



ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF INTERGOVERNMENTAL SERVICES

**SUBGRANT ADMINISTRATION GUIDE**  
**PART I: GENERAL INFORMATION**

**J. FEDERAL AND STATE EMPLOYMENT LAWS**

As a recipient of federal funds, it is the responsibility of the subgrant organization to comply with all applicable federal and state employment laws and to maintain documentation of such compliance. Listed below are excerpts of labor standards:

1. JOB DISCRIMINATION<sup>1</sup>

- a. State and federal law both make it illegal to treat employees differently because of age, sex, race, religion, national origin, or disability. It is illegal to discriminate in any aspect of employment including:
  - i. Hiring and firing;
  - ii. Compensation, assignment, or classification of employees;
  - iii. Transfer, promotion, layoff, or recall;
  - iv. Recruitment;
  - v. Pay, retirement plans, and disability leave.
- b. Unlawful discriminatory practices include:
  - i. Harassment on the basis of race, color, religion, sex, national origin, disability, or age;
  - ii. Retaliation against an individual for filing a charge of discrimination, participating in an investigation, or opposing discriminatory practices;
  - iii. Denying employment opportunities to a person because of marriage to, or association with, an individual of a particular race, religion, national origin, or an individual with a disability. Title VII also prohibits discrimination because of participation in schools or places of worship associated with a particular racial, ethnic, or religious group.
- c. Other discriminatory practices include:
  - i. National Origin Discrimination<sup>2</sup> - It is illegal to discriminate against an individual because of birthplace, ancestry, culture, or linguistic characteristics common to a specific ethnic group.

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<sup>1</sup> Employers are required to post notices to all employees advising them of their rights under the EEOC enforces and their right to be free from retaliation. Such notices must be accessible, as needed to persons with visual or other disabilities that affect reading.

<sup>2</sup> The Immigration Reform and Control Act (IRCA) of 1986 requires employers to assure that employees hired are legally authorized to work in the U.S.



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Additionally, a rule requiring that employees speak only English on the job may violate Title VII, unless an employer shows that the requirement is necessary for conducting business. If the employer believes such a rule is necessary, employees must be informed when English is required and the consequences for violating the rule.

- ii. Sex Discrimination – Includes sexual harassment which ranges from direct requests for sexual favors to workplace conditions that create a hostile environment for persons of either gender, including same sex harassment. The “hostile environment” standard also applies to harassment on the basis of race, color, national origin, religion, age, and disability.

- iii. Pregnancy-Based Discrimination – Pregnancy, childbirth, and related medical conditions must be treated in the same way as other temporary illnesses or conditions.

Additional rights are available to parents and others under the Family and Medical Leave Act (FMLA), which is enforced by the U.S. Department of Labor.

- iv. Age Discrimination – Prohibits statements or specifications in job notices or advertisements of age preference and limitations. An age limit may only be specified in rare circumstances where age has been proved to be a bona fide occupational qualification.

Discrimination on the basis of age by apprenticeship programs, including joint labor-management apprenticeship programs is also prohibited.

An employer may reduce benefits based on age only if the cost of providing the reduced benefits to older workers is the same as the cost of providing benefits to younger workers.

2. MINIMUM WAGE<sup>3</sup> (Including overtime, sick, vacation and holiday leave)

- d. The U.S. Department of Labor is responsible for the enforcement of the Fair Labor Standards Act (FLSA) which sets basic minimum wage and overtime pay standards. Workers who are covered by the FLSA are entitled to a minimum hourly wage.
- e. Neither state nor federal law requires an employer to provide a break or a meal period. Breaks of less than 20 minutes are considered work time, and the employer must pay covered employees for those breaks.

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<sup>3</sup> Effective July 24, 2009, the federal minimum wage is \$7.25 per hour.



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- f. Overtime pay at a rate of not less than one and one-half times an employees' regular rate of pay is required after 40 hours of work in a workweek.<sup>4</sup>
- g. The Fair Labor Standards Act does not require severance pay, sick leave, vacations, or holidays.

3. **VOTING TIME**

Each employer shall schedule the work hours of employees on election days so that each employee will have an opportunity to exercise his/her right to vote.

4. **JURY DUTY**

Any person who is summoned to serve on jury duty shall not be subject to discharge from employment, loss of sick leave, loss of vacation time, or any other form of penalty as a result of his/her absence from employment due to jury duty, upon giving reasonable notice to his/her employer of the summons.

5. **DRUG-FREE WORKPLACE**<sup>5</sup>

Per federal regulations, subgrant organizations must provide a drug-free workplace, including a written policy which notifies employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violation of such prohibition.

Additional requirements are included in the subgrant certification documents.

6. **NO SMOKING**

Public Law 103-227, Part C Environmental Tobacco Smoke, also known as the Pro-Children Act of 1994 (Act), requires that smoking not be permitted in any portion of any indoor space routinely owned or leased or contracted by an entity and used routinely or regularly for provision of health, day care, education, or library services to children under the age of 18, if the services are funded by Federal programs either directly or through State or local governments, by Federal grant, contract, loan, or loan guarantee.

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<sup>4</sup> Overtime Requirement does not apply to employees exempt under the Fair Labor Standards Act pursuant to provisions of 29 U.S.C. § 213 (b) (1) – (24) and (b) (28) – (30), as they exist on March 1, 2006.

<sup>5</sup> Employers may NOT charge workers for drug screens that they require them to take.