

Family & Children Services

A Source of Hope

EMPLOYEE PERSONNEL POLICIES AND PRACTICES

1608 Lake Street, Kalamazoo, Michigan 49001
535 Emmett Street East, Battle Creek, Michigan 49017

Effective July 1, 2007

TABLE OF CONTENTS

1. Introduction

- 1.01 Administration and Implementation

2. Statement of Non-Discriminatory Policies

- 2.01 Equal Opportunity Employment / Service
- 2.02 Cultural Diversity and Competency
- 2.03 Affirmative Action Policy Statement
- 2.04 Sexual Harassment Policy
- 2.05 Other Kinds of Harassment and/or Discrimination
- 2.06 Reporting Any Form of Discrimination or Harassment
- 2.07 Whistleblowers Act and Sarbanes-Oxley Act

3. Conflict of Interest Policies

4. Employment and Retention of Personnel

- 4.01 General Statement
- 4.02 Professional Ethics
- 4.03 Job Posting Program
- 4.04 Professional Registration / Licensure

5. Employee Classification and Compensation System

- 5.01 Employee Types
- 5.02 Benchmarking Job Classification and Career Path Systems
- 5.03 Pay Schedule
- 5.04 Initial Salary Determination
- 5.05 Performance Evaluations
- 5.06 Compensation
- 5.07 Expenses Required for the Job
- 5.08 Loss or Damage of Personal Property
- 5.09 On-Call / Back-up Compensation
- 5.10 Exempt and Non-exempt

6. General Policies and Working Conditions

- 6.01 Drug / Alcohol Policy
- 6.02 Tobacco Free Environment
- 6.03 Equipment
 - 6.03.01 Cell Phones
 - 6.03.02 Personal Use of Long Distance Telephone Services & Copy Machines
 - 6.03.03 Postage
 - 6.03.04 Internet / E-Mail
- 6.04 Severe Weather/Agency Closing
- 6.05 Jury Duty
- 6.06 Military Service
- 6.07 Secondary Employment / Private Practice / Honoraria
- 6.08 Driving Policy

7. Employee Benefits

7.01 Time Benefits

- 7.01.01 Paid Holidays
- 7.01.02 Paid Time Off (PTO)
- 7.01.03 Catastrophic Pay Plan
- 7.01.04 Short-Term Disability
- 7.01.05 Family Medical Leave Act
 - 7.01.05.01 General Provisions
 - 7.01.05.02 Eligibility
 - 7.01.05.03 Types of Leave Covered
 - 7.01.05.04 Employee Status and Benefits During Leave
 - 7.01.05.05 Employee Status After Leave
 - 7.01.05.06 Use of Paid and Unpaid Leave
 - 7.01.05.07 Intermittent Leave
 - 7.01.05.08 Certification of the Serious Health Condition
 - 7.01.05.09 Procedure for Requesting Leave
- 7.01.06 Leaves of Absence for Employees not Eligible for FMLA
- 7.01.07 Sabbatical Leave of Absence
- 7.01.08 Personal Leave of Absence
- 7.01.09 Funeral Leave of Absence

7.02 Other Benefits

- 7.02.01 Supplemental Discretionary Cash Benefit
- 7.02.02 Retirement Plan
- 7.02.03 Life Insurance
- 7.02.04 Health Insurance
- 7.02.05 Employee Assistance Plan (EAP)
- 7.02.06 Professional Liability Insurance
- 7.02.07 Unemployment Insurance
- 7.02.08 Worker's Disability Compensation
- 7.02.09 Professional Growth and Development

7.03 Benefit Credits for Returning Employees

8. Job Abandonment

9. Voluntary Termination

10. Reduction In Work Force

11. Progressive Disciplinary Action

12. Problem Resolution Policy

13. Exit Interview

14. Employee Access to Personnel Records

15. Employment References

16. Social Security Number Policy

ATTACHMENTS

- 1. Policy on Confidentiality/HIPAA**
- 2. The NASW Code of Ethics**

EMPLOYEE PERSONNEL POLICIES AND PRACTICES

1. INTRODUCTION

The personnel policies as set forth herein were adopted by the Board of Directors with an effective date of June 1, 2004, **were amended by the Board of Directors with an effective date of January 1, 2005 and were again amended by the Board of Directors with an effective date of July 1, 2007.** The adoption of these policies is intended as a complete statement of the personnel policies now in effect and as a complete amendment and replacement of all prior personnel policies. These policies intend to promote a safe and healthy environment that encourages fair, humane and beneficial treatment to employees of the Agency. The benefits outlined in this handbook are summaries only and are subject to the actual provision of the legal documents in effect covering such benefits.

Family & Children Services, Inc. reserves the right to alter, modify, amend, revoke or terminate these policies and benefits, within the law, in a manner which is in the best interests of the Agency. No individual supervisor or other management employee is authorized to modify or amend these policies. These policies may only be altered, modified, amended, revoked or terminated by formal action of the Board of Directors and no statements or actions may be made or taken which conflict with, alter, modify, amend, revoke or terminate these policies except through such Board of Directors' action.

Employment at Family & Children Services, Inc. is terminable at will. An employee has the right to terminate his/her employment at any time for any or no reason and Family & Children Services, Inc. maintains a similar right. Nothing in these policies should be construed as altering Family & Children Services, Inc.'s at-will policy. No employee's status as an at will employee will be changed, unless in writing, signed by Family & Children Services, Inc.'s Chief Executive Officer (CEO), with specific reference to this section of this document.

Family & Children Services, Inc. may set rules and regulations governing the conduct of employees. Those rules and regulations, however, are not intended to cover all circumstances and do not alter the fact that the employment relationship is terminable at the will of either party. The direction and control of all work for all employees includes, by the way of illustration, the right to hire, assign, suspend, transfer, demote or discharge, and is the sole prerogative of Family & Children Services, Inc.

1.01 Administration and Implementation

The Chief Executive Officer (CEO) or his or her designee shall be responsible for the administration and implementation of the personnel policies as approved by the Board of Directors. Throughout these policies the term CEO shall mean the CEO or his or her designee. Questions may be directed to the Director of Human Resources.

The Personnel Committee of the Board of Directors will review these personnel policies every two years and as part of this process will solicit from the entire staff recommendations for revisions.

2. STATEMENT OF NON-DISCRIMINATORY POLICIES

2.01 Equal Opportunity Employment/Service

It shall be the policy of Family & Children Services, Inc. to provide equal employment/service opportunities to all eligible persons without regard to race, color, ethnic or religious background, national origin, nationality, citizenship, age, gender, gender identity, sexual orientation, marital status, parental status, disability, height, weight, membership in any labor organization, political affiliation and record of arrest without conviction.

2.02 Cultural Diversity and Competency

As our workforce and services evolve to reflect the growing diversity of our communities and world, our efforts to understand, value and incorporate differences become increasingly important.

Family & Children Services is committed to respecting, celebrating and promoting diversity and cultural competence. The Agency demonstrates this commitment in our workplace environment and in services provided.

Family & Children Services values diversity, conducts cultural self-assessments, develops required annual cultural trainings/knowledge, is conscious of and manages the dynamics of differences and adapts the work place and services to fit the diversity of the communities we serve.

Family & Children Services provides a work place environment that respects the Agency's commitment to comply with the Americans With Disabilities Act.

2.03 Affirmative Action Policy Statement

Family & Children Services, Inc. has an Affirmative Action Policy Statement, adopted by the Board of Directors on July 15, 1997 and became effective on August 1, 1997. It is kept in the Agency's Policy Books. A copy of the policy is available from Human Resources.

2.04 Sexual Harassment

Sexual harassment is a form of misconduct that undermines the integrity of the employment relationship and will not be tolerated.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

such conduct unreasonably interferes with a person's work performance, or creates an intimidating, hostile, or offensive working environment; or

an employee's submission to such conduct either explicitly or implicitly is made a term or condition of employment; or employee's submission or rejection to such conduct is considered in making an employment decision such as hiring, firing or promotion.

2.05 Other Kinds of Harassment and/or Discrimination

Harassment or discrimination related to race, color, ethnic or religious background, national origin, nationality, citizenship, age, gender, gender identity, sexual orientation, marital status, parental status, disability, height, weight, membership in any labor organization, political affiliation or record of arrest without conviction also undermines the integrity of the employment relationship and will not be tolerated.

Such harassment is defined as creating a hostile work environment when:

such conduct unreasonably interferes with a person's work performance, or creates an intimidating, hostile, or offensive working environment; or

an employee's submission to such conduct either explicitly or implicitly is made a term or condition of employment; or employee's submission or rejection to such conduct is considered in making an employment decision such as hiring, firing or promotion.

2.06 Reporting Any Form of Discrimination or Harassment

Any employee who feels that she or he has been harassed or discriminated against or if a manager or other employee observes or becomes aware of possible harassment or discrimination, they are required to immediately bring the subject to the attention of a supervisor, director, the Director of Human Resources or the CEO. The supervisor, director or the Director of Human Resources is required to report the information immediately to the CEO. The employee who feels that she or he has been harassed or discriminated against may bring another employee as support when reporting the harassment/discrimination.

