalaudit/Documents/EO98-04Rules.pdf>

An employee may have outside employment provided it does not constitute a conflict of interest or interfere with the performance of duties for the State. DFA employees must not engage in private employment during the time he or she is being paid by the State.

#### **1.4 Services for Pay**

All DFA employees, regardless of position, are prohibited from preparing State or federal tax returns for pay, providing any other services for pay which are related to the business of DFA, and working for a tax preparation company in any capacity. Otherwise, it is permissible for State employees to engage in private employment provided it does not present a conflict of interest or interfere with the performance of duties for the State. Anyone considering employment in addition to his or her job with DFA must consult his or her supervisor and carefully consider how such employment could adversely impact work performance at DFA.

#### **1.5 Concurrent Employment**

A State employee may not be employed by more than one State agency unless written approval is granted by the Secretary of the Department of Transformation and Shared Services, the two positions do not interfere with each other, and the combined salaries do not exceed the maximum salary authorized for either position. However, a state employee may work as an adjunct professor as needed and the maximum salary level may be exceeded if requirements for concurrent employment are met. Refer to [TSS-OPM Policy 37](#).

#### **1.6 Relationships with Clients and Suppliers**

Employees must adhere to Ark. Code Ann. § 19-11-705 in their relationships with clients and suppliers to avoid any conflict of interest.<sup>3</sup> In addition, any employee who has or obtains any benefit from a State contract with a business in which the employee has a financial interest shall make a disclosure to the Secretary of DFA in accordance with Ark. Code Ann. §19-11-706 and the Rules and Regulations for Implementing Governor's Executive Order 98-04.

#### **1.7 Gifts, Entertainment, and Favors**

Employees must not accept entertainment, gifts, personal favors or preferential treatment that could influence, or appear to influence, their decisions in performing their job functions. Specific procurement law addressing gratuities is codified in Ark. Code Ann. § 19-11-707 and included in Part 4 of the Procurement Law and Regulations promulgated by the Office of State Procurement.<sup>4</sup> For more information, Refer to the Arkansas Ethics Commission for detailed rules on gifts at: <http://www.arkansasethics.com/wp-content/uploads/2019/12/FINAL-Rules-on-Gifts02.pdf>

#### **1.8 Kickbacks and Prohibited Commissions**

DFA employees must not receive kickbacks, prohibited commissions or other prohibited payments from third parties. Violations of this rule will result in imposition of the penalties provided by law. Specific procurement law addressing kickbacks and commissions is codified in Ark. Code Ann. § 19-11-707 and § 19-11-708 and included in Part 4 of the Procurement Law and Regulations.

#### **1.9 Organization Funds and Other Assets**

Employees who have access to DFA funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in DFA's Financial Management Guide or other explanatory materials, or both. If an employee has knowledge of fraud or waste of public assets, the

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<sup>3</sup> References to the Arkansas Code Annotated <http://www.lexisnexis.com/hottopics/arkcode/Default.asp>

<sup>4</sup> Procurement Laws and Rules <https://www.transform.ar.gov/wp-content/uploads/2020/05/Procurement-Laws-and-Rules-1.pdf>



employee is required by law to immediately advise his or her immediate supervisor.<sup>5</sup> Personal use of DFA funds or assets is strictly forbidden.

### **1.10 Organization Records and Communications**

DFA's books and records must reflect accurate and timely recording of all business transactions. Full disclosure of assets, liabilities, receipts and disbursements must be made. Employees must not make or engage in making any false record or communication whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements,
- False advertising, deceptive marketing practices, or other misleading representations.

### **1.11 Financial Obligations**

DFA requires all DFA employees to comply to the fullest extent with all tax laws and financial regulations in order to maintain the highest degree of public confidence in the integrity and efficiency of the DFA. All DFA employees are required to comply fully with the laws they are enforcing and all applicable requirements of governmental authorities at all federal, State, and local levels, including car sales tax, car tag renewals, property taxes, driver's licenses, and child support payments. DFA employees' State tax records will be checked yearly for compliance. DFA employees must receive prior written approval from the DFA Secretary or their designee to enter a written agreement for payment of back taxes and continue employment. Employees who fail to comply or default on one payment of a payment plan may be terminated. All DFA employees are required to sign the Financial Obligations Certification on the signature page of this Handbook. Refer to [DFA Policy 1.1](#).

### **1.12 Communicating with Outside People and Organizations**

When communicating publicly on matters that involve DFA business, Employees must not speak for DFA on any topic, unless they are explicitly authorized to express the views of DFA management and DFA management has asked that those views be expressed publicly. When dealing with anyone outside DFA, including public officials, employees must take care not to compromise the integrity or damage the reputation of DFA or any other entity. Employees must not use their position or affiliation with DFA when communicating regarding matters not involving DFA business. Employees must not use organization identification, stationery, supplies, and equipment for personal or political matters.

### **1.13 Arkansas Administrative Statewide Information Systems (AASIS), Arkansas Integrated Revenue System (AIRS), and Information Confidentiality**

All information maintained in AASIS and AIRS shall be treated as confidential. Access to and use of personnel records in AASIS and AIRS is restricted to employees with a legitimate business purpose. Information in AASIS or AIRS shall not be disseminated or shared with unauthorized personnel. Copyrighted material made available to DFA employees is protected by copyright laws and shall not be copied for any reason without permission from the Office of Information Services. Employees found to be in violation of this section shall be subject to disciplinary action including termination.

### **1.14 Privacy and Confidentiality of Personal Information**

DFA employees are responsible to safeguard personal information to ensure confidentiality of the information. DFA will only collect personal information required to pursue its business operations and comply with government reporting and disclosure requirements. Sensitive information collected by DFA may

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<sup>5</sup> DFA Financial Management Guide <https://www.dfa.arkansas.gov/images/uploads/accountingOffice/financialManagementGuide.pdf>

include customer names, addresses, telephone numbers, e-mail addresses, emergency contact information, social security numbers, date of birth, benefit plan enrollment information, which may include dependent information, and school/college or certification credentials. All sensitive information must be maintained in a secure manner in compliance with all applicable law.

When handling sensitive information about customers or others with whom DFA has dealings, employees must observe the following principles:

1. Collect, use, and retain only the personal information necessary for DFA business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
3. Limit internal access to personal information to those with a legitimate business reason to have the information. Use personal information only for the legitimate business purpose for which it was obtained. Release of any information to persons not involved with the stated business purpose should be made by management in response to a Freedom of Information Request.
4. If a DFA employee becomes aware of a breach in maintaining the confidentiality of sensitive information, the employee should immediately report the incident to the HR Office at 501-324-9065.

### **1.15 Anti-Fraud and Code of Ethics Policy**

DFA employees have a responsibility to comply with the policy and procedures that aid in the prevention of fraud and support DFA's culture and environment of honesty and ethical behavior as more fully set out at DFA Policy 1.4. This policy addresses the DFA employee's responsibility to communicate the existence of waste of public funds, property, or manpower, including federal funds, property or manpower administered or controlled by DFA or a violation or suspected violation of a law, rule or regulation. The communication shall be made in a time and manner to give DFA reasonable notice of the need to correct the waste or violation. Refer to [TSS-OPM Policy 14](#).

DFA employees shall be protected against any form of retaliation, including discharge, for reporting, in good faith, occurrences of ethical violations, fraud, waste or abuse of DFA resources as stated in the Arkansas Whistleblower Act (Ark. Code Ann. §§21-1-601-609). Investigations to substantiate reported allegations will be conducted in a confidential manner. Allegations of violations or fraud may be reported to the Arkansas State Employees' Fraud, Waste, and Abuse Report Center (1-800-952-8248) or to the [Department of Inspector General – Office of Internal Audit](#) by telephone (1-501-682-0370) or the Department of Finance and Administration – Office of Compliance (1-501-682-5102). A complainant may also choose to report fraud, waste, or abuse by completing a Complaint Form obtained at the following [link](#) and emailed to [OIA.fraud@arkansas.gov](mailto:OIA.fraud@arkansas.gov). Refer to [DFA Policy 1.4](#) and [TSS-OPM Policy 22](#). Complaint forms can be mailed directly to the following address: Department of Finance and Administration Office of Compliance, 1509 West 7th Street, Suite 300, Little Rock, AR 72201.

### **1.16 Internet, Email, and General Computer Acceptable Use Policy**

DFA employees must adhere to these guidelines and DFA policy governing internet, email and general computer acceptable use. DFA employees may access, use or share DFA information only to the extent it is authorized and necessary to fulfill their assigned job duties.

DFA employees shall have no reasonable expectation of privacy in the use of DFA devices or systems. DFA reserves the right to monitor and log all DFA equipment, systems and network traffic at any time without notice. DFA will audit networks and systems on a periodic basis to ensure compliance with this policy and

any other applicable State or federal policies. This includes monitoring of files, email and website usage. Employees will face disciplinary action for inappropriate use of the DFA network.

The following activities are prohibited:

- Engaging in any activity that is illegal under local, State, federal or international law.
- Violating the rights of any person or company protected by copyright, trade secret, patent or other intellectual property, or similar laws or regulations, including, but not limited to, the installation or distribution of "pirated" or other software products that are not appropriately licensed for use by DFA.
- Unauthorized copying of copyrighted material including, but not limited to, digitization and distribution of photographs from magazines, books or other copyrighted sources, copyrighted music, and the installation of any copyrighted software for which DFA or the end user does not have an active license is strictly prohibited.
- Introducing malicious programs into the network or server.
- Using a DFA computing asset to actively engage in procuring or transmitting material that is in violation of sexual harassment or hostile workplace laws.
- Interfering in any way with the security or operation of the computer systems including security breaches or disruptions of network communication.
- Installing or using any equipment or software without prior approval by the DFA Chief Information Officer. This includes personal computers, printers, scanners, flash drives, CD Readers, audio-video players, and smartphones and personally owned or downloaded software/shareware, etc.
- Engaging in any activity for personal financial gain, such as buying or selling of commodities or services with a profit motive.

### **1.17 Password Requirements**

Passwords must comply with the DFA password complexity requirements. Providing passwords to another individual, either deliberately or through failure to protect a password, is prohibited. All computing devices, including mobile devices accessing the DFA Network, shall be secured with a password-protected lock screen with the automatic activation feature set to 15 minutes or less. Employees must lock or log off the device when the device is unattended. Employees shall not reveal an employee account password to others or allow the use of their account by others.

DFA employees shall treat all authentication credentials (usernames and passwords) for both DFA internal Information systems and any external system(s) as highly sensitive and confidential information that is crucial to maintain the overall security for DFA. DFA employees are prohibited from doing any of the following:

- Do not write down a password and store it in your office.
- Do not store passwords in a file on ANY computer system without encryption.
- Do not use any "Remember Password" feature within any application unless authorized by the Office of Information Services.
- Do not use AutoSave/auto logon with any password on websites.
- Do not reveal a password over the phone to anyone.
- Do not reveal a password in an email message.

- Do not reveal a password to any supervisor or Administrator.
- Do not talk about a password in front of others.
- Do not hint at the format of a password (e.g., "my family name").
- Do not reveal a password on questionnaires or security forms.
- Do not share a password with family members.
- Do not reveal a password to co-workers while on vacation.

