

To most business owners, nothing can be more headache-inducing than human resources issues.

Personnel issues can be avoided if time is initially established by setting policies and practices that will prevent claims from rising. You will be prepared, knowing you are protecting your business.

1. Understanding **federal and state labor laws** concerning wages, hours worked, overtime, record keeping and required postings is important. You can find your state's labor regulations www.dol.org

2. **Payroll**- Many arduous tax deductions and withholdings have to be executed precisely each time you process payroll. Save yourself headaches and allow a payroll processing expert to manage payroll.

3. Prepare a **Proprietary Inventions Agreement** which is where employees and contractors must agree that anything they create or improve on your behalf is owned by the employer, your company.

4. **Employee Handbook**- There are tons of online resources which allow you to download a sample handbook that can become the template to create your company's handbook. A clear employee handbook is an important weapon in preventing employee disputes or claims. You can clearly communicate the at-will employment relationship, discrimination policies, harassment policies, equal opportunity policy, leave of absence policies and any information about your specific environment such as health benefits and paid time off. It is suggested that a legal advisor review your handbook prior to sharing with employees. Bear in mind that you will need to obtain a signed acknowledgement form, from employees after they are given a period of time to review the handbook.

5. **Workers Compensation Insurance**- It's mandatory to provide this insurance for every employee. The insurance rate is based on the occupation and pay rate of each individual employee.

6. **Recruiting** can be another full time job. Try to keep a constant list of qualified candidates in the pipeline. Remember, in following equal employment opportunity practices, you cannot inquire if the candidate is married, has children, ethnicity, etc... That information is not only completely irrelevant to the position, but the candidate could claim an adverse employment action based on their response if not hired.

7. **Employee Benefits** are a great recruiting and talent retention tool. With employers (large) facing fines for not carrying health insurance, this benefit will progressively become a top priority for employees and potential candidates.

The Employee Handbook is also a wonderful place to convey your PTO policy.

8. Terminations are not an enjoyable part of any employment relationship, but they are unavoidable. Regardless if the termination is a voluntary resignation or with just cause, there are some steps you should take. In most states there are time sensitive requirements paying a terminated employee their final wages. A good idea is to give an employee a last check on their last day of work. This final check should include any unused and accrued PTO. For instance, employers may not deduct a negative vacation balance or refuse to deliver final pay until the employee returns company equipment.

Employers may wish to provide the employee with a “Notice of Change in Relationship” as well as a “Final Pay Acknowledgement” and require a signature on the form at termination. If health insurance is offered, you will also need to make sure COBRA (health insurance continuation) notices are sent to the employee within 14 days of termination.

9. Practice consistency. The employee handbook maintains consistent practice and prevents employees from claiming preferential treatment. If an employee inquires for an exception to a policy or if there is a gray area, ask yourself, “Would I allow this for every employee?” If the answer is yes, you need to update your policy, if the answer is no, be firm and explain to the employee why that is not allowed.

The time you invest in these HR basics will pay itself forward. Your business may be small or large and may not be required to comply with all laws that the largest employers are subject to. As your company grows and you take on more employees, you can be confident that you have established accountable, reasonable legal employment practices that ultimately protect your business.