Inquiries, complaints and/or knowledge of information, which might constitute harassment or discrimination will be brought to the attention of and will be investigated immediately by the CEO in conjunction with the Director of Human Resources. Any decisions or actions taken in regard to the investigation are those of the CEO.

If there is a complaint regarding the Chief Executive Officer's conduct, the complaint is to be brought to the attention of the Director of Human Resources, who will immediately contact the President of the Board of Directors. The Chairperson of the Personnel Committee of the Board of Directors shall cause an investigation to be conducted immediately. Such an investigation will be reported to the Personnel Committee which will report to the Executive Committee, and subsequently to the Board of Directors.

Any employee determined to have harassed or discriminated against another employee or applicant for employment will be subject to disciplinary action up to and including termination. Retaliation against another employee for reporting harassment or discrimination in the work place is prohibited.

2.07 Whistleblowers Act and Sarbanes-Oxley Act

It is the intention of Family & Children Services to comply with The Michigan Whistleblower's Protection Act (P.A.469 of 1980) which is prominently posted in all offices owned and/or operated by the Agency. It is illegal for employers in Michigan to discharge,

threaten or otherwise discriminate against an employee regarding compensation, terms, conditions, locations, or privileges of employment because the employee, or a person acting on the employee's behalf, reports, or is about to report, a violation, or a suspected violation of Federal, State, or local laws, rules and regulations or to participate in a public hearing, investigation, inquiry or court action related to such reports.

Employees shall report such violations or suspected violations of Federal, State, or local laws, rules and regulations to a supervisor, director, Director of Human Resources or the Chief Executive Officer. The supervisor, director or Director of Human Resources is required to report the information immediately to the Chief Executive Officer who will immediately conduct an investigation in conjunction with the Director of Human Resources. Documentation regarding the investigation and any actions taken by the Chief Executive Officer will be retained for seven years. Any decisions or actions taken in regard to the investigation are those of the Chief Executive Officer.

Should an employee wish to report potentially questionable accounting, financial reporting, internal accounting controls or auditing matters regarding the Chief Executive Officer, the Director of Development and/or the Director of Finance, such reports should be reported to the Chairperson of the Finance/Audit Committee who will immediately consult with the Finance/Audit Committee. Employee reports to the Chairperson of the Finance/Audit Committee are confidential and may be made orally, by e-mail or by written material. Such reports may be anonymous. The Finance/Audit Committee will conduct the investigation or may appoint an independent outside advisor skilled in accounting and auditing to assist in or to conduct the investigation. Documentation regarding the investigation and any decisions or actions taken in regard to the investigation will be retained by the Chairperson of the Finance/Audit Committee for seven years.

3. CONFLICT OF INTEREST POLICIES

3.01 The Agency prohibits the receipt of payment of money or other consideration from another provider of services for the referral of any applicant or client to such provider.

3.02 The Agency also prohibits the payment of money or other consideration to any services providers or other organization for any referral of any applicant for the Agency's services.

3.03 The employees, volunteers, students, interns and consultants of the Agency shall not be favored in applying for or receiving the services of the Agency.

3.04 Employees of the Agency shall have no direct or indirect beneficial financial interest in the assets, leases, business transactions or professional services of the Agency.

3.05 Consultants to the Agency shall have no direct or indirect financial interest in the assets, leases, business transactions or professional services of the Agency beyond reasonable fees for the consultant's services contracted for by the Agency.

3.06 The Agency will not employ any applicant for a paid position who is related to a member of the Board of Directors.

3.07 When a current employee or an applicant for a staff position is or becomes related to another employee, supervision over the other is prohibited.

3.08 Direct solicitation by Agency employees, including oral, memo, voice mail and e-mail, is prohibited in any office and/or licensed setting owned and/or operated by the Agency.

Direct solicitation includes requests to contribute money, join, support or sign a petition on behalf of any cause, organization or person, distributing literature, asking to fill out questionnaires, selling tickets or merchandise or similar requests.

While the Agency may conduct staff United Way campaigns or staff campaigns related to the Agency's development/endowment initiatives, solicitation for other private, nonprofit, community-based charities may be conducted by the placement of information on the general staff bulletin boards/tables located in the staff kitchen/lounge or staff bulletin boards located at respite houses. Such information is not to be placed within staff offices or cubicles or advertised in Agency publications.

3.09 With respect to any discoveries, concepts, ideas or materials, whether patentable or subject to copyright, or not, (hereafter "Intellectual Property") relating to any present or prospective activities of the Agency, made or conceived by an Agency employee/intern during the term of his/her employment with the Agency, the employee hereby assigns and agrees to assign to the Agency all of his or her rights to such Intellectual Property and to all proprietary rights related to such Intellectual Property.

4. EMPLOYMENT AND RETENTION OF PERSONNEL

4.01 General Statement

The CEO, who is appointed by the Board of Directors, has the responsibility for the employment and dismissal of employees.

Each new Agency employee shall receive a copy of the personnel policies and a letter of hire.

4.02 Professional Ethics

Employees will conduct themselves in a manner consistent with the ethical standards of their respective professions and their professional code of ethics. The National Association of Social Workers Code of Ethics shall be used as the standard for all employees (see attached copy). Employees who are members of a profession with a code of ethics shall use that code in addition to the NASW Code of Ethics. Should there be a conflict between the codes of ethics, The National Association of Social Workers Code of Ethics shall be used as the standard. A breach of professional ethics will become grounds for disciplinary action up to and including termination.

4.03 Job Posting Program

The Agency's Job Posting Program is designed to provide equal employment and advancement opportunity to all qualified employees. Employees are encouraged to take full advantage of the Job Posting Program. Responsibility for the Program is jointly owned by employees and manager, as both parties are accountable for the employee's development and growth.

In general, all positions are posted internally for five business days. Positions may be posted externally concurrently or later. At times, a position may not be posted based on business needs.

4.03.01 Eligibility

To be considered for open positions within the agency, employees must,

- Have skills required for the open job and meet minimal position qualifications
- Meet service requirements. For a lateral transfer (defined as moving into a job within the same salary band), employees must be in the position for a year. Employees are eligible for promotions (defined as moving into a higher salary band) after 90 days of employment
- Be in good standing. Not on any disciplinary action and have received a "Proficient" on their last performance review.

4.04 Professional Registration/Licensure

Positions which are required by contract/purchaser to be registered/licensed by the State of Michigan are required to apply and maintain such registration/licensure and comply with all requirements related to such registration/licensure.

New employees assuming one of these positions are given two weeks from the date of employment to apply for registration/licensure. Copies of such applications must be given to Human Resources at the end of the initial two weeks. The Agency does not reimburse employees for initial registration/licensure costs. The Agency will reimburse employees for renewals/upgrades of registration/licensure, which are required by the Agency.

Should the employee have more than one registration/licensure, the Agency will pay for the least expensive registration/licensure which assures the employee's ability to meet contract and/or purchaser requirements.

Supervisors are encouraged to obtain registration/licensures at the time they are eligible.

Failure to apply when required, to obtain renewals of registration/licensures or denial of application for positions requiring registration/licensure for contract and/or purchaser requirements, constitutes grounds for termination.

5. EMPLOYEE CLASSIFICATIONS AND COMPENSATION SYSTEM

5.01 Employee Types

Family & Children Services, Inc. has three types or categories of employees. Each type has a defined set of employee benefits as described in these personnel policies. Specific working hours shall be established by the CEO in accordance with job requirements. Programmatic variations may require exceptions to the twelve-month work year and these shall be determined by the CEO.

5.01.01 Type A employees

Type A employees are regularly scheduled to work 40 hours per week (full-time).

5.01.02 Type B employees

Type B employees are regularly scheduled to work less than 40 hours per week except individuals employed in the Respite Program as Direct Care Workers or Lead Direct Care Workers are considered Type C employees, regardless of the number of hours worked.

5.01.02 Type C employees

Type C employees are temporary or on-call employees. Individuals employed in the Respite Program as Direct Care Workers or Lead Direct Care Workers are considered Type C employees, regardless of the number of hours worked.

5.02 Benchmarking Job Classification and Career Path Systems

All employees are considered to be part of the Benchmarking Job Classification System or the Career Path System.

5.02.01 Career Path System

The Career Path System has been developed for professional direct service employees providing direct service who are required to have a college degree in order to perform their jobs. It allows professional direct service workers who wish to develop their careers at the Agency to do so without moving into management positions. The Career Path system consists of five job descriptions which measure the depth and breadth of the job: Professional Direct Service Worker I, Professional Direct Service Worker II, Professional Direct Service Worker Specialist, Consulting Professional Direct Service Worker, and Senior Consulting Professional Direct Service Worker. (Job descriptions for each level may be obtained from Human Resources.)

If a professional direct service employee works less than 50%, he/she is not considered eligible to be on a career path. He/she is considered to be unclassified.

Employees are unclassified for the first year of employment. Initial Career Path placements are made after a year of employment. Additional placement changes may occur at the immediate supervisor's initiation. Changes are effective quarterly. (Information on the promotion process may be obtained from the Human Resources.)

5.02.02 Benchmarking Job Classification System

All client services, maintenance, management, professional and office/administrative jobs are part of the Benchmarking Job Classification System. Benchmarking is a system of classification which groups education, experience, skills, job duties and authority of related jobs into categories in which a specific job may then be placed on a salary band.