### **1.18 Remote Access**

DFA employees requiring remote access to perform their job duties must obtain the approval of the division administrator and the DFA Chief Information Officer and sign the DFA Remote Access User Form. DFA employees must promptly report the theft, loss, or inappropriate use of any device with access to the DFA network immediately. Upon recognition that the equipment has been lost or stolen, DFA employees must notify the Office of Information Services Administration Desk, (501)324-9058 within one (1) hour of the realization that the device is lost or has been stolen so it can be locked and/or disabled. After hours, DFA employees must call 501-683-0260. Remote Access may be terminated at any time without prior notice if deemed necessary. All mobile and computing devices that connect to the network externally must comply with the Remote Access Policy.

### **1.19 DFA Email**

DFA employees are provided email to enable communication and exchange information. Employees must use extreme caution when opening email attachments or clicking on any links contained in the email. In addition, DFA employees shall not use DFA email addresses and associated passwords to register for any personal online accounts, including financial, retail, social media, etc. Sending of personal emails using the DFA email address should be kept to a minimum with the understanding that any email sent from the email system may not be considered private and may be considered public information.

DFA employees are specifically prohibited from using DFA email for the following activities:

- Subscribing to newsletters, emails, subscriptions or related emails that are not work related.
- Sending unsolicited email messages, including the sending and forwarding of junk mail, chain letters, hoaxes, or other similar material to any individuals.
- Any form of harassment whether through language, frequency, or size of messages.
- Sending, forwarding or opening attachments unrelated to specific work activities.

### **1.20 Social Media**

DFA employees are prohibited from posting to social media sites using DFA information systems or a DFA email address unless prior approval is received through the DFA Director of Communications. When engaged in any form of social media, DFA employees must not reveal any confidential information related to their position or the agency in general.

DFA employees shall not attribute personal statements, opinions or beliefs to DFA when using social media. If an employee is expressing his or her beliefs and/or opinions, the employee may not, expressly or implicitly, represent themselves as an employee or representative of DFA. DFA's trademarks, logos and any other DFA intellectual property may not be used in connection with any social media activity. Inappropriate or unacceptable use by an employee is a basis for disciplinary action. Any violation of this policy will result in disciplinary action. Refer to [DFA Policy 1.2](#).

### **1.21 Criminal Background Checks**

DFA requires a Criminal Background Check (CBC) for Disqualifying Convictions as set out in DFA policy to be conducted on all Employees and Applicants in DFA divisions, offices, boards, and commissions both prior to an offer of employment and as a condition of continued employment. In addition, DFA requires additional background checks for positions that authorize the manufacture or production of REAL ID driver's licenses or identification cards or have access to such ability and for DFA positions that have access to Federal Tax Information (FTI). Refer to [DFA Policy 1.3](#) and [TSS-OPM Policy 14](#).

### **1.22 Video Camera Surveillance**

DFA is committed to protecting the safety and security of its customers, visitors, employees and property and uses video cameras to enhance safety and security and for other legitimate business purposes as permitted by state and federal law. Refer to [DFA Policy 1.5](#).

## **SECTION 2- EMPLOYMENT RELATIONSHIP AND ANTI-DISCRIMINATION STANDARDS**

### **2.1 Employment-at-Will**

Arkansas is an “Employment at Will” state. This means that an employee may be terminated for any reason or no reason at all if the termination is not for an illegal reason. As a DFA employee, there is not an employment contract, expressed or implied, between the DFA employee and the agency. The employer and the employee both have the right to terminate employment without cause or notice at any time. Nothing in this handbook or any other document, policy, or procedure used by DFA creates either an expressed or implied right or expectation of continued employment or contract.

### **2.2 Equal Employment Opportunity**

The State of Arkansas does not discriminate in access to employment opportunities or in employment or practices on the basis of race, color, religion, sex, national origin, age, disability, or genetic information. Discrimination by any employee based upon race, color, religion, sex, national origin, age, disability, or genetic information or any other status or condition protected by applicable State or federal laws shall constitute grounds for dismissal. Individuals are hired based on qualifications for each position. All promotion decisions and other personnel actions such as transfers, layoffs, return from layoffs, and other actions are made in accordance with Equal Employment Opportunity principles. Refer to [TSS-OPM Policy 17](#).

#### **Americans with Disabilities Act and Reasonable Accommodation**

DFA employees shall not discriminate against qualified individuals with disabilities and shall provide reasonable accommodations as required by law to otherwise qualified applicants or employees with disabilities in all employment practices, including job application procedures, hiring, advancement, job assignments, leaves of absence, transfers, demotions, discipline, discharge, compensation, benefits, and job training. Employment opportunities will not be denied to an otherwise qualified applicant or employee because of the need to make a reasonable accommodation to the physical or mental impairment(s) of such an individual. Any employee who requires reasonable accommodation to perform his/her essential job functions should contact the DFA HR Manager to initiate the request for accommodation by completing the Reasonable Accommodation Request Form. Any Employee who believes that he or she is being discriminated against is encouraged to follow the complaint procedures.

#### **Age Discrimination in Employment**

DFA employees shall not fail or refuse to hire, to discharge any individual, or discriminate against an individual with respect to compensation terms, conditions or privileges of employment because of the individual's age, to limit, segregate, or classify employees in any way that would deprive or tend to deprive any individual of employment opportunities, or otherwise adversely affect his or her status as an employee because of such individual's age. Any employee who believes that he or she is being discriminated against is encouraged to follow the complaint procedures.

#### **Sexual Harassment**

DFA employees shall not sexually harass other employees. Sexual harassment is not tolerated at DFA. Sexual harassment includes sexual contact as defined in the Federal Guidelines (29 CFR Ch XIV, subsection 1604.11), Section 703 of Title VII of the Civil Rights Act of 1964, as amended, and the Arkansas Civil Rights Act at Ark. Code Ann. § 16-123-101.

Sexual harassment can be physical, including unwelcome touching or gesturing, verbal, including unwelcome requests for a date or sexual favors, lewd remarks, or sounds, or visual, including unwelcome exposure to sexual photos, cartoons, or drawings. Federal Guidelines (29 CFR Ch XIV, subsection 1604.11), Section 703 of Title VII of the Civil Rights Act of 1964, as amended, and the Arkansas Civil Rights Act at Ark. Code Ann. § 16-123-101.<sup>6</sup>

Sexual harassment: is unwelcome behavior of a sexual nature that affects an individual's employment, unreasonably interferes with work performance, or creates an intimidating, hostile, or offensive work environment. Any employee who believes that he or she is being harassed is encouraged to follow the complaint procedures.

### **Discrimination/Harassment Complaint Procedure:**

No employee, to effect resolution of a complaint, shall be required to solely or independently confront the person allegedly conducting or causing the action believed to be harassing or discriminatory. Further, retaliation against an employee for reporting harassment or discrimination is strictly prohibited. Employees believing themselves to be victims of harassment or discrimination are encouraged to come forward to effect resolution of the complaint.

Notwithstanding the foregoing, any DFA employee who believes he or she has been the target of discrimination and/or harassment is encouraged to inform the offending person orally or in writing that such conduct is unwelcome and offensive and must stop. If the employee does not wish to communicate directly with the offending person, or if such communication has been ineffective, the employee has multiple avenues for reporting allegations of discrimination or harassment or pursuing resolution. Complaints may be made verbally to the HR Office. In addition, employees may submit a complaint to the DFA HR Office using the DFA Discrimination and Sexual Harassment Form. The complaint should be made in good faith, expressed in reasonable terms and must contain the following: cause for the complaint, how the unwelcome conduct unreasonably interferes with the complainant's work performance or creates a discriminatory, intimidating, hostile, or abusive work environment, the corrective action desired and sufficient information upon which to base decisions. Upon submission to the HR Office, an internal investigation will be conducted. DFA will protect the confidentiality of complaints to the extent reasonably possible. The HR Office will take immediate and appropriate corrective action when it determines that a violation has occurred.

If the complainant believes an inadequate review was conducted by the HR Office, he or she may request further review or investigation by the DFA Secretary or their designee. The DFA Secretary or their designee will determine if the complaint was substantiated. Refer to [DFA Policy 2.1](#).

## **2.3 Probation Period**

DFA has a six-month probationary period for all newly hired employees. Newly hired employees do not have access to the grievance process during their probation. A newly hired employee includes any employee who may have previously worked for another state agency. Employees promoted, demoted, or laterally moved to new positions within DFA will be placed on a three-month probationary period and do not have access to the grievance process during their probation. Employees are eligible during the probationary period to apply for other positions. Any probationary period may be extended at the Administrator's discretion.

## **2.4 Promotion**

A promotion is a change from one position to another position with a higher pay level on the same pay table, not to exceed the maximum for that grade. Generally, an employee who is promoted receives up to a 10%

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<sup>6</sup> The Code of Federal Regulations <https://www.gpo.gov/fdsys/pkg/CFR-2009-title29-vol4/pdf/CFR-2009-title29-vol4-sec1604-11.pdf>; Title VII § 703 <https://www.eeoc.gov/laws/statutes/titlevii.cfm>; EEOC guidelines <https://www.eeoc.gov/policy/docs/currentissues.html>

percent salary increase or, if the current salary falls below the entry pay level, the salary may be adjusted to the entry pay level. An employee's rate of pay after promotion cannot exceed the maximum pay level of the grade.<sup>7</sup> Refer to [TSS-OPM Policy 25](#).

## **2.5 Demotion**

A change in duty assignment of an employee from a position in one classification to a position in another classification of a lower pay grade within the same pay table. Demotion occurs when an employee moves from one pay grade to a lower pay grade. There can no longer be a demotion without a decrease in pay. Demotion requires a 10% decrease in pay. An employee can voluntarily accept lower than 10%.

An employee's rate of pay after demotion cannot exceed the maximum pay level of the grade, and if the employee's rate of pay falls below the entry pay level after demoting, the salary may be adjusted to the entry pay level of the grade. Refer to [TSS-OPM Policy 25](#).

## **2.6 Hiring Relatives**

Arkansas law prohibits the hiring of relatives by public officials and prohibits a State agency and institution employee from supervising a relative. In addition, a public official must not appoint, employ, promote, advance, or advocate for appointment, employment, promotion, or advancement, in or to a position in the State agency in which the official is serving or in which the official exercises jurisdiction or control over any person who is a relative of the public official and is an employee of a State agency.

It is the policy of the DFA that relatives will not be permitted to work in any capacity in situations where one relative might supervise another including participating in decisions involving hiring, promoting, salary increases, or other personnel-related matters of interest to a relative. A temporary change in supervision resulting in the supervision of a relative will not be considered a violation of Arkansas law provided the supervision does not exceed 30 days. No hiring, firing, pay adjustments, or other personnel actions may occur during this temporary period of supervision.

Relative: A husband, wife, mother, father, stepmother, stepfather, mother-in-law, father-in-law, brother, sister, stepbrother, stepsister, half-brother, half-sister, brother-in-law, sister-in-law, daughter, son, stepdaughter, stepson, daughter-in-law, son-in-law, uncle, aunt, first cousin, nephew, or niece. Refer to [TSS-OPM Policy 5](#).

Related parties working within DFA will be reviewed by HR for compliance with Executive Order 98-04, Ark Code Ann. §§ 21-1-401-408, Ark. Code Ann. §§ 25-16-1001-1007 and related Department of Transformation and Shared Services (TSS), Office of Personnel Management (OPM) policies including TSS-OPM Policy 5. In addition, the following rules will be applied:

- If an applicant has a relative(s), as defined in Ark. Code Ann. §25-16-1001 (3), within State government but not in DFA, approval by the HR Office is required before a job offer can be extended.
- If an applicant has a relative(s), as defined in Ark. Code Ann. §25-16-1001 (3), employed within any DFA division or agency, the HR Office will forward the request to hire to the Secretary of DFA or Deputy Secretary for approval before a job offer can be extended.

