Washington State
Military Department

Department Policy No. HR-223-09

Title:	Exchange Time – Overtime Ineligible Employees
Former Number:	New
Authorizing Source:	Fair Labor Standards Act (FLSA): WAC 357
References:	WMD Form 2003-11
Information Contact:	Human Resources Director Building #33, (253)512-7941
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Approved By:	Bret D. Daugherty, Major General The Adjutant General Washington Military Department Director

Purpose

This policy provides direction and guidance to managers and supervisors on the accrual and use of exchange time for overtime ineligible (Fair Labor Standards Act FLSA exempt) employees to ensure consistency in interpretation and application across divisions and programs.

Scope

This policy applies to all state employees of the Washington Military Department who are not covered by federal or state overtime laws and are considered overtime exempt. Refer to the appropriate Collective Bargaining Agreement for represented Overtime ineligible positions. Where there are differences in the policy, the Collective Bargaining Agreement takes priority.

Policy

Overtime-exempt employees are paid a salary, which is considered full compensation for all hours worked, and are not required or entitled to be compensated in any way for extra hours worked beyond 40 hours in a workweek. Overtime-exempt salary/compensation is based upon the premise that employees are required to work as many hours as necessary to provide the public services for which they were hired. The agency recognizes that

there are circumstances where workload demand requires extraordinary or excessive time be spent to meet unique objectives or project responsibilities. As such, overtime-exempt employees may be required to work specific and additional hours to provide services when deemed necessary by the agency. In situations that place excessive demands on overtime exempt employees, exchange time may be authorized. Exchange time is discretionary and is not an entitlement.

The Appointing Authority, or their designee, may approve exchange time for extraordinary or excessive hours worked outside the normal scope of the employee's routine responsibilities. The following guidance is provided to assist in determining the amount deemed appropriate.

1. Exchange time may only be granted when ALL three of the following conditions exist:
   a. Extraordinary events or special circumstances occur that requires work outside of the employee's typical job duties and hours AND;
   b. The employee works excessive hours to complete the prescribed work AND;
   c. Operational needs make it impractical to allow the employee to adjust their schedule within the current work week to meet the associated work impact.
2. Accrual of exchange time must be approved to the extent possible in advance by the employee's supervisor in accordance with agency practices.
3. Exchange time will not be granted on straight hour-for-hour basis or in an amount in excess of the hours actually worked.
4. When employees are required to work on a scheduled day off or beyond their normal work schedule to meet a particular work related demand, determination of the amount of exchange time is based upon consideration of factors such as the total amount of time required to complete the project/work, any unique circumstances, normal workload factors and extraordinary performance requirements.
5. When employees are required to be in bona fide travel status on a scheduled day off the exchange time will not exceed the actual time spent traveling or the employee's normal shift, whichever is less.
6. Exchange time for represented exempt employees will be administered in accordance with the applicable Collective Bargaining Agreements. Represented employees will document approved and rewarded exchange time in the same manner as non-represented employees.
7. Approved and rewarded exchange time will be documented by the requesting employee via a submission of the Exchange Time Accrual Form to the employee's supervisor. All approved Exchange Time Accrual Forms shall be

reviewed by the Division Director as the Appointing Authority's Designee. A memorandum to Payroll from the Agency Director or his Deputy Director outlining the event and justification for the time granted to Division Directors will serve as appropriate documentation for entry into the payroll system.

8. All exchange time accrual documents will be routed through the Payroll Office for monitoring and consistency of application. The Payroll Manager will be the agency designated point of contact regarding exchange time.

9. All accrued exchange time will be entered into and tracked in the Human Resources Management System (HRMS) payroll system. Parallel tracking systems are not approved. No exchange time shall be granted based on an unapproved parallel tracking system.

10. All exchange time usage shall be recorded utilizing the leave request form by entering the appropriate four digit leave code to designate exchange time.

11. Time off requests should be processed in the same manner as other leave requests.

12. Accrued exchange time shall be used as soon as possible after accrual and will be used prior to approval of any other form of leave.

13. Exchange time may not be accrued in excess of 80 hours at any given time. Accrued exchange time in excess of 80 hours will not be granted and is not retroactive. When an employee accrues 40 hours of exchange time the employee and Supervisor will develop a plan for the employee to use the exchange time in the next 90 days.

14. Exchange time will not transfer between agencies, divisions or programs with substantially different funding sources. When operational staffing allows and it will not result in the payment of overtime or disrupt daily operations, staff that are transferring <u>between divisions or programs</u> within the same agency will be allowed to use accrued exchange time prior to their transfer.

15. All accrued exchange time will be lost and considered to have never existed when an employee elects to change agencies. When transfers occur between divisions and/or programs with substantially different funding sources and the employer is unable to approve use of accrued time due to the cost of overtime or disruption of daily operations, all accrued exchange time will be lost as described above.

16. Exchange time is considered paid time off but not time worked. Employees should notate exchange time taken on their timesheet with the notation of EX.

17. Exchange time has no cash value and may not be paid out in cash if the employee terminates state employment, leaves the agency, division, or program in accordance with this policy.