5.03 Pay Schedule

Pay stubs are distributed every other Friday.

5.03.01 Direct Deposit

Direct deposit is available for all employees. Details of the program are available from Human Resources.

5.04 Initial Salary Determination

Placement on a salary band for new employees will be the responsibility of the Director of Human Resources in consultation with the hiring supervisor and/or program director in accordance with the following factors:

5.04.01 Benchmarking Job Classification System Jobs

New hires for benchmarked jobs will be placed between the minimum and the midpoint in the salary band in which their job falls depending upon relevant experience and relevant education.

5.04.02 Career Path System Jobs

New hires for Career Path jobs will be placed between the minimum and the midpoint of Career Path Salary Bands I or II, depending upon relevant experience and relevant education.

5.04.03 Exceptions

As a rule, new employees shall not be placed above the mid-point of the appropriate salary band. Exceptions can be made by the CEO only.

5.05 Performance Evaluations

5.05.01 Ninety Day Performance Evaluations

All new employees will receive a written performance evaluation at the end of their first ninety days of employment.

5.05.02 Annual Performance Evaluations

All employees will receive annual performance evaluations.

5.06 Compensation

5.06.01 Compensation Philosophy

The primary objective of Family & Children Services' compensation program is to

competitively attract, retain and reward employees who contribute to achieving the goals and objectives of the Agency.

Family & Children Services will strive to consistently compensate each employee based on meeting performance objectives and our ability to pay. The Agency seeks to pay salaries that are competitive with salaries paid for similar jobs in the appropriate non-profit labor market. The Agency is also committed to communicating compensation policies and practices to our employees. Details are available from Human Resources.

5.06.02 Salary Bands

Salary bands are set by the Board of Directors annually.

5.06.03 Salary Increases

Salary increases may occur once a year, usually in April. The Board of Directors determines the amount available for any increase.

The Board of Directors may use one or any combination of the following ways to increase salaries:

5.06.03.01 Band Adjustment

A salary band adjustment used to make a salary band reflect the market. The Board of Directors will review and/or modify salary bands on an annual basis using appropriate market surveys. Band adjustments affect only those employees whose rate falls below the new band minimum.

5.06.03.02 Merit Pay

Merit pay is determined by an employee's performance. On an annual basis, all employees will perform under performance objectives established with their supervisor, which maximize the potential of each employee. Each such employee will receive an annual performance evaluation from his/her supervisor, which will determine his/her overall performance rating. Depending upon current financial conditions and when funds are available, each unit will have a merit pool for distribution to the employees who work in that unit.

Merit increases for new hires are pro-rated per hours worked and are scheduled as follows.

<u>Hire Date</u>	<u>Merit Increase Date</u>
April 1 – September 30	April 1 (next)
October 1 – March 31	October 1 (next)

5.06.03.03 Progression Adjustment

A progression adjustment for those employees who are below the mid-point of their salary band providing their performance is satisfactory

5.06.03.04 Promotion Adjustment

A promotion adjustment for Career Path movement from one band to another.

5.06.03.05 Across the Board

An ATB (Across the Board) increase or bonus.

5.06.03.06 Variable Pay

Eligible Type A employees may work additional time according to specific program needs where compensation is a percentage of the fee collected.

5.07 Expenses Required for the Job

Expenses incurred in connection with job responsibilities shall be reimbursed by the Agency. Such expenses require prior approval by a supervisor. Employees using their own car on Agency business shall be reimbursed for mileage at the rate approved by the Board of Directors.

5.08 Loss or Damage of Personal Property

Employees who have personal property damaged or stolen while providing direct service may apply to the Director of Human Resources for reimbursement. Such requests must be made in writing and must be signed by the employee's supervisor. The Director of Human Resources approves reimbursement in consultation with the CEO.

5.09 On-call/back-up Compensation

Service programs, which require on-call/back-up services, will have on-call/backup unit guidelines and compensation, which are approved by the Board of Directors.

5.10 Exempt and Non-exempt

5.10.01 Agency Workweek

The Agency workweek begins and ends on Sunday, Midnight.

5.10.02 Exempt Employees

All management, professional and professional direct service positions, which are salaried are considered exempt.

The Agency attempts to be responsive to the needs of its clients and to the community. Sometimes this results in employees working beyond the normal work week. Supervisors may approve an adjustment in the employee's schedule over a sixty day period to accommodate such situations. Such adjustments may not be used once an employee has notified the Agency of his/her termination.

5.10.03 Non-Exempt Employees

Non-exempt employees include all office/administrative staff, all client services staff, all maintenance staff and those professional direct service workers, professionals and managers working a variable number of hours each week.

When such employees are required to work in excess of 40 hours, overtime will be paid at a rate of one and one half times the base hourly rate. All overtime must be approved by the CEO prior to its occurrence.

Non-exempt employees are not eligible for compensatory time. Non-exempt employees' work hours cannot be averaged over a two-week period or any pay period.

6. GENERAL POLICIES AND WORKING CONDITIONS

6.01 DRUG/ALCOHOL POLICY

The use and effects of illegal drugs and alcohol pose very serious problems. The Agency desires to maintain a work environment free of the effects of prohibited drugs or alcohol. This policy is established to promote a safe and healthy work environment for our employees and our clients. Employees who may have a problem with alcohol or drug abuse are reminded that the Agency has an Employee Assistance Program (“EAP”) which is available to assist with such problems.

6.01.01 Prohibited Conduct

The Agency prohibits its employees from engaging in the following conduct:

6.01.01.01 On Agency Time or Premises

6.01.01.01.01 Unauthorized use, consumption, possession, manufacture, distribution, dispensation, solicitation or sale of a Prohibited Substance as defined in Section 6.01.02.

6.01.01.01.02 Storing any Prohibited Substance or drug paraphernalia in a locker, desk, automobile or other repository.

6.01.01.01.03 Being under the influence of a Prohibited Substance.

6.01.01.01.04 Refusing to allow a search when requested by the CEO consistent with the requirements of this policy

6.01.01.01.05 Failure to report to the employee’s supervisor or the Director of Human Resources the use of a prescribed drug which may alter the employee’s physical or mental ability to perform his/her job.

6.01.01.01.06 Refusing to consent to a test or to submit to a urine or blood sample for testing at the location and time requested by the CEO.

6.01.01.01.07 Substituting or adulterating any body substance or specimen submitted for testing, or falsely representing that the body substance or sample fluid is the employee’s own sample.

6.01.01.02 Off Agency Time or Premises

The Agency does not intend to supervise employee conduct that occurs off Agency time and off Agency premises. However, employees are reminded that use, consumption, possession, manufacture, distribution, dispensation, solicitation or sale of a Prohibited Substance, even off work time and Agency premises, could adversely affect the employee’s work performance, his own or others’ safety at work, or the Agency’s regard or reputation in the community.

If such adverse effects occur, it could adversely impact employment with the Agency.

6.01.02 Prohibited Substances

Prohibited Substances are defined under this policy as the following:

6.01.02.01 Illegal drugs and other controlled substances (including trace amounts) and other substances which have the affect of altering the physical and/or mental abilities of the employee to perform his or her job.

6.01.02.02 Imitation Controlled Substances as defined in MCL #33.73.41.

6.01.02.03 Alcoholic beverages.

6.01.02.04 Prescription drugs which are known to or may impair a person's work performance—except as provided in Section 6.01.03.

6.01.03 Prescription Drugs and Other Medications

6.01.03.01 An employee using a prescription drug or over-the-counter medication which is known to or may cause impairment, is responsible for being aware of any potential effect such drug may have on his/her judgment or ability to perform his/her job duties.

6.01.03.02 An employee shall inform his/her supervisor or the Director of Human Resources prior to using any prescribed or over-the-counter medication that has the potential to impair performance on the job.

6.01.03.03 Each prescription drug shall be used only as directed by the employee's physician.

6.01.03.04 An employee is responsible for informing his/her supervisor or the Director of Human Resources about any other substance which inhibits his/her ability to competently or to safely perform his/her job.

6.01.03.05 A violation of this policy as it relates to a prescription drug or over-the-counter medication which impairs performance shall be treated as any other violation under this policy.

6.01.04 Testing

To assure compliance with the policy, applicants and employees may be requested to submit to Prohibited Substance testing, which may include, but is not limited to, urinalysis, saliva, blood, plasma, breath, hair follicle or other accepted testing procedures. Such testing must occur at the time and location requested by the CEO. Test results must be valid and negative:

6.01.04.01 As a condition of consideration for employment.

6.01.04.02 If an employee is under the influence of Prohibited Substances, or if the CEO has a reasonable suspicion to believe that an employee is under the influence of Prohibited Substances.

6.01.04.03 If the CEO has reasonable suspicion to believe that an employee has unauthorized possession of or has sold, purchased, manufacture, dispensed or distributed Prohibited Substances on Agency premises.

6.01.04.04 Any time following conviction of a crime involving a Prohibited Substance.

6.01.04.05 Following an accident or incident in which safety precautions may have been violated or careless acts may have been performed or anytime an employee is driving a client or driving an Agency vehicle.