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<sup>7</sup> PayScale Information <https://www.transform.ar.gov/wp-content/uploads/2020/05/State-of-Arkansas-Pay-Rates.pdf>



## **2.7 Marriage between State Agency Employees**

If employees of DFA plan to marry they must complete and sign a Marriage Disclosure of State Employees Form. The employees must submit the form to the HR Office for review and approval. Failure to complete this form may subject the employees to termination for non-compliance.

A temporary change in supervision resulting in the supervision of a relative will not be considered a violation of Arkansas law provided the supervision does not exceed 30 days. No hiring, firing, pay adjustments or other personnel actions may occur during this temporary period of supervision.

Employee: A person whose employment is not seasonal or temporary and whose actual performance of duty requires one thousand (1,000) or more hours during a fiscal year.

Relative: A husband, wife, mother, father, stepmother, stepfather, mother-in-law, father-in-law, brother, sister, stepbrother, stepsister, half-brother, half-sister, brother-in-law, sister-in-law, daughter, son, stepdaughter, stepson, daughter-in-law, son-in-law, uncle, aunt, first cousin, nephew, or niece. Refer to [TSS-OPM Policy 5](#).

## **SECTION 3- PERSONNEL POLICIES AND WORK STANDARDS**

Each DFA employee is expected to be aware of these personnel policies and work standards and fulfill these expectations. Violations will be handled according to DFA policy. If an employee has questions about policy, he/she should speak with their immediate supervisor. The following list includes policies regarding standard operating procedures/work policies and should not be considered a complete or comprehensive list of the standards, policies, and procedures of the office or agency. All standards and policies of DFA apply to all offices. Some divisions or sections of DFA may have additional office standards by which those employees must abide.

### **3.1 Working Hours and Breaks**

Normal business hours of operation for most DFA employees are from 8:00 a.m. until 4:30 p.m. The normal workday for full-time employees working in an administrative office shall consist of 8 hours. Divisions or sections operating on a 24-hour basis or other than the normal work week shall be responsible for setting effective schedules. Normal working hours may be modified during a full pay period as necessary to facilitate efficient business operations. When such additional work requirements are necessary, cooperation of all employees is expected. Employees should consult a supervisor regarding their working hours and the policy on absences. Work breaks are a privilege rather than a right and should not interfere with work schedules or deadlines. Lunch breaks cannot be combined with work breaks. Work breaks are granted at the discretion of each supervisor and if granted, may occur twice daily, once in the morning and once in the afternoon, for no more than 15 minutes each. If abused, the privilege may be withdrawn.

### **3.2 Smoke-Free Workplace**

Smoking as defined below of any kind is not allowed in DFA buildings or work areas at any time. "Smoking" includes the use of any tobacco products, electronic smoking devices, and e-cigarettes containing nicotine cartridges and "dipping", as well as inhaling, exhaling, burning, vaping or carrying any lighted tobacco product, including cigarettes, cigars, electronic cigarettes, e-cigarettes, pipe tobacco and other lighted combustible plant material.

Smoking is only permitted during break times in designated outdoor areas. Employees using these areas are expected to dispose of any smoking debris safely and properly. Smoking is prohibited in all vehicles and enclosed areas owned, leased, or operated by the State. Smoking is also prohibited by law within twenty-five (25) feet of an entrance to any building owned or leased by the State. Employees should consult their Administrator/supervisor for designated smoking locations. Any employees violating this policy will be subject to discipline up to and including termination.

### **3.3 Drug Free Workplace and Employee Drug Testing**

The DFA promotes and is committed to a drug-free workplace to promote employee safety, health and efficiency. All DFA employees are expected to comply with DFA Drug Free Workplace Policy 3.4 and exercise responsibility and good judgement.

The unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance in a DFA building or on DFA property is prohibited. An employee is required to notify his or her supervisor prior to beginning the workday if the employee is taking a prescribed or over-the-counter medication that affects alertness, judgement or behavior in ways that are likely to impair job performance. Any employees violating this policy may be subject to discipline up to and including termination.

The following definitions apply to this policy:

Alcohol: Intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohols, including methyl or isopropyl alcohol.

Drug: Any controlled substance, including marijuana, cocaine, amphetamines, phencyclidine (PCP), and opioids.

Drug test: Any chemical, biological, or physical instrumental analysis administered by a certified laboratory for the purpose of determining the presence or absence of a drug or its metabolites or alcohol.

Employee: Individual employed by DFA for a salary, wage, or other remuneration, but does not include an independent contractor.

Job applicant: A person who has applied for a position with DFA, who has been offered employment conditioned upon successfully passing a drug or alcohol test and who may have begun work pending the results of the drug or alcohol test.

Opioids: A drug or medication that relieves pain, including without limitation:

- |                |             |                |
|----------------|-------------|----------------|
| a. Hydrocodone | c. Morphine | e. Heroin; and |
| b. Oxycodone   | d. Codeine  | f. Fentanyl    |

Positive test result: A result that is at or above the cutoff concentration level established by the US Department of Transportation or Arkansas laws regarding being under the influence, whichever is lower.

Reasonable-suspicion: A belief that an employee is using or has used drugs or alcohol in violation of the covered employer's policy drawn from specific objective and articulable facts and reasonable inferences drawn from those facts in light of experience. Among other things, such facts and inferences may be based upon:

1. Observable phenomena during working hours such as direct observation of drug or alcohol use or of the physical symptoms or manifestations of being under the influence of a drug or alcohol;
2. Abnormal conduct or erratic behavior during working hours or a significant deterioration in work performance;
3. A report of drug or alcohol use provided by a reliable and credible source;
4. Evidence that an individual has tampered with a drug or alcohol test during employment with the current covered employer;
5. Information that an employee has caused, contributed to, or been involved in an accident while at work; or
6. Evidence that an employee has used, possessed, sold, solicited, or transferred drugs or used alcohol while working or while on the covered employer's premises or while operating the covered employer's vehicle, machinery, or equipment.

Safety sensitive position:

Any position involving a safety sensitive function pursuant to federal regulations governing drug and alcohol testing adopted by the US Department of Transportation or any other rules, guidelines, or regulations adopted by any other federal or State agency; or

any position designated in writing by an employer as a safety sensitive position in which a person performing the position while under the influence of marijuana may constitute a threat to health or safety, including positions in which a lapse of attention could result in injury, illness, or death (operating, repairing, maintaining, or monitoring heavy equipment, machinery, aircraft, motorized watercraft, or

motor vehicles as part of the job duties) or positions that require any of the following activities:

1. Carrying a firearm;
2. Performing life-threatening procedures;
3. Working with confidential information or documents pertaining to criminal investigations; or
4. Working with hazardous or flammable materials, controlled substances, food, or medicine.

### **Types of Testing**

DFA reserves the right to test any employee pursuant to the following types of testing:

1. Job Applicant (Pre-employment)
  - a. A notice of drug and alcohol testing will be included on vacancy announcements for positions for which drug and alcohol testing is required.
  - b. An applicant who refuses to submit to a test will have the employment offer withdrawn.
2. Reasonable-Suspicion
3. Random
  - a. DFA may conduct unannounced testing of a sample or selection of employees chosen by statistical means such that every employee has an equal chance of being tested.
  - b. If a random test is conducted, a minimum of 2% of DFA employees must be tested.
4. Routine Fitness-For-Duty
5. Follow-Up
  - a. This is for employees who have previously tested positive for illegal drugs or have violated this policy.
6. Post-Accident

DFA is not prohibited from conducting any lawful testing of employees for drugs or alcohol that is in addition to the above testing. An employee who refuses to submit to a drug test by going to the designated test site within three hours of instruction to do so will be immediately terminated. A DFA employee may be subject to discipline if the drug testing results demonstrate that the drugs are at a level that impairs the work performance and the employee has failed to notify his or her supervisor that he or she is working in an impaired state.

An employee who is required to hold a Commercial Driver's License (CDL) or whose position has been designated as a safety-sensitive position is required to be tested. An employee who is not in a safety-sensitive position may be tested for alcohol only when the test is based upon reasonable suspicion. An employee in a safety-sensitive position may be tested for alcohol use at any time without notice. Refer to [DFA Policy 3.4](#).

### **3.4 Workplace Violence Prevention**

DFA is committed to providing a safe, violence-free workplace for our employees. Due to this commitment, DFA employees shall not engage in any physical confrontation with a violent or potentially violent individual or behave in a threatening or violent manner. Threats, threatening language, or any other acts of aggression or violence made toward or by any DFA employee will not be tolerated. A threat may include any verbal or physical harassment or abuse, attempts to intimidate others, menacing gestures, stalking, or any other hostile, aggressive, and/or destructive actions taken for the purposes of intimidation. This guidance covers any violent or potentially violent behavior that occurs in the workplace or at DFA-sponsored functions.

Any employee who witnesses or is the recipient of violent behavior should promptly inform their supervisor, Administrator, or the HR Office. All threats will be promptly investigated. No employee will be subject to retaliation, intimidation, or discipline because of reporting a threat in good faith under this guideline.

Any individual engaging in violence against DFA, its employees, or its property will be prosecuted to the full extent of the law. All acts will be investigated, and the appropriate action will be taken. Any such act or threatening behavior may result in disciplinary action up to and including termination. In addition, any employee engaging in condescension, yelling, cursing, threats, the undermining or disparaging of supervisory personnel resulting in a disruptive work situation or environment, or other offensive behaviors will be disciplined. If an employee has differences with a supervisor or manager, it should be addressed with management, through the chain of command or directly with the Division Administrator, not with other co-workers or subordinates. All employees, when confronted with offensive behavior from a customer or other employee, must terminate the contact (phone call, office visit, etc.) as quickly and firmly as possible, and immediately notify his or her supervisor or the Division Administrator.

### **3.5 Commitment to Safety**

All employees have the opportunity and responsibility to contribute to a safe work environment by using exercising safe practices and by notifying management when any health or safety issues are present. All employees are encouraged to partner with management to ensure maximum safety for all. In the event of an emergency, including fire, bomb threat, severe weather, or other danger to DFA personnel or property, DFA employees are to immediately notify the appropriate emergency personnel by dialing 911.

### **3.6 Safety in Emergencies**

All DFA employees should become familiar with the evacuation procedures of their specific building, to better prepare to avoid the hazards or panic of an emergency. All administrators/supervisors must inform employees in their section when an emergency warrants evacuation of the facility. In certain instances, such as a fire or an activated fire alarm, evacuation is immediately necessary. Administrators/supervisors are responsible for informing their staff of the evacuation route for exiting the building as well as the locations of fire alarm pulls and extinguishers in their work area.

### **3.7 Telephone Calls**

Use of telephone devices when performing State business varies by job duties and responsibilities. Personal long-distance calls from an employee's State phone are prohibited. Personal cell phones are to be turned off, set on vibrate, or at the lowest possible level and may be used on work breaks or during meal periods. Each Administrator may dictate more specific policies regarding personal mobile devices.

### **3.8 Recycling**

DFA employees are strongly encouraged to participate in the recycling programs, which include paper, plastic and aluminum recycling. Employees should ask their supervisor for the location of the area's closest recycling containers.

### **3.9 DFA Professional Dress Code**

DFA employees must follow a dress code as set out in the DFA Dress Code Policy, [DFA Policy 3.2](#). Personal grooming and cleanliness must be maintained to present a clean appearance, with hairstyles and makeup consistent with the professional business world. Administrators may make exceptions for special occasions and will work with the HR Office to determine whether attire is unprofessional on a case-by-case basis.

