

# State of Indiana

## STATE BUDGET AGENCY

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DATE: January 15, 1988

TO: All Agency Heads

FROM: Thomas J. Beasley, Director  
State personnel Department

Kenneth V. Kobe, Director  
State Budget Agency

RE: Revised FMC 87-2.1

Attached is revised Financial Management Circular 87-2.1. The circular was revised to accomplish the following:

add some POLE positions to the list of job classifications exempt from the Fair Labor Standards Act and

require that compensatory time earned and used be reported on the employees attendance report. The original circular only required compensatory time used to be reported on the employees attendance report.

Questions should be referred to Peggy Boehm at the Budget Agency (2-5657) or Keith Beasley at State Personnel (2-3062).

KVK/PB/rjb

Financial Management Circular #87-2.1 (Revised Dec. 31, 1987)  
(Replaces # 87-2)

Effective Date: July 1, 1987

General Subject: Compensatory Time Off

Specific Subject: COMPENSATORY TIME OFF FOR  
EMPLOYEES EXEMPT FROM PREMIUM  
OVERTIME COMPENSATION AND THE FAIR  
LABOR STANDARDS ACT

Authority: IC 4-15-1.8-7(b)  
31 IAC 1-9-2(D)(2)  
31 IAC 2-11-2(D)(2)

Application: This circular applies to employees  
who are exempt from the Fair Labor  
Standards Act and ineligible for  
premium overtime compensation

Employees in the following job classifications are exempt from  
eligibility for premium overtime compensation and the Fair Labor

Standards Act (FLSA):

- all SAMPAT positions
- all ESM positions
- PAT I through PAT V positions
- SAMCOMOT I through III
- SAMLTC I through III
- POLE positions excluded from 31 IAC 1-9-2(D)(1)  
and 31 IAC 2-11-2(D)(1)

The state has no legal obligation to pay overtime wages or provide  
compensatory time off to employees doing the work described in the  
above classifications. However, from time to time, agency heads  
may wish to authorize compensatory time off for certain exempt  
employees. Agencies that authorize compensatory time off for  
exempt employees must comply with the officially promulgated  
personnel rules, the specific requirements of this circular and  
also with the philosophy expressed herein.

This Financial Management Circular is intended to interpret 31 IAC  
1-9-2(D)(2) and 31 IAC 2-11-2(D)(2). It establishes criteria under  
which exempt employees may accrue and use compensatory time off.  
Work performed in accordance with these guidelines shall be deemed  
to satisfy the approval required by the above cited rules.

Compensatory time off may be used to reward conscientious, hard-working state employees who have worked extra hours for sustained periods of time as a result of an extraordinary or seasonal agency workload. The State Personnel Department and the State Budget Agency view compensatory time off for professionals as a privilege which agency heads may accord to dedicated employees.

Attempts to abuse this privilege will not be tolerated. Agency heads should consult State Personnel or the Budget Agency if they have questions. All actions taken concerning compensatory time off for exempt employees should be consistent with the tone of this circular.

Exempt positions carry "professional", "administrative" and "executive" responsibilities which may require more than the regularly scheduled number of hours per week to complete routine duties. Professional employees should not expect compensatory time off for this type of work. However, if an agency's workload requires exempt employees to work substantially beyond their normal work schedule (i.e.: holidays, weekends and/or late nights), under circumstances which are unavoidable with good planning, an agency head has the authority pursuant to the personnel rules, to authorize compensatory time off for professional employees.

To be eligible for compensatory time off, an employee must receive prior approval from her/his supervisor to work on a specified task for a specified number of hours. Comp time should not accrue for overtime work segments which are less than four hours. To avoid misuse of this plan it is important for a supervisor to evaluate an employee's productivity during normal work hours to determine whether compensatory time off should be authorized. An employee who does not use her/his normal work time efficiently should not be granted permission to work overtime which will be rewarded with compensatory time off. Occasionally, a supervisor may give prior approval to a project that will take four or more hours of overtime work, but not require that the work be performed in four hour segments. This provision is made to provide flexibility to supervisors but must be implemented within the intent and spirit of this circular.

A record of the supervisor's approval along with the number of hours worked and the number of hours used must be kept for each employee. A sample recordkeeping document is attached to this circular. The State Board of Accounts has approved the attached "Employee Compensatory Time Worksheet". The worksheet will be formalized by the Commission on Public Records and made available upon request by Central Stationery Stores in about two months. A

computer spreadsheet which precisely mirrors this form may be used' in lieu of the form.

Supervisor signatures on the Employee Compensatory Time Worksheet or the computer spreadsheet must be original. Supervisors must initial the "Balance Forward" line to validate this figure.

In addition to maintaining this cumulative record document, compensatory time off earned or used must be reported on the Employee's Attendance Report. Employees must use compensatory time off in half or whole day segments.

Agency heads are obligated to assure that compensatory time off is authorized and used in a manner consistent with this circular. The State Board of Accounts will audit the Employee Compensatory Time Worksheet and Employee Attendance Reports. Upon termination or interagency transfer an employee receives no compensation for accumulated compensatory time. Accumulated time may not be used after an employee has given notice of her/his intent to terminate or transfer. No exempt employee may use more than three weeks of compensatory time off during a calendar year. Accumulated unused earned comp time may be carried forward from one calendar year to the next.

Overtime compensation for exempt employees that is not consistent with the provisions of this circular must be approved by the State Personnel Department and the Budget Director based on an agency plan or specific occurrence.

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Thomas J. Beasley, Director  
State Personnel Department

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Kenneth V. Kobe, Director  
State Budget Agency