6.01.05 Searches

An employee may be asked to allow his/her personal property to be searched if there is a reasonable suspicion to believe the employee is in possession of or has sold, purchased, manufactured, dispensed or distributed Prohibited Substances which on Agency time or premises. The Agency reserves the right to inspect the contents of any Agency property being used by the employee at any time. Only the CEO may authorize a search under this section.

6.01.06 Consequences of Violation

An employee who violates this policy, including, but not limited to, refusing to submit to a test or search is subject to disciplinary action up to and including discharge.

6.02 Tobacco Free Environment

The use of tobacco is prohibited in any office and/or licensed setting owned and/or operated by the Agency.

6.03 Equipment

The Agency maintains a variety of equipment, which may be used only for Agency business. Exceptions may be granted at the discretion of CEO. Such equipment includes but is not limited to: cars, vans, computers, cellular phones, copier machines, postage machine and janitorial equipment.

6.03.01 Cell Phones

Certain employees are assigned cellular phones and related equipment. Should the employee lose the phone and/or related equipment, the employee is required to reimburse the Agency for the cost of the phone and/or related equipment. Employees with cell phones are required to follow unit guidelines regarding cell phone usage.

6.03.02 Personal Use of Long Distance Telephone Services and Copy Machines

Employees using either the telephone or FAX machine for personal long distance usage or the copy machine for personal usage are to reimburse the Agency for such usage. Forms are available in the Agency Form Drawer to use for notification to the Business Office.

6.03.03 Postage

Employees may have personal mail metered by the receptionist providing the employee pays for each letter metered.

6.03.04 Internet/E-Mail

6.03.04.01 Personal Use

The Agency maintains e-mail and Internet access for business purposes and includes all computer resources owned or under the control of the Agency.

Personal use of e-mail or Internet access is prohibited during working hours. Employees may use e-mail and Internet access for personal use only during lunch hours and before and after business hours. Personal use of e-mail or Internet access must not distract from organizational objectives. Any time e-mail or Internet access is used, whether during, before or after working hours, employees are required to act responsibly, appropriately and professionally.

6.03.04.02 Right to Monitor

The Agency maintains the right to access and monitor both business and personal messages and files on its computer system.

6.03.04.03 No Expectation of Privacy

There should be no expectation of privacy when using e-mail or Internet access. Electronic communications are the property of the Agency and e-mail and Internet access can never be considered private or confidential. Employees should understand that even if e-mail is deleted from the screen, it is not deleted from the system and can be accessed by the Agency. The Agency has the right and capability to access employee files without user consent or notification to review, audit, intercept and disclose all matters on the Agency's e-mail and Internet system at any time during, before or after work hours. The CEO must give permission to access employee files without user consent or notification.

6.03.04.04 Prohibited Uses

Use of Agency e-mail and Internet access is prohibited as follows:

Any use that violates state or federal law;

Any use that violates existing Agency policies, including those dealing with sexual harassment, equal opportunity practices, cultural diversity, privacy, confidentiality and misuse of Agency equipment and resources;

Any use that is inappropriate, offensive or that negatively affects employees' ability to perform their jobs—or has that affect on others as determined by the CEO.

6.03.04.05 Reporting Violations

Violations of this policy are to be reported immediately to the employee's immediate supervisor, director or the Director of Human Resources. Violations reported to supervisors and directors must immediately be reported to the Director of Human Resources.

6.03.04.06 Retaliation

Retaliation against another employee for reporting inappropriate behavior in the workplace, including violation of the Agency's e-mail or Internet access is prohibited and includes the use of e-mail or Internet access in a retaliatory fashion.

6.03.04.07 Discipline

The Agency prohibits misuse of Agency e-mail or Internet access. Employees violating this policy will be subject to the Agency's Progressive Disciplinary Policy, up to and including termination.

6.04 Severe Weather/Agency Closing

6.04.01 Severe Weather

In the case of severe weather, if the Agency or a specific location (i.e. Battle Creek, Hastings or Kalamazoo) is open, the employee should make every effort to come to work. If the employee cannot come to work, the day must be taken as PTO, unless arrangements have been made in advance for the employee to work from home. If PTO has been exhausted, then the day will be unpaid.

6.04.02 Emergency Closing

The Chief Executive Officer (or his/her designee) will determine if the Agency is to be closed. The closing may be for the entire Agency or for a specific location or may be limited to a particular service that the Agency provides. The closing will be announced on Agency voice mail, and announced through the local media. Supervisors will make every effort to contact staff at home if the closing decision is made before regular starting times. Employees affected by the closing will receive their regularly scheduled pay for that day. If employees are asked to work while the Agency is closed, those employees will receive additional PTO time, corresponding to the amount of time they worked during the closure.

6.05 Jury Duty

All Type A and B employees who regularly work daytime hours are encouraged to serve when called for jury duty and will receive their regular pay. No mileage will be covered.

6.06 Military Service

Any Type A, B or C employee who enters the military service of the United States, either voluntarily or involuntarily, will be granted a leave of absence and reinstatement privileges as prescribed by applicable law.

6.06.01 Reinstatement

6.06.01.01 Qualifications of Reinstatement

To qualify for reinstatement, employees must:

Provide the Agency with written or verbal notice of impending military leave.

Provide the Agency with written confirmation of satisfactory completion of military service.

Reapply for employment within specified time periods, if total military service is less than five years. Employees in military service for more than five years may be ineligible for reinstatement.

6.06.01.02 Application for Reinstatement

To apply for reinstatement, the employee must follow the following time limitations:

If service is less than 31 days, employees must report at the beginning of the first regularly scheduled workday following the release from service.

If service is between 31 and 180 days, employees must report no later than 14 days following completion of military service.

If service is greater than 180 days, employees must report no later than 90 days following completion of military service.

Deadlines may be extended for a maximum of two years for employees who are hospitalized or recovering from an injury incurred while on active duty.

6.06.01.03 Reinstatement Policy

If employees meet reinstatement requirements, and have served less than 91 days, the Agency will restore them to a position that they would have attained had they maintained continuous employment.

Employees with more than 91 days or up to five years of service may receive a position of comparable seniority, status and pay.

Employees with a service-related disability who are unable to perform the essential functions of their job may be placed in another position.

6.06.01.04 Benefits

Employee pension plan accrual and vesting continues during the military service as though no break in employment has occurred.

During the first 30 days of military leave, the Agency will continue to provide health/medical group insurance for the employee. The employee will be billed for the employee's share of any enrolled dependent's health/medical coverage as well as any co-payment related to the employee's coverage. If the leave continues for 31 days or more, employees may elect to continue health/medical coverage at their expense for up to 18 months. The employee will be billed the total insurance premium, including the cost for the employee and any enrolled dependents. Failure to make timely payments will result in termination of coverage.

This policy is intended to comply with the Uniformed Services Employment and Reemployment Rights Act (USERRA) of 1994. To the extent that any provision of this policy is ambiguous and/or contradicts the Act, the language of the Act will prevail.

6.07 Secondary Employment/Private Practice/Honoraria

Employees have the right to engage in secondary employment or private practice as long as they fulfill their obligations to the Agency satisfactorily and so long as employment or private practice does not entail a conflict of interest or a violation of the ethical standards of their respective professions. The National Association of Social Workers Code of Ethics will be used as the standard for all employees. Employees who are members of a profession with a code of ethics shall use that code in addition to the NASW Code of Ethics.

6.07.01 Secondary Employment

An employee has the obligation to seek advance approval of the director and the CEO before accepting secondary employment only if such employment is to be scheduled within hours previously committed to the Agency. The CEO shall decide how much absence shall be charged.

6.07.02 Private Professional Practice

The Agency recognizes the right of qualified employees to engage in private practice within the framework set down by the National Association of Social Workers, the Michigan Marriage Counselors Act #393 of 1966 and the Psychologist Certification Act. Therefore, the following guidelines shall be observed in referring clients through the Agency to an employee's private practice:

6.07.02.01 Referrals

Referrals to privately practicing active employees of the Agency are not appropriate unless approved by the CEO. A referral shall be considered on the initiative of the client or suggested by the Agency when special circumstances warrant. Any referral from the Agency to a private practitioner should be noted

in the client's case record. Agency offices shall not be available to its employees or to any other private practitioner for use in private practice.

6.07.02.02 Transfers

Transfers of clients to the private practice of an Agency employee upon termination of that employee's employment with the Agency involve the following considerations:

The client has the right to choose.

The client has the right to be fully informed of the implications of the choice-- e.g. the cost, location and nature of the services.

The Agency supervisor of the case should be informed of the proposed transfer.

The CEO has the right to withhold approval or sanction the transfer, when such transfer is considered to be contrary to the best interest of the client.

6.07.03 Honoraria/Gifts

Any honoraria/gift received must be reported to the employee's supervisor who will determine whether it is appropriate to keep the gift or turn it over to the Agency. All gifts of monetary value must be returned to the client/vendor/customer.

Payment for subpoenas related to Agency business must be turned in to the Business Office.

6.08 Driving Policy

Applicants selected for jobs at Family & Children Services, Inc. who will drive clients as a routine activity in their jobs as defined in their letters of hire or other written communications must present a valid State of Michigan Driver's license and proof of current automobile insurance that covers the employee, to Human Resources at the time of initial orientation. An applicant selected for such employment will not be eligible for employment until a driver's license record (which is a matter of public record) check has been completed and Human Resources determines that the applicant's driving record is within the established guidelines of the Agency's Driving Motor Vehicles Standards.