Examples of acceptable attire include, but are not limited to:

1. Business suits, blouses, shirts, skirts, pants, ties, dresses
2. Shirts with collars
3. Slacks and trousers that are hemmed and in good repair.
4. Sports jackets and blazers
5. Footwear designed for business and comfort purposes, including sneakers.

Examples of unacceptable attire include but are not limited to:

1. Clothing and footwear with a printed message, slogan, political message, picture or art depicting drugs, alcohol, smoking, sex, weapons, violence, or a message that is inflammatory, obscene or disrespectful.
2. Flip Flops or thong sandals are defined as a backless shoe, made of rubber or leather, plain or embellished, consisting of a sole held loosely on the foot by a V-shaped strap, like a thin thong, that passes between the first (big) and second toes and around either side of the foot.
3. Dresses or blouses that are backless, strapless, or have spaghetti straps unless such garments are covered by another article of clothing (e.g., a sweater or jacket)
4. Clothing or footwear that is in disrepair with holes and frays; pants, skirts, or dresses with a length that drags the floor.
5. Tank or muscle tops and crop tops unless such garments are covered by another article of clothing.
6. Sheer or mesh clothing that exposes undergarments or midriffs, or any clothing with exposed undergarments.
7. Offensive tattoos, as defined by a DFA Administrator.
8. Camouflage apparel
9. Miniskirts, defined as four (4) inches above the knee.
10. Hooded sweatshirts
11. Jeans or denim pants of any color, except on Denim Fridays.
12. Shorts of any kind.
13. Any other item of clothing determined to be unacceptable by the DFA Human Resources Administrator.

### **3.10 DFA Dress Code for Legislative and other High-Profile Meetings**

When attending meetings at the State Capitol, Governor’s Office, Legislature or other high-profile meetings, DFA employees must follow a “formal business” dress code as outlined below:

Men shall either wear business suits with neckties or wear sports coats or blazers with neckties, slacks or dress khakis and dress shoes. Women are to wear business suits or jackets, sweaters or blouses with either slacks or professional skirts of modest length. Necklines and footwear should be modest and appropriate for business. In keeping with DFA’s intention to maintain a dignified business atmosphere, extreme hairstyles and distracting bodily accoutrements are not permitted at high-profile meetings. Jewelry should be modest and professional. Personal grooming and cleanliness must be maintained to present a clean appearance, with contemporary hairstyles and makeup consistent with the professional business world. Refer to [DFA Policy 3.2](#).

### **3.11 Direct Deposit**

DFA requires participation in the payroll direct deposit program. This program eliminates the need to take a paycheck to a financial institution for deposit, and for those employees receiving pay checks through the mail, it eliminates the possibility of it being lost in the mail. Direct deposit of a paycheck is guaranteed by 9:00 a.m. of the regular payday.

### **3.12 Discharge for Falsifying Employment Application**

Any person who is employed by the State of Arkansas and who falsified their employment application shall be terminated from employment with DFA.

### **3.13 Political Activity**

Arkansas State law prohibits State employees from engaging in partisan political activities during working hours. Employees are not to endorse candidates, including the Governor, in their official capacity as State employees. The State further prohibits the use of any campaign literature (including bumper stickers) on personal vehicles when using these vehicles in the performance of official duties for which they shall be reimbursed by the State. Refer to [TSS-OPM Policy 18](#).

### **3.14 Political Freedom**

State employees shall not be prohibited from communicating with an elected public official concerning matters related to the employee's job, except for matters exempted from disclosure under the Arkansas Freedom of Information Act (FOIA) or from exercising a right or privilege under the FOIA. DFA employees shall not be subjected to discipline, threats of discipline, reprimands, either oral or written, or notations in their personnel files, disciplining or reprimanding the employee, or otherwise be discriminated against because the employee exercised the right to communicate with an elected public official or exercised a right or privilege under the FOIA. A state employee who has intentionally made untrue allegations to an elected official concerning matters related to the employee's job may be subject to discipline.

### **3.15 Public Information & Freedom of Information Act**

Public records are available to Arkansas citizens under the Arkansas Freedom of Information Act (FOIA). This includes information about an employee’s employment with the State including name, salary, pay grade, agency, position title, race, gender, supervisory information, and other information directly related to employment. Personal information that is not job-related is exempt from disclosure under the FOIA. Exempt information includes the employee’s Social Security Number, home address and phone number, spousal and dependent information, and medical information.

The FOIA also includes electronic files, including e-mail. All records maintained in public offices or by public employees may be subject to public inspection and copying under the FOIA. Act 658 creates an exception to the requirement to notify the subject of records before disclosing the records when a FOIA request only seeks the gross salary of a public employee or group of public employees. The public employee is NOT entitled to seek an Attorney General Opinion for this. The creation of Transparency.Arkansas.gov by Act 303 in 2011 currently provides such state financial information, accessible to the public. DFA Employees should not have any expectation of privacy related to any information entered into a work email or work computer or on a personal phone or computer if these are used for work purposes. Any FOIA request received by a DFA employee should be immediately directed to the DFA Director of Communications.

### **3.16 Career Service Recognition Payments**

DFA employees who meet the eligibility requirements shall be eligible for annual career service recognition payments on the anniversary date of the completion of such service according to the following schedule. To receive the full amount of the recognition payment, the service must have been in either an elected position or a regular full-time position, classified or non-classified. Employees who work part-time in regular salary positions may receive annual career service recognition payments on a pro rata basis. Refer to [TSS-OPM Policy 23](#).

Years of Service	Amount of Recognition Payment
10—14 Years	\$800
15—19 Years	\$1,000
20-24 Years	\$1,200
25 or more years	\$1,500

### **3.17 My Idea**

DFA employees are encouraged to participate in the Governor’s efforts to improve, transform and innovate state government by submitting ideas to the “My Idea” website accessible here: <https://myidea.arkansas.gov>.

### **3.18 DFA Employee Suggestion System**

DFA employees are encouraged to participate in the TSS-OPM Employee Suggestion System. Up to \$5,000 in cash awards is given for suggestions that provide tangible monetary savings. Awards are paid in an amount equal to 10% of the first year’s estimated net cost savings. There is a maximum award possible for tangible savings of \$5,000 and a Certificate of Recognition. Certificates are given for suggestions providing intangible benefits such as more efficient procedures and forms and improved employee morale, employee health or safety. Awards for intangible savings range from a Certificate of Recognition to \$100. Refer to [TSS-OPM Policy 16](#).

### **3.19 Overtime**

DFA Divisions are authorized to provide either overtime payment or overtime leave time for overtime work. Employees working any hours in excess of regular hours are required to receive written approval from their supervisor or Administrator prior to working overtime. Hours in excess of 240 hours of compensatory time must be paid as overtime. All non-exempt employees are responsible for entering any and all working hours into the EASE system. Failure to enter any overtime work into the EASE system may result in disciplinary action up to and including termination. Employees who are exempt under the Fair Labor Standards Act are not eligible for overtime.



### **3.20 Disciplinary Measures**

Administrators are responsible for determining the appropriate level of discipline for a specific violation. Administrators shall consider all the facts and mitigating or aggravating circumstances surrounding the violation in deciding the level of discipline and should consult with the HR Office as needed.

Discipline should be applied by Administrators immediately, consistently and impartially and be aimed at improving employee behavior and job performance. The following steps are not exhaustive and may be, but are not required to be, applied in the disciplinary process:

1. Verbal warning recorded in the employee's personnel file.
2. Written warning recorded in the employee's personnel file.
3. Suspension without pay and recorded in the employee's personnel.
4. Termination.

A supervisor is not required to apply every disciplinary step. Some violations may require the implementation of more severe disciplinary action, including immediate dismissal. Refer to [DFA Policy 3.3](#).

### **3.21 Grievance and Dispute Resolution Rules and Procedures**

DFA policy gives employees the opportunity to file a grievance if his or her termination or suspension from employment was inconsistent with DFA's disciplinary policy. This opportunity is provided through established steps and procedures to ensure fair resolution within a reasonable timeframe to employees who are not in a new employee probationary status. An employee new to DFA who is on initial six months or extended new-hire probationary status will not have access to the grievance process. A current DFA employee who transfers, promotes, or voluntarily or involuntarily demotes within DFA is placed in a three-month probationary period; however, the employee is not prohibited from accessing the grievance process during this time if the employee has already met the initial six-month probationary period. For more information about the grievance process, contact the Human Resources office. Refer to [DFA Policy 3.5](#) and [TSS-OPM Policy 63](#).

### **3.22 Reduction in Force**

Reductions in the workforce may be due to significant organizational structure changes, shortage of funds or work, abolishment of positions or duties, loss of functional responsibility by DFA, and/or the loss/non-renewal of federal funding, grants or other special funds. In the workforce reduction decision-making process, the DFA Secretary should be guided by agency priorities, resources, locations and staffing to determine where reductions may be made that least impact the agency's operations. Refer to [TSS-OPM Policy 64](#).

## SECTION 4- LEAVE AND ATTENDANCE POLICY

This section includes information related to a variety of leave policies within the DFA. If an employee has any questions, he/she should ask a supervisor or timekeeper for clarification. Please contact the DFA HR Office at 501-324-9065 regarding any questions or forms.

### 4.1 Attendance

The processes differ at each office on how to request leave, requirements for reporting tardiness and absences, and other attendance-related issues. Employees should contact their Administrator/supervisor for more information.

### 4.2 State Holidays

The following days are the official holidays applicable to State Government in Arkansas:

Holiday	Observed
New Year's Day	January 1 <sup>st</sup>
Dr. Martin Luther King Jr. Birthday	3 <sup>rd</sup> Monday in January
President's Day & Daisy Gaston Bates Day	3 <sup>rd</sup> Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4 <sup>th</sup>
Labor Day	1 <sup>st</sup> Monday in September
Veteran's Day	November 11 <sup>th</sup>
Thanksgiving Day	4 <sup>th</sup> Thursday in November
Christmas Eve	December 24 <sup>th</sup>
Christmas Day	December 25 <sup>th</sup>
Employee's Birthday	The employee is granted one holiday to observe his/her birthday.

### Eligibility for Holiday Pay and/or Equivalent Time

Holiday & Birthday leave never expire and are carried forward each year.

**Holiday Pay:** To be eligible for holiday pay, the employee must be in pay status at least 15 minutes the last scheduled workday before the holiday and at least 15 minutes the first scheduled workday after the holiday.

**Holiday during leave:** When a holiday occurs while an employee is on annual or sick leave, that day is charged as a holiday and will not be charged against the employee's annual or sick leave.

**Holiday during day off:** When a holiday occurs on an employee's regularly scheduled day off, the employee will be given equivalent time off. The following provisions apply to employees who cannot take holidays as scheduled:

- Employees must work on holidays when the needs of the agency require it. Each Administrator will determine the need.

- Days off for holidays may be taken at a time approved by the employee’s supervisor. Holidays will not be forfeited if unused. Holidays accrued but not taken will be paid as a lump sum payment at the time of termination, not to exceed 30 total days of annual and holiday time.
- Supervisors are responsible for scheduling days off in lieu of holidays for their employees. Department heads and supervisors are responsible for informing their employees of the schedule and the observation of all provisions.

**Holidays falling on a weekend:** When a holiday occurs on Saturday, the holiday will be observed on the preceding Friday. Holidays falling on a Sunday will be observed on the following Monday. The Governor, by Executive Proclamation, may proclaim additional days when State offices shall be closed in observance of special events, or for other reasons at his discretion.