6.08.01 Documentation Requirements

Such applicants will not be eligible for employment until a current MI driver's license and proof of automobile insurance that covers the employee is presented to Human Resources.

Employees of Family & Children Services, Inc. who drive clients, are responsible for providing Human Resources with updated automobile insurance which lists the employee as a covered driver on the policy and driver's licenses when current insurance/driver's license has expired. Failure to provide timely required documents

will result in disciplinary action at a minimum of a written warning and up to and including termination.

6.08.02 Unsatisfactory Driving Record

If an employee's driving record fails to fall within the established guidelines of the Agency's Driving Motor Vehicles Standards, the employee shall so be informed and shall sign a statement which acknowledges that he/she understands that he/she does not comply with the Agency's Driving Motor Vehicles Standards and is not to drive clients of the Agency. If the employee's job is dependent upon his/her ability to drive clients and his/her driving record does not comply with the Agency's Driving Motor Vehicles Standards, the employee may be terminated.

6.08.03 Reporting Requirements

An employee who drives clients as a routine activity in his/her job is required to report within one working day of receiving a traffic law citation, such citations to his/her immediate supervisor. (For purposes of this policy, one working day refers to the employee's working day.) If the supervisor is not available, the report must be made to the program director or Human Resources. The supervisor/program director will document the discussion and give the documentation to Human Resources within five working days. The documentation will be placed in the employee's file. Failure to disclose such information within one working day will result in disciplinary action, at a minimum of a written warning from the CEO, up to and including termination by the CEO.

Family & Children Services, Inc. may at any time check the public driving record of employees who will drive clients as a routine activity in their job. Violations of the policy require Human Resources to notify the employee's supervisor. If an employee receives a traffic law violation, which falls within the Agency's violation standards requiring supervisory action and/or if the employee's Michigan driving record has 4 or more points, the supervisor may initiate the following action(s):

6.08.03.01 Discuss with the employee his/her record and the consequences to the employee, which may otherwise occur if he/she accumulates more points on his/her record. Supervisor documents discussion, returns the documentation to Human Resources within five working days and the document is placed in the employee's file.

6.08.03.02 Follow steps in 6.08.03.01, issue a written warning to the employee and/or require the employee to attend driver training school.

6.08.04 Driving Motor Vehicles Standards

An employee who drives clients as a routine activity in his/her job must:

6.08.04.01 Have a valid State of Michigan driver's license in good standing and provide proof of current automobile insurance that covers the employee.

6.08.04.02 Have no traffic law violations that appear on his/her current record for:

- Manslaughter, negligent homicide or other felony involving use of a motor vehicle
- Operating under the influence of liquor or drugs
- Impaired driving
- Under age 21 with any bodily alcohol content
- Open alcohol container in vehicle
- Minor in possession
- Failing to stop and give identification at the scene of a crash
- Reckless Driving
- Unlawful bodily alcohol content
- Refusal to take a chemical test
- Fleeing or eluding a police officer
- Any circumstances that causes the Agency to lose confidence in the employee's ability to drive clients

6.08.04.03 Disclose a citation to the Agency within one (1) working day.

6.08.04.04 Not have more than the six (6) points or any traffic law violation, which incurs six (6), points or more on his/her driving record as determined by the Michigan Secretary of State.

6.08.04.05 In the case of new Michigan residents, traffic law violations which appear on an employee's record from another state will be checked in that state for number of points and converted to the Michigan point system. They will be calculated in the determination of that employee's eligibility to comply with the Agency's Driving Motor Vehicle Standards.

6.08.05 Transporting Children

Employees transporting children are required to receive Agency approved training in the installation of infant/child car seats before attempting to install a car seat and transporting an infant/child in that car seat.

6.08.06 Chauffeur's License

Employees required to obtain a chauffeur's license shall be reimbursed for the difference between an operator's license and the chauffeur's license. An initial chauffeur's license may be reimbursed by the Agency.

6.08.07 Agency Automobile Insurance

The Agency provides automobile insurance coverage for Agency-owned vehicles and for designated employees operating those vehicles.

7. EMPLOYEE BENEFITS

7.01 Time Benefits

7.01.01 Paid Holidays

The Agency recognizes the following as paid holidays:

- New Year's Day
- Martin Luther King, Jr. Day
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving
- The day after Thanksgiving
- Christmas

All other holiday closings will be at the discretion of the Board of Directors upon the recommendation of the CEO.

Type A and B employees are eligible for paid holiday benefits. Type B employees will earn paid holiday benefits on a prorated basis.

For non-exempt employees who have been scheduled to work by their supervisor during holiday weekends so designated by the CEO, pay rates will be at time and a half for time worked. The exact holiday schedule for pay rates at time and a half for time worked will be published on a yearly basis.

7.01.02 Paid Time Off (PTO)

7.01.02.01 Definition

Paid Time Off (PTO) provides all Type A, and B employees with paid time away from work that can be used for vacation, personal time, personal illness or time off to care for dependents. Employees are accountable and responsible for managing their own PTO hours to allow for adequate reserves if there is a need to cover vacation, illness, appointments, emergencies, dependent care or other needs that require time off from work. Failure to maintain adequate reserves for emergencies may compromise the employee's employment with Family & Children Services.

Holidays are not considered part of an employee's PTO bank.

7.01.02.02 Utilization

Exempt staff may take PTO in increments of either one-half day (four hours) or one full day (eight hours).

Non-exempt staff may take PTO in increments of 15 minutes. Type A non-exempt employees will be required to use available PTO, in 15 minute increments, to supplement any work week where actual hours worked is less than 40.

7.01.02.03 Approval for PTO Usage

PTO must be arranged subject to appropriate scheduling as determined in consultation with the immediate supervisor at least one day in advance.

When unscheduled use is necessary, the supervisor should be notified as soon as possible according to individualized program guidelines. Unscheduled use of PTO should be avoided due to programmatic coverage. Repeated unscheduled use of PTO may result in disciplinary action.

7.01.02.04 Accruals

PTO is accrued on paid hours for full-time employment (2080 hours per year) and years of continued service. Accruals for Type B employees are based upon percentage of time paid. PTO is not earned on overtime hours.

PTO is accrued to the employee’s account at the end of each month of service and is available for usage on the first day of the next month. There is no advancement of potential accrued PTO for non-exempt employees.

Years of Continuous Service	Accrual Rate per Month	Annual PTO Accrual	Maximum Banked Hours
0-3	13.33 hours	20 days	240 hours
4-12	16.67 hours	25 days	240 hours
13+	20.00 hours	30 days	240 hours

PTO will accrue while an employee is absent from work in connection with PTO, Catastrophic Pay, Agency holidays, funeral leave and jury duty. PTO will not accrue while an employee is absent from work in connection with an unpaid absence, short-term disability and worker’s compensation.

7.01.02.05 Payment of PTO upon Termination

Accrued PTO will be paid out upon termination in the last paycheck. Once notification of termination has been given, the employee may not use any accrued PTO. Exceptions may be granted by the CEO. PTO is prorated for time worked during the last month of employment.

7.01.03 Catastrophic Pay Plan

7.01.03.01 Definition

The Catastrophic Pay Plan is a benefit plan which allows Type A and B employees to accrue time to be taken during an approved leave for an illness (employee, spouse, child, parent), care of a child or adoption/foster care.

7.01.03.02 Utilization

Catastrophic Pay can only be used while on an approved and eligible leave of absence. Employees may use catastrophic time to supplement short-term disability.

7.01.03.03 Accruals

Catastrophic Pay is accrued at four (4) hours per month on paid hours for full-time employment (2080 hours per year). Accruals for part-time employees are based upon percentage of time paid. Catastrophic time is not earned on overtime hours.

Catastrophic time is accrued to the employee's account at the end of each month of service and is available for use on the first day of the next month. The maximum accrual is 240 hours. There is no advancement of potential accrued catastrophic time.

Catastrophic time will accrue while an employee is absent from work in connection with PTO, Catastrophic Pay, Agency holidays, funeral leave and jury duty. Catastrophic time will not accrue while an employee is absent from work in connection with an unpaid absence, short-term disability and worker's compensation.

7.01.04 Short-term Disability Pay

7.01.04.01 Definition

Short-term disability is designed to lessen the financial burden eligible staff may incur from an extended non-work related personal injury or illness. When a qualifying medical condition occurs, this payment plan provides a partial replacement of the employee's income and works in conjunction with the Agency's Catastrophic Pay Plan and the Agency's PTO Plan. The Agency's Short-term Disability Plan provides an income replacement of 60% of the employee's weekly salary (calculated using an annualized rate) for every qualifying week of disability.

7.01.04.02 Eligibility

Type A and B employees are eligible for short-term disability pay benefits after 12 weeks of employment with the Agency.

7.01.04.03 Utilization

Qualifying period: An employee must be off work for 10 consecutive business days before STD becomes effective. STD begins on the 11th day of disability.

Payment during qualifying period: refer to sections 7.01.05.06 and 7.01.06.06.

Maximum STD: up to 10 weeks for A and B employees with at least one year of service, up to 6 weeks for A and B employees with at least 12 weeks and less than one year of service.