**Birthday Holiday:** To utilize this type of leave it must be approved in advance. Refer to [TSS-OPM Policy 52](#).

### **4.3 Leave Accruals (Annual & Sick)**

Any employee who works in a regular salary, provisional, and temporary position shall accrue leave with pay in the same proportion as time worked on the basis of each completed month of service. Accrued leave shall not be granted to emergency, extra-help, intermittent, or per diem employees.

Leave accrued during a calendar month is not considered to be earned by an active employee until the last working day of the month. Earned leave may not be used until the first day of the month following month; the leave must be earned before it can be used.

**For accrual purposes only:** Employees will accrue half their monthly accrual if employed on the first (1st) working day of the month through the 15th of that month. Employees will accrue half their monthly accrual if employed on the 16th of the month through the last working day of that month. If the 16th falls on a weekend or holiday, accrual begins on the first (1st) working day thereafter.

The minimum leave amount an employee can use is fifteen (15) minutes. No smaller amounts shall be used.

An employee may not earn leave when in a leave without pay (LWOP) status for ten (10) or more cumulative days (80 hours) within a calendar month. This includes annual, sick, holiday and birthday leave. The annual leave that is lost due to the LWOP is based on the rate of accrual authorized for that employee.

### **4.4 Year-end Balance**

Accrued leave may exceed the year-end carry forward balance limits during the calendar year, but those days in excess of these limits will be forfeited if not used by December 31st of each year. The allowable carryover of Annual Leave is 240 hours (30 days.) At the end of each calendar year any excess annual leave above the carryover amount will be deposited into the OPM catastrophic leave bank unless the employee submits a written statement to their human resources office.

- Annual leave maximum carry forward is 30 days (240 hours)
- Sick leave maximum carry forward is 120 days (960 hours)

### **4.5 Transfer of Leave**

Arkansas law provides that employees transferring without a break in service, between State agencies and/or state-supported institutions of higher education, which are covered by the Uniform Attendance and Leave Act, shall retain all accumulated annual, birthday, holiday, and sick leave upon transfer to their new agency or institution of higher education. Refer to [TSS-OPM Policy 54](#).

#### **4.6 Return to Employment**

If an employee separates from a State agency or institution of higher education and is paid for their annual leave upon separation, the employee is not allowed to return to state employment until he or she has exhausted the number of days for which they were awarded annual leave. If the employee has been separated from state government for 30 working days or less, they will have the option of purchasing their unexpired leave balance from the hiring state entity.

If an employee receives compensation for unused sick leave at retirement and returns to state employment, the employee shall not be required to wait until the expiration of the number of days for which he or she received additional compensation before returning to State employment or to repay the amount of the compensation.

#### **4.7 Annual Leave**

Each regular or probationary employee shall earn annual leave with full pay computed on the basis of the following schedule for each complete month of service. Extra-help employees are ineligible for annual leave.

<u>Years of Service</u>	<u>Accrual Per Month</u>	<u>Amount Per Year</u>
<u>Through 3 years</u>	<u>1 day (8 hours)</u>	<u>12 days per year</u>
<u>4 through 5 years</u>	<u>1 day, 2 hours (10 hours)</u>	<u>15 days per year</u>
<u>6 through 12 years</u>	<u>1 day, 4 hours (12 hours)</u>	<u>18 days per year</u>
<u>13 through 20 years</u>	<u>1 day, 6 hours (14 hours)</u>	<u>21 days per year</u>
<u>Over 20 years</u>	<u>1 day, 7 hours (15 hours)</u>	<u>22 ½ days per year</u>

Annual leave can only be taken with the prior approval of the supervisor

Employees must have completed full years of employment before moving to the next higher accrual rate. For example, an employee would not move to the second level of annual leave accrual rate until they had completed three (3) full years of employment and started their fourth (4th) year.

Employees who work less than full-time per year accrue annual leave in the same proportion as time worked. For example, employees who work half-time would receive half of the annual leave accrual shown on the timetable.

Annual leave is granted based on workdays, not calendar days. Non-workdays, such as holidays and weekends, are not charged as annual leave. Whenever an employee is separated from the agency, their accumulated annual leave as of their last working day shall be liquidated by a lump sum payment, not to exceed thirty working days (a combined total of 240 hours including Annual, Holiday & Birthday hours). Refer to [TSS-OPM Policy 45](#).

#### **4.8 Sick Leave**

Regular full-time employees will accrue eight hours of sick leave per month. Employees working less than full-time will accrue sick leave in the same proportion as the time worked. Sick leave may be used for only the following purposes:

- When the employee is unable to work because of sickness or injury; or for medical, dental or optical treatment.

- Death or serious illness of a member of the employee's immediate family. Immediate family is defined as the father, mother, sister, brother, spouse, child, grandparents, grandchild, in-laws or any individual acting as a parent or guardian of an individual. Refer to [TSS-OPM Policy 59](#).

#### **4.9 Sick Leave Notice**

Sick leave should be requested in advance; however, if the nature of the illness makes advance notice impossible, notification must be given to the Administrator or designated alternate on the first day of absence.

A request for sick leave must be submitted within two days after returning to work. If notification is not made in accordance with established procedures, the absence will be charged to annual leave, compensatory time, or leave without pay, at the discretion of the Administrator or designee. A DFA employee who is on sick leave for five (5) or more consecutive days must furnish a certificate of illness from an attending physician if the leave of absence has been taken to care for a family member. If the employee has been ill, the employee must provide documentation from a qualified medical professional stating that he or she is cleared to return to work. Employees continue to earn sick leave at the normal accrual rate when they are on sick leave or annual leave. Any employee requesting maternity leave may elect to take leave without pay without first exhausting accumulated leave. The same procedure used to request sick leave applies to maternity leave requests. Refer to [TSS-OPM Policy 59](#).

Employees are not entitled to payment for accrued and unused sick leave when they terminate their employment. If an employee is terminated due to a reduction in force, the employee will have all accrued sick leave restored if the employee returns to state employment within six (6) months of termination. Refer to [TSS-OPM Policy 54](#).

#### **4.10 Sick Leave Incentive Payout Program**

Act 1127 of 1999 provides financial incentives for state employees to decrease their use of sick leave. A sick leave incentive award will be issued upon retirement to state employees who are *immediately* eligible for, and have made written application to receive, retirement benefits from a retirement system sponsored by the State. Paid sick leave taken concurrently with Family and Medical Leave (FMLA) since August of 1993 will be added to the final total of sick leave for purposes of qualifying for the incentive payout.

#### **4.11 Death in Service**

When a person dies while actively employed by DFA, the deceased's estate or the designated beneficiary may receive payment for all unused sick leave (up to \$7,500) which accrued to the deceased at the time of death. Sick leave payout is based on the criteria for a Sick Leave Incentive Payout. If the balance of the employee's sick leave does not reach the criteria for a Sick Leave Incentive Payout, the deceased's estate or designated beneficiary may donate the sick leave to the DFA catastrophic leave bank.

#### **4.12 Leave Without Pay (LWOP)**

Employees must exhaust all compensatory, annual, and holiday leave (and sick leave in cases of illness) prior to using leave without pay, with the exception of maternity leave, military leave, disciplinary leave, inclement weather as designated by State policy, or due to necessary budget reductions as determined by the DFA Secretary. In addition, DFA Administrators may permit an employee to take LWOP in extenuating circumstances.

When an employee has exhausted all accrued paid leave benefits, he/she may be eligible to receive up to six (6) month increments of LWOP at the written request and approval of the DFA Secretary or their designee. Employees may be dismissed if they fail to report to work promptly at the expiration of the period of LWOP. Refer to [TSS-OPM Policy 55](#).

#### **4.13 Maternity Leave**

An employee may request catastrophic leave to receive paid maternity leave. Refer to [TSS-OPM Policy 47](#). If an employee is eligible for both catastrophic leave for maternity purposes and family medical leave (“FML”) for maternity purposes, the two shall run concurrently. Accumulated sick leave and annual leave, if requested by the employee, shall be granted for maternity leave, after which LWOP may be used.

**Unpaid Leave:** In the case of maternity leave, an employee may elect to not exhaust the employee’s accumulated annual and sick leave and may elect instead to take a leave of absence without pay, without exhausting annual and sick leave for pregnancy and after the birth of the child. DFA allows for twelve weeks of unpaid leave. Absences during the pregnancy must be documented by a health care provider’s certification.

An employee on leave of absence without pay shall not accumulate leave time, participate in agency group insurance programs to which the state contributes, or receive payment for any legal holidays. Any employee must work (or use accrued leave) a minimum of 10 hours per pay period to ensure the State’s matching portion is paid. Employees in LWOP status may continue to participate in the health insurance plan but must pay the entire health insurance premium and basic life insurance cost, including the State contribution, directly to Employee Benefits Division (EBD). Refer to [TSS-OPM Policy 56](#).

#### **4.14 Leave Abuse/Unauthorized Absences/Tardiness**

Documented leave abuse or unauthorized absence from work, including tardiness of one minute or more past the start of the work, may be cause for disciplinary action. If a pattern of leave abuse or unauthorized absences is identified, an employee may be required to furnish a certificate from an attending physician prior to any use of sick leave for a minimum of one year. An example of leave abuse would be calling in absent every Friday. In addition, disciplinary action may be taken if a supervisor or Administrator recognizes a pattern of leave abuse or unauthorized absences from work. Refer to [TSS-OPM Policy 45](#).

#### **4.15 Right to Vote**

Pursuant to Ark. Code Ann. §7-1-102, all Administrators and supervisors shall schedule the work hours of employees on election days so that each employee will have an opportunity to exercise the right to vote while still completing their normal workday.

#### **4.16 Children’s Educational Activities Leave (CEAL)**

State employees have the opportunity to participate in any school sponsored activity and shall be entitled to a total of eight (8) hours (not 8 hours per child) of CEAL in one (1) calendar year for engaging in and traveling to or from the educational activities of a child. The child/children must be enrolled in a pre-kindergarten program through grade 12.

**Child:** a person enrolled in pre-kindergarten through grade 12 who is related to the employee as a natural child, adopted child, stepchild, foster child, grandchild, ward of the state employee by virtue of the employee having been appointed the person’s legal guardian or custodian, or any other legal capacity where the employee is acting as a parent for the child.

**Educational activity:** attending a parent-teacher conference, participation in school-sponsored tutoring of the child, participating in a volunteer program sponsored by the school in which the child is enrolled, attending a field trip with the child, attending a school-sponsored program or ceremony in which the child is participating, attending a graduation or homecoming ceremony in which the child is participating, attending an award or scholarship presentation in which the child is participating, attending a parents or grandparents’ breakfast in which the child is participating, attending a classroom party in which the child is participating, attending a school committee meeting of the school in which the child is enrolled,

attending an academic competition in which the child is participating, attending an athletic, music, or theater program in which the child is participating, and engaging in any of the activities listed above that are connected with an educational program.

Leave that is unused during a calendar year may not be carried forward to the next year, nor is such unused leave payable at termination. Refer to [TSS-OPM Policy 48](#).

#### **4.17 Disaster Service Volunteer Leave**

Act 268, effective February 25, 1997, allows State employees certified by the American Red Cross to volunteer for disaster service if they meet the following conditions:

1. Their specialized disaster relief services are requested by the American Red Cross for a disaster; and
2. The leave is approved by the chief executive officer of his/her state agency.

The employee may be granted up to 15 working days in a 12-month-period without loss of pay, seniority, annual or sick leave or compensatory or overtime pay. Refer to [TSS-OPM Policy 50](#).