The Agency's Short-term disability plan does not allow for intermittent use of short-term disability leave.

At the conclusion of a leave of absence involving short-term disability pay, employees who have purchased long-term disability insurance, and are not medically released for work, may apply to their long-term disability program for a determination of benefits.

7.01.04 Long-Term Disability Plan

Eligible employees may, at their own cost, choose to purchase a long-term disability insurance benefit, providing there are sufficient employees who wish such coverage in order for the Agency to be able to have a plan. If available, a summary Plan Description is available from Human Resources.

7.01.05 Family Medical Leave (FMLA)

7.01.05.01 General Provisions

Family & Children Services, Inc. will grant up to 12 weeks of family and medical leave during any 12-month period to eligible employees, in accordance with the Family and Medical Leave Act of 1993 (FMLA), effective August 5, 1993. Leave may be paid, unpaid, or a combination of paid and unpaid, depending on the circumstances and as specified in this policy.

7.01.05.02 Eligibility

In order to qualify to take family and medical leave under this policy, the employee must meet all of the following conditions:

The employee must have worked for the employer at least 12 months or 52 weeks (not necessarily consecutive). An employee will be considered to have been employed for an entire week even if the employee was on the payroll for only part of a week or if the employee is on leave during the week.

The employee must have worked at least 1250 hours during the 12-month period immediately before the date the leave would begin.

The Agency will calculate FMLA requests using a rolling 12-month period measured backward from the date an employee uses any leave under this policy.

If a husband and wife both work for the Agency and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent with a serious health condition, the husband and wife may each take a total of 12 weeks of leave.

7.01.05.03 Types of Leave Covered

In order to qualify as FMLA leave under this policy, the employee must be taking the leave for one of the reasons listed below:

The birth of a child and in order to care for that child. Such leave must be taken within one year of the birth.

The placement of a child for adoption or foster care with the employee. Such leave must be taken within one year of the placement.

To care for a spouse, child or parent with a serious health condition.

A serious health condition that makes the employee unable to perform the functions of the employee's position. (A serious health condition is defined as a condition, which requires inpatient care at a hospital, hospice or residential medical care facility or a condition, which requires continuing care by a licensed health care provider. This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. A serious health condition, if left untreated, would result in a period of incapacity of more than three days and require continued treatment.)

The Agency may designate all or some portion of related leave taken as leave under this policy.

7.01.05.04 Employee Status and Benefits During Leave

While an employee is on leave, the Agency will continue the employee's health benefits, discretionary cash benefit and Agency paid life insurance at the same level and under the same conditions as if the employee had continued to work. While on paid leave the Agency will continue to make payroll deductions to collect the employee's share of any premium. While on unpaid leave, the employee will be responsible for the co-payments and such payments are due to Human Resources no later than the 27th of each month. Should a payment be more than 30 days late, the employee's healthcare coverage will be dropped for the duration of the leave.

Eligibility for short and long-term disability shall be based upon current personnel policies and the insurer's eligibility criteria.

The Agency will not contribute to the employee's retirement plan during unpaid leave.

7.01.05.05 Employee Status After Leave

An employee who takes leave under this policy will be able to return to the same job or a job with equivalent status, pay, benefits and other employment terms. This position will be the same or one that entails substantially equivalent skill, effort, responsibility and authority.

If an employee is on leave for birth of a child (non-medical), adoption or care of parent, spouse or child, or serious personal health condition and at the end of 12 weeks the employee is not able to return to work, they will be terminated.

7.01.05.06 Use of Paid and Unpaid Leave

An employee under FMLA for a serious personal illness will be required to use PTO, Catastrophic Pay and STD as follows:

Days 1-3: Employee must use accrued PTO*. If PTO is unavailable then time is unpaid.

Days 4-10: Employee must use accrued Catastrophic Pay. If CAT Pay is unavailable, accrued PTO must be used. If PTO is unavailable, then time is unpaid.

Weeks 3-12: Employee will be eligible for STD pay. Employee may supplement STD with available Cat Pay or PTO (in that order).

An employee under FMLA for care of a child or a serious health condition for spouse, child, parent or adoption/foster care, will be required to use PTO and Catastrophic Pay as follows:

Days 1-3: Employee must use accrued PTO*. If PTO is unavailable then time is unpaid.

Day 4 through end of week 12: Employee must use accrued Catastrophic Pay. If Cat Pay is unavailable, accrued PTO must be used. If PTO is unavailable, then time is unpaid.

* If an employee's PTO accrual is 10 days or less, they may elect to take the time unpaid in lieu of using PTO.

7.01.05.07 Intermittent Leave

An employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently or under certain circumstances may use the leave to reduce the work week or day, resulting in a reduced hour schedule. Leave may not exceed 12 weeks over the rolling 12 month calendar year.

For the birth, adoption or foster care of a child, the supervisor and the employee must mutually agree to the schedule before the employee may take the leave intermittently or work a reduced work schedule.

If the employee is taking leave for a serious health condition or because of the serious health condition of a family member, the employee and the supervisor will reach agreement before taking intermittent leave or working a reduced hour schedule. If this is not possible, then the employee must prove that the use of the leave is medically necessary. The Agency may require certification of the medical necessity.

7.01.05.08 Certification of the Serious Health Condition

The Agency will ask for certification of the serious health condition. Failure to provide certification may result in denial of continuation of leave.

Certification of the serious health condition shall include: the date the condition began, its expected duration, diagnosis and a brief statement of treatment. For medical leave for the employee's own medical condition, the certification must also include a statement that the employee is unable to perform work of any kind or a statement that the employee is unable to perform the essential functions of the employee's position. For a seriously ill family member, the certification must include a statement that the patient requires assistance and that the employee's presence would be beneficial.

If the employee plans to take intermittent leave or work a reduced schedule, the certification must also include dates and the duration of treatment and a statement of medical necessity for taking intermittent leave or work a reduced schedule.

The Agency has the right to ask for a second opinion. The Agency will select the doctor and pay for the opinion.

If necessary to resolve a conflict between the original certification and the second opinion, the Agency will require a third opinion, which will be considered final. The Agency and the employee will jointly select the third doctor and the Agency will pay for the opinion.

7.01.05.09 Procedure for Requesting Leave

Except when unforeseeable, all leave must be requested in writing 30 days in advance. If 30 days is not possible the employee must give as much notice as is practicable. An employee undergoing planned medical treatment is required to make a reasonable effort to schedule the treatment to minimize disruptions to the Agency.

While on leave, employees may be requested to report periodically regarding the status of the medical condition and of their intent to return to work.

The Agency may request certification of the employee's fitness to return to work.

This policy is intended to comply with the Family & Medical Leave Act of 1993. To the extent that any provision of this policy is ambiguous and/or contradicts the ACT, the language of the ACT will prevail.

7.01.06 Leaves of Absence for Employees not Eligible for FMLA

7.01.06.01 General Guidelines:

Leaves of absence will be considered for eligible employees for situations not covered by FMLA. The maximum amount of leave will not exceed eight (8) weeks.

7.01.06.02 Eligibility

In order to take leave under this policy the employee must be either a Type A or B employee. A leave of absence is neither guaranteed nor promised to any employee.

7.01.06.03 Types of Leave Covered

Leave requests will be considered for the following reasons:

- The birth of a child in order to care for that child,

- Adoption/foster care,

- A serious health condition that makes the employee unable to perform the functions of their position,

- To care for a spouse, child or parent with a serious health condition.

7.01.06.04 Employee Status and Benefits During Leave

While an employee is on leave, the Agency will continue the employee's health benefits, discretionary cash benefit and Agency paid life insurance at the same level and under the same conditions as if the employee had continued to work. While on paid leave the Agency will continue to make payroll deductions to collect the employee's share of any premium. While on unpaid leave, the employee will be responsible for the co-payments and such payments are due to Human Resources no later than the 27th of each month. Should a payment be more than 30 days late, the employee's healthcare coverage will be discontinued for the duration of the leave.

Eligibility for short-term and long-term disability will be based upon current personnel policies and the insurer's eligibility criteria.

The Agency will not contribute to the employee's retirement plan during unpaid leave.

7.01.06.05 Employee Status after Leave

An employee who takes leave under this policy will be able to return to the same job or a job with equivalent status, pay, benefits and other employment terms, provided they return within eight (8) weeks. This position will be the same or one that entails substantially equivalent skill, effort, responsibility and authority. If at the end of eight (8) weeks the employee is not able to return to work they will be terminated.

The Agency will pay the employee's hospitalization premium to the extent paid prior to the leave. The Agency paid Discretionary Cash Benefit and Agency paid life insurance will continue to the extent paid prior to the leave.

7.01.06.06 Use of Paid and Unpaid Time

An employee under a leave for a serious personal illness will be required to use PTO, Catastrophic Pay and STD as follows:

Days 1-3: Employee must use accrued PTO*. If PTO is unavailable then time is unpaid.

Days 4-10: Employee must use accrued Catastrophic Pay. If CAT Pay is unavailable, accrued PTO must be used. If PTO is unavailable, then time is unpaid.

Weeks 3-8: Employee will be eligible for STD pay. Employee may supplement STD with available CAT Pay or PTO (in that order).