#### **4.18 Bone Marrow & Organ Donor Leave**

All DFA employees are entitled to leave without pay for up to 30 days per calendar year to serve as a human organ donor. In addition, DFA employees are entitled to leave with pay for up to seven days per calendar year to serve as a bone marrow donor. In order to qualify for organ donor or bone marrow donor leave, employees must provide a written request from both the employee and the medical physician that will perform the transplantation. Following the transplantation, written verification of the fact must be provided by the same physician. Refer to [TSS-OPM Policy 46](#).

#### **4.19 Military & Public Health Training Leave**

Arkansas law allows for employees to participate in a military training program made available by the National Guard or any of the reserve branches of the armed forces. In addition, all State employees who are members of the Inactive Reserve Corps of the United States Public Health Service can take a leave of absence for participating in the civil defense and public health training programs made available by the United States Public Health Service. Refer to [TSS-OPM Policy 57](#).

#### **4.20 Military Leave**

Military leave may only be used by active members of the US Armed Forces which include United States Marine Corps, United States Army, United States Navy, United States Air Force, Arkansas National Guard, and all reserve branches of the armed forces. Refer to [TSS-OPM Policy 57](#).

#### **4.21 Court and Jury Leave**

A state employee serving as a juror or subpoenaed as a witness to give a deposition in a court or hearing, not involving personal litigation or service as a paid expert witness outside the scope of state employment, shall be entitled to full compensation in addition to any fees paid for such services, and such services or necessary appearances in any court shall not be counted as annual leave. Employees who work night shifts shall be allowed to take court and jury leave on the night shift of the day on which they served. The employee shall furnish the appropriate documentation to the supervisor for attachment to the request for leave form maintained by the timekeeper. Refer to [TSS-OPM Policy 58](#).

#### **4.22 Arkansas Public Employees Retirement System (APERS) Seminar Leave**

Employee attendance at APERS retirement seminars will be treated as any other type of employee benefits presentation, provided those attending have at least a minimum of five (5) years of credited service in a state-sponsored retirement system. Employees can attend a retirement seminar once every five (5) years and

within five (5) years of retirement without the use of accrued leave. Employees within one (1) year of retirement or entering the Deferred Retirement Option Plan are not required to use accrued leave to attend retirement seminars or scheduled sessions with retirement counselors. Employees must schedule their attendance so that their absence will not hinder the work of DFA. Attendance requires prior approval from the employee's supervisor. If the above condition is met, then no leave will be deducted for the employee's absence from work.

#### **4.23 Catastrophic Leave Bank**

The Catastrophic Leave Bank (CLB) program was established to provide paid leave for employees with a catastrophic illness who have exhausted all other paid leave. A catastrophic illness is defined as a medical condition, *unplanned or unforeseen*, as certified by a physician, which requires an employee's absence from duty for a prolonged period and which, except for the CLB, would result in a substantial loss of income to the employee because of the exhaustion of all earned sick, annual, holiday and compensatory leave. Effective April 7, 1999, the program was expanded to include the medical condition of a spouse, parent, or child of the employee which requires the employee's absence from duty for a prolonged period of time. Previous law stated a child must be claimed as a dependent under the Income Tax Act to be eligible. Act 573 has expanded the eligibility to a parent of any child with a qualified catastrophic illness, including children over the age of 18.

**Catastrophic Leave for Maternity Purposes:** An eligible female employee may receive up to twelve (12) consecutive weeks of paid leave within the first twelve (12) weeks after the birth of the employee's biological child or placement of an adoptive or foster child who is under one year of age, in the employee's home. The TSS Office of Personnel Management manages the CLB for the State of Arkansas.

**Donations:** An employee may donate sick or annual leave in whole hour increments to the CLB at any time during the year. However, an employee may not designate the leave to a specific employee.

**Recipients:** An employee may be eligible for catastrophic leave under the following provisions:

1. The employee is a current State employee who has been employed by the State for at least one year in a regular, full-time position. The employee must not have been disciplined for leave abuse or any related leave issue within the past year.
2. The employee, at the onset of the illness or injury, had at least eighty hours of combined sick and annual leave and has exhausted all such leave (or foresees exhausting all such leave). Effective February 21, 2003, the "80-hour requirement" may be waived.
3. The employee must have a current "Physician's Certification" of a medical condition which prevents the employee from performing the employee's job duties for a prolonged period of time (a minimum of 30 working days) and which will result in substantial loss of income.
4. An employee whose accident or injury is covered by Worker's Compensation is not eligible until such benefits have been exhausted.

Catastrophic leave cannot be retroactive; therefore, it is important that the employee, or the employee's legal representative, request the catastrophic leave before the employee's leave is exhausted. Employees who receive catastrophic leave will continue to accrue leave and receive other benefits; however, leave earned while on catastrophic leave and unused leave will be returned to the program. Refer to [TSS-OPM Policy 47](#).

#### **4.24 Family and Medical Leave Act**

The federal Family and Medical Leave Act (FMLA) of 1993 requires all public agencies to provide up to 12 weeks of unpaid, job-protected leave to "eligible" employees for certain family and medical reasons. To be



eligible for FMLA leave an employee must have worked at least 1250 hours in the 12-month period preceding the commencement of FMLA leave and meet the FMLA requirements for the following:

1. The birth or placement of a son or daughter, to bond with a newborn or newly placed son or daughter, or to care for a son or daughter with a serious health condition;
2. The care of the employee's spouse, son or daughter, or parent with a serious health condition;
3. A serious health condition that makes the employee unable to perform the functions of the job;
4. Any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or
5. parent is a military member on covered active duty; and
6. To care for a covered service member with a serious injury or illness if the employee is the spouse, son, daughter, parent, or next of kin of the service member (military caregiver leave).

In the case of birth or adoption, eligibility for FMLA leave shall expire at the end of the 12-month period beginning on the date of a child's birth or placement. However, leave used for this purpose shall also be calculated on a calendar year basis. Refer to [TSS-OPM Policy 51](#).

#### **4.25 Leave for Expressing Breast Milk**

DFA provides a reasonable break time for an employee to express breast milk for her nursing child for 1 year after the child's birth each time such an employee has a need to express the milk. In addition, the DFA will provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk. These breaks should be aligned as much as possible with regularly scheduled break times. DFA does not compensate an employee for time spent for this purpose outside her regularly scheduled break time. Time taken to express breast milk shall not be marked as Family Medical Leave. Refer to [TSS-OPM Maternity Leave, FMLA, and Nursing Moms](#).

## **SECTION 5- STATE BENEFITS**

### **5.1 Workers' Compensation**

Workers' Compensation is a benefit provided to injured workers, or their dependents in the event of the worker's death. It provides compensation when employees are unable to work because of a job-related disability, no matter who was at fault. All State employees are covered by Workers' Compensation Insurance, which is administered by the Public Employees' Claims Division (PECD) of the State Insurance Department. Each agency is assessed a premium based on its experience ratio. No contribution is required of the employee. Benefits are tax free and not subject to Social Security tax. Injuries involving lost time must be coordinated through payroll processing. Refer to [TSS-OPM Policy 60](#).

Please contact DFA HR Office for coordinating all claims with individual employees and the PECD. The DFA HR Office is the contact point for supervisors and employees. It is incumbent upon the injured employee and the supervisor to provide the HR Office with all claim's determination and monetary awards (if any). This will ensure the proper coordination of benefits with the payroll process. The PECD will determine eligibility for claims and determines medical or compensatory benefits an injured worker is entitled to receive. For more information, please go to: <https://insurance.arkansas.gov/pages/consumer-services/employee-claims/instructions-for-injured-state-employees/>.

### **5.2 Retirement**

Arkansas Public Employees Retirement System (APERS) is a multi-employer defined benefit plan, qualified under Section 401(a) of the Internal Revenue Code, with defined contribution options. Participating employers contribute a rate that is established annually by the APERS Board of Trustees. Monies received are invested by the APERS to pay future benefits to members, beneficiaries and survivors. Nothing in this description shall override any law or rule regarding APERS or applicable law, regulation or rule.

Employees employed as of June 30, 2005, that did not choose to join the contributory plan as of December 31, 2005, remained non-contributory plan participants. Under the non-contributory provisions, if an employee retires before age 62, except for disability, he/she will receive a temporary amount until age 62, in addition to the basic annuity. The temporary benefit is not reduced for early retirement.

Employees hired on or after July 1, 2005 are required to contribute 5% of their pre-taxed earning to the APERS. Beginning July 1, 2022, that amount will increase to 5.25%. Each year thereafter it will increase an additional 0.25% until the total rate of contribution is 7%. In other words, employees must pay a portion of their salary (pre-tax) into the System in order to earn service credit towards a future retirement benefit. The contributions are deducted from the employee's salary by DFA to pay for retirement. These contributions will remain on deposit in the employee's name unless the employee leaves the job and receives a refund of his/her contributions. DFA pays retirement contributions equal to a certain percentage of the employee's salary each month. These rates are subject to change by the APERS Board of Trustees.

State employees are eligible to receive a future retirement benefit. Employees become vested under the APERS after completing five (5) years of service. Death-in-service benefits may be payable to a vested employee's survivors if the death occurs while the employee is in active service. This benefit is also payable for employees who have applied for retirement benefits but die before the effective date of the benefits. Actual Service is service credited at the rate of one (1) month for each month of service.

Pursuant to Ark. Code Ann.§ 21-5-411, employees may be eligible to continue health coverage through ARBenefits when they retire. However, be advised that a surcharge will be added to an employee's retiree premium if they meet the following criteria:

- Hired after December 31, 2015, and
- Failed to enroll within 36 months of their hire date

If the criteria are met the following surcharge rates will apply:

Surcharge	Surcharge Criteria
Additional 5%	Retiree enrolled in Plan between 4th and 13th year of employment
Additional 10%	Retiree enrolled in Plan between 14th and 23rd year of employment
Additional 15%	Retiree enrolled in Plan after 23rd year of employment

### **5.3 APERS Credited Service**

Credited Service is the sum of the prior service and current service to the extent credited a member by the Board. In addition to the service time members have credited to their accounts, there are other credited service times available. Some credited service time is available at no cost while others may be purchased. The categories of service eligible for purchase include repayment of a refund, military service (either free credit or purchase of active duty credit, National Guard, or Armed Forces Reserve credit) and other service. Purchases of service may be made with a "rollover" from another retirement plan. Questions regarding other types of service that may be purchased should be made to APERS directly.

### **5.4 APERS Contacts**

Questions regarding specific employee issues should be addressed to APERS. APERS offers counseling by appointment and can be reached at (501) 682-7800 or 1-800-682-7377 for those persons residing outside the Little Rock area. They are located at 124 West Capitol, Suite 400 (4th Floor), Little Rock, Arkansas 72201-1015. While general information can be provided over the phone, specific account/record information can be obtained by writing to APERS or by visiting their offices. Benefit estimates can be prepared for only those members who are within one (1) year of anticipated retirement. A request for a specific date regarding benefit estimates does not bind members to that retirement date. APERS provides active (non-retired) members with annual statements reflecting any earnings and contributions for the year. More information can be found at the APERS website [www.apers.org](http://www.apers.org).

### **5.5 Deferred Retirement Option Plan (Drop)**

Deferred Retirement Option Plan or DROP is a retirement option for eligible employees in which the retirement benefit is calculated on the date you enter DROP and put into an account that accrues interest as you continue to work. The Arkansas General Assembly established a DROP for State employees, which allows employees who have worked for the State and have at least 28 years of credit with APERS to continue in service to the state under the DROP plan. Any time purchased by an APERS member counts toward the 28-year requirement. After ten years in the DROP plan, employees must leave state government and begin drawing their retirement benefit. They may receive the deferred amount in a lump sum or as a monthly payment or roll it over into an independent retirement account. Employees under the DROP Plan are still eligible for deferred compensation, career service recognition payments, sick and annual leave, and State employees' health insurance. For more information on DROP or other APERS information, please visit [www.apers.org](http://www.apers.org) or call 501-682-7800.

### **5.6 Health and Life Insurance**

Group health insurance benefits are offered to employees through the Employee Benefits Division. Depending on the insurance option an employee chooses, a portion of the coverage is paid by the employee with the employer paying the matching costs. In addition to group health insurance options, group life insurance benefits are available. The State Health Insurance Plan is managed by the Employee Benefits Division please visit [www.transform.ar.gov/employee-benefits/](http://www.transform.ar.gov/employee-benefits/) or call the customer service number at (501) 682-9656, or toll-free (877) 815-1017, *press 1*. The DFA HR can be contacted at 501-324-9065 for more information.

## **5.8 Employee Assistance Program (EAP)**

All State employees are eligible for up to three (3) free confidential visits with New Directions. They offer help in almost any area of an employee's life. They offer counseling for family matters, stress, relationships, grief and loss, and substance abuse. EAP can assist with finding childcare, elder care, moving and relocation services, schools and colleges, home repairs, financial counseling, legal assistance, car or home purchases, etc. (1-877-300-9103). Refer to [TSS Employee Benefits Division](#).

## **5.9 Tuition Savings Program / ABLE Accounts:**

**GIFTAR529** – 529 plans were established to help parents and grandparents save money for college that can be used at schools across the country and some institutions abroad. Contributions to a 529 plan are not federally deductible but earnings are not subject to federal tax when used for qualified education expenses. Arkansas taxpayers can deduct up to \$5,000 (up to \$10,000 for married couples) of their Arkansas 529 GIFT Plan contributions from their **Arkansas** adjusted gross income. You can find more information at [www.arkansas529.org](http://www.arkansas529.org).

**ABLE** – Able Accounts are tax advantaged savings accounts for individuals with disabilities and their families. Individuals and families of those with disabilities depend on a wide variety of public benefits for income and assistance. These programs often require resource tests for eligibility that limit the amount of savings a candidate can retain. ABLE accounts allow these persons to maintain a savings account that will allow for distributions for qualified expenses without affecting their eligibility for other major assistance programs. You can find more information regarding ABLE accounts at [AR Treasury Able Accounts](#).

## **5.10 Healthcare Flexible Spending Account (FSA)**

A pre-tax benefit account that an employee can use to pay for eligible medical, dental, and vision care expenses that aren't covered by the employee's health insurance plan. The employee decides how much to contribute to their Healthcare FSA each year, and funds are withdrawn automatically from each paycheck for deposit into the employee's account before taxes are deducted. The total amount an employee elects to contribute to his/her Healthcare FSA each year is available on the first day of the plan year.

Employees need to spend the funds in their Healthcare FSA within the plan year. However, the plan may provide employees with a grace period of up to 3 months after the end of the plan year to spend funds left in their account.

## **5.11 Health Savings Account (HSA)**

This pre-tax benefit account, in conjunction with an employee's qualified high-deductible health plan, is used to pay for eligible out-of-pocket medical, vision, and dental expenses. Employees can earn interest on the money in their account and invest it so that it grows over time. A HSA is like a FSA although the money must be accrued before it is available. The money in an HSA account may be redeemed by an employee if he/she leaves DFA or if the employee has money left over at the end of the plan year.

## **5.12 Dependent Care Flexible Spending Account (DCSA)**

This pre-tax benefit account can be used to pay for dependent care services while an employee is at work. The money an employee contributes to a Dependent Care FSA is not subject to payroll taxes, so the employee may end up paying less in taxes and taking home more of their paycheck. Under this type of account, a "dependent" is a child under 13 years of age (until the day of their 13th birthday) and adult dependent who can't take care of themselves. Please keep in mind that they must live with the employee and be claimed as a dependent on the employee's tax return. Employees should review the eligible expense list on the vendor's website each year to see what is covered under the Dependent Care FSA.

### **5.13 Deferred Compensation Benefits**

New employees will be automatically enrolled in the Arkansas Diamond Deferred Compensation 457 Plan, with a 3% automatic deduction. If an employee does not wish to participate, he/she has 90 days from their first deduction to opt out. If an employee chooses to not complete the opt-out form on his/her first day of employment, he/she may opt out of the plan by logging into the Arkansas Diamond Deferred Compensation Plan website at <https://myplan.voyaplans.com> or by calling 1-800-905-1833.

At any time, an employee may elect to participate in the deferred compensation 457 program. The tax-sheltered investment options offer a means of setting aside money for future use which is not subject to current federal or State income tax. Taxes become payable when the deferred income plus earnings are paid to the employee, usually at retirement, when the employee is probably in a lower income tax bracket. This deferred income can serve as a supplement to social security, pension, or retirement benefits. For a local one-on-one consultative meeting please call to schedule a meeting at 1-866-271-3327.

### **5.13 Arkansas State Employee Association (ASEA)**

Employees of the State of Arkansas may join the association and the dues can be payroll deducted or paid on an annual basis. ASEA is a non-partisan, non-profit, non-union, membership-driven association that advocates on behalf of Arkansas State employees and offers exclusive benefits to its members. For more information, please call 1-800-950-8139.

### **5.14 Arkansas State Employees Benefit Advisors (ARSEBA)**

ARSEBA is the exclusive provider of voluntary benefits for State employees and has information available at: <http://www.arseba.com/> or contact ARSEBA at 1-888-224-5234 or 1-501-224-5234. ARSEBA works with the Arkansas Employee Benefits Division to provide a comprehensive menu of benefits which includes:

- Accident Insurance
- Cancer Insurance
- Critical Care Insurance
- Dental and Vision Insurance
- Hospital Indemnity Insurance
- Life Insurance
- Short Term
- Disability Insurance

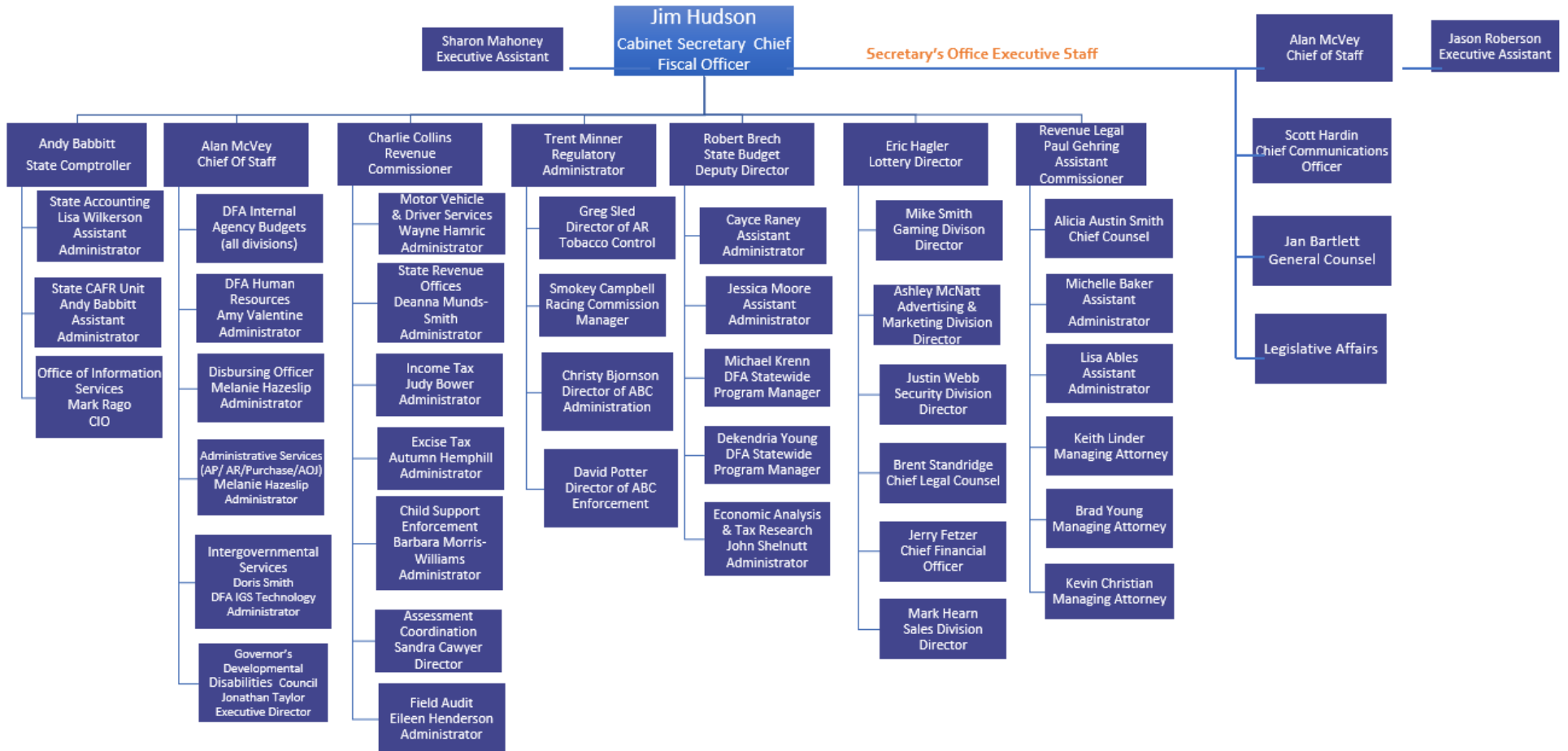
## HISTORY

- Act 255 of 1917 established the Comptroller's Office and the State Auditorial Department. The Comptroller was charged with the execution of all laws relating to the inspection and supervision of all books containing the accounts of the departments and institutions of the State and such other duties as set out in the Act. Act 49 of 1925 abolished the position of Comptroller and created a Board of Charities and Correction, composed of three members appointed by the Governor (one of whom was designated the ex-officio State Comptroller). Act 49 of 1925 was repealed by Act 37 of 1927, which re-established the position of Comptroller to be filled by gubernatorial appointment. Act 41 of 1953 abolished the Comptroller's Office and set up the Department of Finance and Administration. Act 315 of 1955 established a general accounting office, which was designated as the Office of State Comptroller, and included the Division of Legislative Audit.
- Act 62 of 1957 established the Social Security Division and Act 177 of 1957 created the Arkansas State Employees' Retirement System. The latter act stipulated that the State Comptroller be responsible for administration of the Retirement System and serve as its executive secretary.
- Acts 153 and 154 of 1965 transferred the administrative duties of Social Security coverage and State Retirement for public employees from the State Comptroller's Office to the Board of Trustees of the Arkansas Employees' Retirement System, effective June 9, 1965.
- Act 466 of 1967 created a Personnel Division of the State Administration Department.
- Act 468 of 1967 created a State Administration Department. Act 468 stipulated that qualifications of the Director of Administration would be those required for the State Comptroller under Section 3 of Act 315 of 1955 and the Director be appointed by the Governor. The duties and powers of the State Comptroller and his staff, together with the assets of the State Comptroller's Office, were transferred to the State Administration Department, effective July 1, 1967. The act abolished the Office of State Comptroller and created divisions of the State Administration Department, including the State Purchasing Department as a division of the State Administration Department.
- Act 44 of 1968 authorized the creation of a Marketing and Redistribution Section within the Purchasing Division of the State Administration Department.
- Act 46 of 1968 authorized an electronic Data Processing Center to be operated by the State Administration Department and authorized the use of the Center by other State agencies, boards, commissions, and departments.
- Act 47 of 1968 authorized the State Administration Department to establish and maintain a central telephone service for other State Agencies.
- Act 199 of 1969 established a Personnel Classification and Compensation Plan for designated State agencies. The Act also established procedures to be followed by the State Administration Department in exercising pre-audit and other controls to ensure compliance with the authorized salary positions approved in the respective appropriation acts for agencies covered by the Personnel Classification and Compensation Plan.
- Act 286 of 1969 transferred all powers, functions and duties of the division of Local Affairs and Audits of the State Administration Department to the Division of Legislative Audit.