An employee under leave for care of a child or a serious health condition for spouse, child, parent or adoption/foster care, will be required to use PTO and Catastrophic Pay as follows:

Days 1-3: Employee must use accrued PTO*. If PTO is unavailable then time is unpaid.

Day 4 through end of week 8: Employee must use accrued Catastrophic Pay. If CAT Pay is unavailable, accrued PTO must be used. If PTO is unavailable, then time is unpaid.

*If an employee's PTO accrual is 10 days or less, they may elect to take the time as unpaid in lieu of using PTO.

7.01.06.07 Certification

A leave of absence request must include a physician's statement, which includes the date the employee became unable to work and projected date of return. The Agency may request additional confirmation of absence from a physician at any time. A physician's statement authorizing the employee's return to work will be required.

7.01.07 Sabbatical Leave of Absence

The purpose of sabbatical leave is to offer professional employees an opportunity to broaden their understanding and knowledge of their profession.

Implicit in sabbatical leave is the opportunity to give employees a wide range of experience so that they can make an even greater contribution to the Agency, the local community and/or field.

Sabbatical leave may be considered for all full time professional employees who have been employed by the Agency for seven (7) consecutive years. Sabbatical leave will consist of up to three (3) calendar months with full pay. Any employee taking sabbatical leave will be expected to continue employment with the Agency for at least two (2) years following leave.

Upon recommendation of the CEO, the Board of Directors will make the decision on all requests for sabbatical leave. Considerations will include finances, continuity of service and the needs of the Agency. Employees will be responsible for indicating, in writing to the CEO, how they intend to use such leave before such recommendation is presented to the Board of Directors. The employee who is granted sabbatical leave will also be responsible for periodic written reports to the CEO. The CEO may require a final written report, which could be shared with the Board of Directors or any such group the CEO feels may benefit from the report.

All decisions on such requests will be stated in writing to the requesting employee, if so desired.

7.01.08 Personal Leave of Absence

A personal leave of absence without pay may be granted at the discretion of the CEO. A personal leave is neither guaranteed nor promised to any employee but personal leave may be granted to the extent consistent with staffing needs of the organization.

Leaves of absence will not be authorized for less than two weeks or more than four weeks.

7.01.09 Funeral Leave of Absence

For Type A employees, paid funeral leave of up to five (5) paid working days will be permitted for each death of a spouse, child, dependent, parent, parent in-law, grandparent, grandparent in-law, great grandparent or great grandparent in-law, sibling, sibling in-law or other members of the household or a relative for whose financial or physical care the employee is principally responsible. Type B employee funeral leave time will be prorated.

7.02 Other Benefits

7.02.01 Supplemental Discretionary Cash Benefit Plan

A supplemental discretionary cash benefit is available to full-time employees to supplement their benefit choices. Particulars of the plan may be obtained from Human Resources.

7.02.02 Retirement Plan

The Agency participates in a retirement plan. A Summary Plan Description is available from Human Resources.

7.02.03 Life Insurance

Type A & B employees are eligible for a \$5,000 life insurance benefit at the onset of employment. Eligible employees may, at their own cost, choose to purchase additional life insurance through the Agency's life insurance plan. A Summary Plan is available from Human Resources.

7.02.04 Health Insurance

The Agency provides a health insurance benefit for eligible employees. Particulars of the plans may be obtained from Human Resources.

Type A employees are eligible for a health insurance benefit after thirty (30) days of full-time employment.

7.02.05 Employee Assistance Plan (EAP)

The Agency provides an EAP benefit for its employees. Information regarding the EAP may be obtained from Human Resources.

7.02.06 Professional Liability Insurance

The Agency will provide professional liability insurance for all employees, direct service volunteers and members of the Agency's Board of Directors.

7.02.07 Unemployment Insurance

The Agency is a "Covered Employer" under the Unemployment Compensation Act. Eligibility for unemployment benefits is determined solely by the Michigan Employment Security Commission, based upon statutes and commission regulations. All Agency employees are eligible to apply for benefits. Receipt of benefits is determined by the Michigan Employment Security Commission.

7.02.08 Worker's Disability Compensation

The Agency, as a covered employer, provides benefits within the limitations of the Michigan Worker's Disability Compensation Act for job-related accidents and/or injuries.

Employees seeking medical assistance for worker's compensation claims must report to the Agency's designated worker's compensation doctor/medical facility. Failure to use

the Agency's designated doctor/medical facility may result in denial of benefits. At the time the employee seeks medical assistance, the employee must inform the doctor/medical facility that it is a worker's compensation claim and request the doctor/medical facility submit a diagnosis, plan of treatment and bill to Human Resources. Failure to comply may result in delay or denial of benefits.

Employees must report any on the job accidents and/or injuries within 24 hours to their immediate supervisor/director and Human Resources and fill out an incident form. Failure to comply may result in delay or denial of benefits.

According to the Michigan Worker's Disability Compensation Act, employees will not receive a compensation benefit until the eighth day of injury-related absence. If the disability lasts longer than 2 weeks, the first week will be paid retroactively. The employee may choose to use accrued CAT and/or PTO to supplement any worker's compensation payments.

In order to maximize service to our clients, the Agency participates in a return to work program for employees using worker's compensation benefits.

7.02.09 Professional Growth and Development

7.02.09.01 General Statement

The Agency is committed to encouraging a high level of growth and development among employees. In an attempt to achieve this goal, the Agency will utilize annual performance evaluations, provide updated, specified allowances for conferences and allow time for educational and sabbatical leave. Such opportunities will be scheduled and provided for in a manner that will recognize the primary responsibility of employees to Agency needs and operations.

The Agency will consider providing opportunities to employees through flexible scheduling of work hours for continuation of formal education or taking course work related to the profession, depending on Agency workload coverage.

The employee's director will make a recommendation to the CEO for approval of such a request.

7.02.09.02 Conferences/Seminars

Providing funds are available, the annual budget provides for attendance at conferences/seminars. The intent is to rotate employee attendance at conferences and seminars with the focus being to improve skills and provide knowledge of current practice.

7.03 Benefit Credits for Returning Employees

Employees that have terminated from the Agency and then are rehired will receive credit for prior service under our PTO and Supplemental Discretionary Cash Benefit

Plans. Those employees will commence their accrual at the rate in effect at their termination, provided their break in service is less than five years.

There is no benefit credit for Catastrophic Time. All other plans are subject to the individual plan provisions.

8. JOB ABANDONMENT

8.01 Respite Direct Care Staff

Failure to report or call in to the immediate supervisor for two weeks will be considered a voluntary resignation or job abandonment.

8.02 All Other Staff

Failure to report or call in to the immediate supervisor for two consecutive days will be considered a voluntary resignation or job abandonment.

9. VOLUNTARY TERMINATION

Recognizing the Agency's responsibility to clients, students and the community, employees are encouraged to give the maximum possible notice of resignation.

Employees are requested to give a minimum of two week's notice, in writing, to his/her supervisor when terminating employment.

Once notice of termination is given to the supervisor/director and/or Agency, the terminating employee may not access any accrued vacation during the last two weeks of employment. Vacation accruals will be paid out on the terminated employee's last paycheck.

10. REDUCTION IN WORK FORCE

Unfortunately, situations can arise which require a reduction in work force. It is again acknowledged that employees are employed on an at will basis. However, whenever possible, a reduction in the work force will be accomplished by not filling current or anticipated openings in the work force. The decision regarding a reduction in the work force shall be made by the CEO in consultation with the Director of Human Resources and the Personnel Committee of the Board of Directors. As much notice as possible will be given prior to reduction in the work force. An employee may request reconsideration of the CEO's decision through the Problem Resolution Policy.

If a laid off employee submits a written request to Human Resources, the Agency will endeavor, for a period of three months, to notify the laid off employee of positions for which he/she may be qualified. This applies only to those employees whose job performance met expectations at the time of their leaving.

11. PROGRESSIVE DISCIPLINARY ACTION

11.01 Procedure

Recognizing the benefit of positively affecting work performance, the following progressive disciplinary procedure may be utilized when a question arises regarding an employee's work performance. All disciplinary actions must be reported to Human Resources within two working days.

11.01.01 Verbal Warning

The employee's supervisor may give a verbal warning of unsatisfactory performance to the employee.

11.01.02 Written Warning

Following discussion with and approval by the supervisor's supervisor, the supervisor may issue a written warning letter to the employee specifying the unsatisfactory performance with a copy being placed in the employee's personnel file. The written warning remains in the personnel file for seven years at which time it is destroyed.

11.01.03 Suspension

The employee may be suspended without pay by the CEO for a minimum of two (2) work days and a maximum of one (1) pay period. The CEO reserves the right to bypass steps 1 and 2. The suspension is noted in the employee's personnel file where it remains for seven years at which time it is destroyed.

11.01.04 Termination

Termination of employment by the CEO.

11.01.05 Job Jeopardy Program

At any time in the disciplinary process, at the discretion of Human Resources, an employee may be required to participate in the Agency's Employee Assistance Plan's Job Jeopardy Program. Failure to comply with participation and compliance will be considered an immediate voluntary termination.

11.02 The CEO reserves the right to bypass all of the above steps. The employee has the right to terminate his/her employment at any time for any or no reason. The employer reserves the same right.