- Act 38 of 1971 created a Department of Finance and Administration with its Director to be appointed by the Governor. The State Administration Department, the Department of Revenue and the Surplus Property Program and their functions, powers and duties were transferred to the Department of Finance and Administration effective February 4, 1971. In addition, the Arkansas Racing Commission and the Alcoholic Beverage Control Division were transferred to the Department of Finance and Administration for administrative supervision and direction.
- Act 742 of 1975 transferred the Office of Criminal Justice and Highway Safety Information from the Department of Finance and Administration to the Department of Public Safety.
- Act 884 of 1977 established the Department of Computer Services and transferred the duties of the Administrative Services Division to the new department.
- An Executive Order by Governor David Pryor transferred the Merit System Council to the Department of Finance and Administration on July 1, 1977
- An Executive Order by Governor Bill Clinton transferred the A-95 Clearinghouse from the Department of Local Services to the Department of Finance and Administration.
- Act 729 of 1981 transferred the Alcoholic Beverage Control Enforcement Division from the Department of Public Safety to the Department of Finance and Administration.
- Act 764 of 1981 transferred the Intergovernmental Personnel Act Program, the HUD 701 Program and State Planning Grants from the Department of Local Services to the Department of Finance and Administration.
- An Executive Order by Governor Frank White transferred the duties of the Arkansas Crime Commission to the Department of Finance and Administration on July 1, 1981. Operations of the Commission were phased out at the end of the 1981-82 fiscal year.
- Act 691 of 1983 transferred the Natural Resources Leasing Program from the Department of Commerce to the Department of Finance and Administration.
- Act 509 of 1993 transferred the Natural Resources Leasing Program to the Commissioner of State Lands Office effective July 1, 1993.
- Acts 795 and 957 of 1993 transferred the Child Support Enforcement Unit from the Department of Human Services to the Department of Finance and Administration, Revenue Division, effective July 1, 1993.
- Act 751 of 2007 transferred the Information Technology planning function from the Office of Information Technology to the Department of Finance and Administration.
- Act 218 of 2015 established the abolishment of the Arkansas Lottery Commission and transferred its powers and duties to the Arkansas Department of Finance and Administration.
- Act 7 & 8 of 1<sup>st</sup> Extraordinary Special Session of 2015 transferred the Arkansas Building Authority and its powers and duties to the Arkansas Department of Finance and Administration.
- Act 638 of 2017 established the Medical Marijuana Commission within the Department of Finance and Administration.
- Act 365 of 2017 established the revised Uniform Class and Compensation Act.
- Act 910 of 2019, the Transformation and Efficiencies Act of 2019, is a comprehensive reorganization of Arkansas government resulting in a restructure of DFA.

# APPENDIX A: Organization Chart

## DEPARTMENT OF FINANCE & ADMINISTRATION





## EMPLOYEE HANDBOOK ACKNOWLEDGEMENT AND RECEIPT

- I acknowledge receipt of the Department of Finance and Administration (DFA) Employee Handbook (the Handbook) and referenced DFA policies, and I certify that I have read and understand the DFA Code of Ethics, DFA Policy 1.4. See Attachment A. I understand and agree that it is my responsibility to read and comply with the guidelines and policies referenced in the Handbook as well as all applicable Office Rules pertaining to my job functions.
- I further understand that the Handbook and all other written and oral materials provided to me are intended for informational purposes only. The Handbook, DFA policies, practices, or other communications do not create an employment contract or term. I understand that the policies and benefits, both in the Handbook and those communicated to me in any other fashion, are subject to interpretation, review, and change by management at any time without notice.
- I understand that DFA uses video surveillance cameras for legitimate business purposes including the safety and security of employees, and DFA may conduct video surveillance of any portion of its premises at any time as more fully set out in DFA Policy 1.4, and that video cameras will be positioned in appropriate places within and around DFA buildings and used in order to help promote the safety and security of people and property. I hereby give my consent to such video surveillance at any time the DFA may choose.
- I further agree that neither this document nor any other communication shall bind the DFA to employ me now or hereafter and that my employment may be terminated by me or the DFA without reason at any time. I understand that no representative of the DFA has any authority to enter into any agreement for employment for any specified period or to assure any other personnel action or to assure any benefits or terms or conditions of employment or make any agreement contrary to the foregoing.

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Print Employee Name

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Personnel Number

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Employee Signature

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Date Signed

## FINANCIAL OBLIGATIONS CERTIFICATION

- I understand that as a Department of Finance and Administration (DFA) employee I am required to timely file all tax returns and comply with all applicable State, Federal and local tax laws. I have received a copy of the DFA Handbook containing the Financial Obligations Policy and by my signature below attest to the following: my history of filing AND payment of State, federal, and local taxes is free and clear of any judgements, liens, or outstanding balances.
- I am currently in compliance with all governmental regulations at all levels: federal, State, and local, including but not limited to car sales tax, car tag renewals, car insurance requirements, property taxes, driver's licenses, and child support payments. I realize that while employed by DFA, as a condition of employment, my tax records will be subject to periodic review for compliance with financial regulations including tax laws and/or any agreement/payment plan.
- I authorize the DFA Office of Child Support Enforcement to release to the DFA Human Resources information, as necessary, to confirm that I am compliant with any child support obligation I may owe.
- I understand that any determination of my failure to comply with any tax law or to default on any one payment of a payment plan may result in my termination from employment with DFA.

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Print Employee Name

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Personnel Number

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Employee Signature

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Date Signed

## **CODE OF ETHICS**

### DFA Policy 1.4

#### Department of Finance and Administration Code of Ethics

The Department of Finance and Administration (DFA) Code of Ethics (Code) is the written document that supports the culture of ethical and efficient service to the citizens of the State provided by this department. The Code describes the behavior expected of employees that perform these services.

#### DFA - Code of Ethics

DFA employees must comply with all applicable laws and regulations. DFA will not condone employee conduct that either violates, or has the appearance of violating, the law, including the ethical provisions. This includes receiving payments for illegal acts, indirect contributions, rebates, or bribery.

If an employee is uncertain about the application or interpretation of any legal or procedural requirement, the employee should ask for guidance from his or her immediate supervisor.

#### Conflicts of Interest

DFA employees must perform their duties in an ethical manner. Employees must not use their position or knowledge gained from their position for private or personal advantage. Arkansas Code Annotated (ACA) §21-8-304 lists certain activities that are ethically prohibited activities for state employees and officials. If an employee becomes involved in a situation that could be considered a prohibited activity, the employee should immediately communicate all the facts to his or her immediate supervisor.

#### Outside Activities, Employment, and Directorships

DFA employees should avoid acquiring any business interest, engaging in outside employment or participating in any activity outside DFA that would conflict with his or her official duties.

#### Relationships with Clients and Suppliers

Employees must adhere to ACA §19-11-705 in their relationships with clients and suppliers to avoid any conflict of interest. In addition, any employee who has or obtains any benefit from a state contract with a business in which the employee has a financial interest shall make a disclosure to the Secretary of DFA in accordance with ACA §19-11-706 and the Rules and Regulations for Implementing Governor's Executive Order 98-04.

#### Gifts, Entertainment, and Favors

Employees must not accept entertainment, gifts, personal favors or preferential treatment that could influence, or appear to influence, their decisions in performing their job functions. Specific procurement law addressing gratuities is codified in ACA §19-11-707 and included in Part 4 of the Procurement Law and Regulations promulgated by the Office of State Procurement. Refer to [Rules on Gifts](#) issued by the Arkansas Ethics Commission.

### Kickbacks and Prohibited Commissions

DFA employees must not receive kickbacks, prohibited commissions or other prohibited payments from third parties. Violations of this rule will result in imposition of the penalties provided by law. Specific procurement law addressing kickbacks and commissions is codified in ACA §19-11-707 and §19-11-708 and included in Part 4 of the Procurement Law and Regulations promulgated by the Office of State Procurement.

### Organization Funds and Other Assets

Employees who have access to DFA funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in DFA's Financial Management Guide or other explanatory materials, or both. If an employee has knowledge of fraud or waste of public assets, the employee should immediately advise his or her immediate supervisor.

Personal use of DFA funds or assets is strictly forbidden.

### Organization Records and Communications

DFA's books and records must reflect accurate and timely recording of all business transactions. Full disclosure of assets, liabilities, receipts and disbursements must be made.

Employees must not make or engage in any false record or communication whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements
- False advertising, deceptive marketing practices, or other misleading representations

### Dealing with Outside People and Organizations

Employees must not use their position or affiliation with DFA when communicating regarding matters not involving DFA business. Employees must not use organization identification, stationery, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve DFA business, employees must not speak for DFA on any topic, unless they are certain that the views, they express are those of DFA management, and that it is DFA management's desire that such views be expressed publicly.

When dealing with anyone outside DFA, including public officials, employees must take care not to compromise the integrity or damage the reputation of DFA or any other entity.

### Prompt Communications

Employees of DFA shall respond promptly and accurately to all requests for information and complaints regardless of the source.

### Privacy and Confidentiality

When handling financial and personal information about customers or others with whom DFA has dealings, observe the following principles:

1. Collect, use, and retain only the personal information necessary for DFA business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.

2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
3. Limit internal access to personal information to those with a legitimate business reason to have the information. Use personal information only for the legitimate business purpose for which it was obtained. Release of any information to persons not involved with the stated business purpose should be made by management in response to a Freedom of Information Act request.

**Reporting Suspected Fraud**

DFA employees have a responsibility to report occurrences of ethical violations, fraud, waste or abuse of DFA resources that can be verified through investigation. DFA employees shall be protected against any form of retaliation, including discharge, for reporting, in good faith, occurrences of ethical violations, fraud, waste or abuse of DFA resources as stated in the Arkansas Whistleblower Act (ACA §§21-1-601–609). Investigations to substantiate reported allegations will be conducted in a confidential manner.

Allegations of ethical violations or fraud may be reported to the Arkansas State Employees’ Fraud, Waste, and Abuse Report Center (1-800-952-8248) or to the [Department of Inspector General – Office of Internal Audit](#) by telephone (1-501-682-0370) or the Department of Finance and Administration – Office of Compliance (1-501-682-5102). A complainant may also choose to report fraud, waste, or abuse by completing a Complaint Form obtained at the following [link](#) and emailed to [OIA.fraud@arkansas.gov](mailto:OIA.fraud@arkansas.gov). Complaint forms can be mailed directly to Department of Finance and Administration - Office of Compliance, 1509 West 7th Street, Ste. 300, Little Rock, AR 72201.

My signature on this document indicates that I have read and fully understand the prohibited activities and my responsibilities to DFA as listed in this code of ethics.

\_\_\_\_\_  
Print Employee Name

\_\_\_\_\_  
Personnel Number

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date Signed