The progressive disciplinary procedure utilized by Family & Children Services, Inc. in no way constitutes a limitation of the right or the ability of Family & Children Services, Inc. to terminate employee services for any reason and at any time, with or without notice.

12. PROBLEM RESOLUTION POLICY

The Agency recognizes that within any work situation some employee disagreements are inevitable. A problem under this problem resolution policy shall be based on an alleged violation of Agency procedures/policies or the personnel policies of the Agency. Even though the Agency is an at will employer, Agency philosophy encourages employees to resolve disagreements through direct discussions between the affected parties. If any employee is dissatisfied with the procedures, policies, or actions of the Agency or any agency staff and direct discussions have failed to resolve the problem, employees are encouraged to file a formal, written statement of the unresolved problem to their immediate supervisor, with a copy to the Director of Human Resources. This would include decisions regarding termination of employment. The procedure is designed so that an attitude of problem solving will pervade the entire process, and employees will have recourse without fear of reprisal or censure. The Director of Human Resources acts as a resource/facilitator for employees and supervisors regarding interpretation of the Problem Resolution Policy. All formal filings and responses must be presented in writing, at each subsequent step of an attempt at resolution of the problem. The Director of Human Resources must be furnished a copy of all documentation.

Issues involving misconduct, harassment, discrimination, or violation of other legal rights are covered under other sections of the Agency Personnel Policies, and can be found in sections 2.04, 2.05, 2.06, and 2.07. Any allegations of this type are to be brought to the immediate attention of the Supervisor, Program Director, Director of Human Resources, other Leadership Team member, or the CEO. The Supervisor, Program Director, Director of Human Resources, or other Leadership Team member will immediately notify the CEO, who will direct an immediate investigation into the problem. Concerns of this type involving the CEO will be brought to the attention of the Director of Human Resources, who will notify the Board President, who will direct an immediate investigation into the problem. These investigations will proceed in accordance with the relevant sections of the policies, as described in sections 2.04, 2.05, 2.06, or 2.07.

The problem solving proceedings shall be conducted in the following manner:

Step One -A problem shall be discussed between the employee and the immediate supervisor.

Step Two -Failing a resolution at Step 1, the employee may submit a formal complaint in writing to his or her immediate supervisor. Attempts at resolution may progress from the Supervisor, to the Program Director or other Leadership Team member, to the Chief Executive Officer (CEO). Thus, the number of steps available depends on whether an employee is supervised by a Supervisor, Program Director or other Leadership Team member, or the Chief Executive Officer (CEO).

Step Three -Prior to issuing a decision on such problems that reach the Chief Executive Officer (CEO), the Chief Executive Officer (CEO) shall review such problems with the Personnel Committee of the Board of Directors. The CEO has the final decision on all such appeals.

All formal filings under this policy shall be submitted to the immediate supervisor within 15 working days of the alleged violation or when the alleged violation became known or should have become known to the employee.

The Director of Human Resources must be furnished a copy of all documentation. Supervisors, Program Directors, other Leadership Team members, and the Chief Executive Officer (CEO) shall have five working days after the filing of the problem to hold a meeting with the complainant and then five working days following the meeting to communicate a decision to the employee in writing. When this time period is not possible to meet, the Chief Executive Officer (CEO) or designee may grant an extension and all parties will be notified of this in writing.

The employee shall have five working days following the receipt of management's response or due date of the response to a problem to appeal to the next step.

When an employee fails to appeal the decision at any step within the allotted time limit, the problem shall be treated as withdrawn and cannot be brought again.

If a member of management fails to respond within the allotted time limit, the employee has the right and responsibility to bring his/her problem to the next step.

A person filing a problem may name another employee to be present at each step of the procedure, provided twenty-four hours notice is given to the person hearing the problem. The Director of Human Resources shall be present at all problem resolution meetings subsequent to submitting a formal complaint in writing.

The Chief Executive Officer (CEO) shall report all such problem resolutions under this policy reaching the Chief Executive Officer (CEO) to the Executive Committee of the Board of Directors.

If the problem directly involves the CEO, the initial process remains the same. Should discussion between the parties fail to resolve the problem, a written description of the problem and alleged violation of Agency policies/procedures can be submitted to the CEO. Before issuing a decision or recommending a course of action, the CEO will consult with the Executive Committee. If the affected staff member deems the resulting decision/course of action provided by the CEO unsatisfactory, an appeal to the Executive Committee will be put in writing, explaining the reasons why the CEO's decision/course of action is unsatisfactory.

The Executive Committee will convene as promptly as possible to review the initial complaint, the written decision of the CEO, and the written response of the party pursuing problem resolution. At this time, the Executive Committee may meet with both parties to allow further discussion between all parties, before making a decision. The majority decision of the Executive Committee is the final decision within the agency.

In all Agency related situations concerning allegations of wrongdoing or violation of policies involving staff, volunteers, Board members, or foster parents, investigation, deliberation and disposition processes will be guided by fairness, due process, and impartiality.

All applicable documentation, including the final resolution, will be placed in the employees personnel file.

13. EXIT INTERVIEW

The Agency is interested in gathering information from employees leaving the employment of the Agency regarding the organization's strengths and weaknesses. Each employee who leaves the Agency or changes units within the Agency will be given an Exit Questionnaire to be returned to the CEO. The employee, upon request, may have a personal exit interview with the CEO or the Director of Human Resources. The results of the exit interviews and Exit Questionnaires will be reviewed annually by the Personnel Committee of the Board of Directors.

14. EMPLOYEE ACCESS TO PERSONNEL RECORDS

The Agency maintains confidential records on all employees in locked, fire resistant cabinets. Access is through the CEO or Human Resources only. Only the CEO, Human Resources, the employee and/or immediate supervisor/director will be given permission to access an employee's file.

14.01 Contents

Files include job description, job application and resume, letters of references or notes regarding a telephone conversation about a prospective employee, a copy of degree received and official transcript, letter of appointment, copies of professional licensures or certifications, Agency training awards and recognition, evaluation and departure summaries. Disciplinary actions are included when used.

14.02 Change Notification

Each employee must promptly notify Human Resources and his/her supervisor of any change in address, phone number, person to be notified in case of emergency and/or any significant change in a health condition, which affects the employee's ability to perform the job.

14.03 Employee Review

An employee who wishes to review his or her file must make a written request to the CEO.

An employee may obtain a copy of the file or any part thereof by requesting it from Human Resources. A reasonable expense may be charged to the employee for such copies.

If the employee disagrees with information contained in the personnel file, removal or correction of that information may be mutually agreed upon by the employer and employee. If such an agreement cannot be reached, the employee may submit a written statement explaining his or her position, which will become a permanent part of the file.

14.04 Retention

An employee's complete file is retained for seven years after the departure of the employee. It will be maintained as stipulated under 1. of this section. At the end of the retention period, the file may be destroyed.

14.05 General Statement

Agency personnel records are kept in compliance with Michigan's Bullard-Plawecki Employee Right-to-Know Act, Public Act No. 397 of 1978. To the extent that any provision of this policy is ambiguous or contradicts the Act, the language of the Act will prevail.

15. EMPLOYMENT REFERENCES

The CEO and Human Resources are the only Agency employees authorized to provide Agency references.

All third party inquiries about current and former employees shall be directed to Human Resources. Reference requests include any request for any information from any employee of Family & Children Services about another employee except as noted in Section 4.04., Internal Employee Growth and Development.

References shall comply with Michigan Public Act 90, which releases the employer from civil liability providing information released is documented in the employee's file and disclosure is not otherwise prohibited by law. No information will be given without a written release from the employee needing the reference unless required by law. Requests from public schools regarding unprofessional conduct must be completed by the Director of Human Resources.

References from Family & Children Services, Inc. shall be based on the employee's personnel file. Human Resources will not respond to any questions which cannot be answered from information contained in the personnel file. Human Resources will keep a record of all references given. Depending upon the circumstances, Human Resources may choose to limit information shared with the requestor.

For employees who apply for higher education programs and require a letter of recommendation, the recommendation is considered a reference and must be completed by Human Resources.

The Agency does not provide blanket references for any employee at any time.

Students/interns are not employees of the Agency and are to use their student evaluations for reference purposes.

16. Social Security Number (SSN) Privacy Policy

All employees are required to have a SSN in order to be employed by Family & Children Services. However, the Agency takes each employee's privacy very seriously, and it maintains a strict policy to protect the confidentiality of SSN's that are obtained by or provided to the Agency and/or its employees, clients, contractors, agents or representatives in the course of their employment, activities, or services performed on behalf of the Agency.

Documents containing SSNs shall be kept in confidential files. Except as required by necessary and legitimate business purposes, no employee is permitted to have access to SSNs (including documents that contain any SSNs) or to keep, view, use, copy, disclose, or distribute another person's SSN, or in any other way disclose another's SSN. One who accesses a SSN for necessary or business purposes is prohibited from using or accessing the SSN in a manner that may permit an unauthorized individual to view, use or access the number.

When documents containing SSNs are no longer needed and are to be discarded, such documents must be disposed of in a manner that ensures the confidentiality of the SSNs. The Agency has developed a practice for shredding, electronically deleting, or otherwise disposing of confidential records, including documents containing SSNs.

Violation of this policy is subject to disciplinary action, up to and including discharge.