

ATTACHMENT A: AUDITOR'S OFFICE CRITERIA FOR MANAGEMENT LEAVE ELIGIBILITY

Employees who qualify as exempt under the Fair Labor Standards Act are not entitled to overtime compensation when they work more than 40 hours in a workweek. However, the Auditor's Office provides management leave as a benefit that can be earned by exempt employees. Exempt employees are not **entitled** to management leave: management leave is a "bonus" that may be given to recognize exceptional individual efforts, performance, and achievements, including but not limited to those requiring work beyond the standard workweek.

The City Auditor has the discretion to grant an employee up to 80 hours of management leave per year. Division managers are responsible for submitting recommendations for management leave to the City Auditor. They should base their recommendations on the following criteria:

- Exceptional commitment to accomplishing tasks critical to the Auditor's Office's mission or compliance with the Portland City Code, such as working substantially longer hours to meet a deadline;
- Increased workload that causes or requires hours beyond the standard workweek, such as during a temporary staffing shortage or to respond to a management-approved request; or
- Commendable daily performance enhanced by creative problem-solving, innovation, or leadership achievements that are deserving of recognition.

The City Auditor will consider, on a case-by-case basis, recommendations for management leave that may not fit neatly into the criteria above. Such cases still should meet the spirit of the policy and must comply with legal requirements for pay equity.

Management leave should not reward:

- An expectation that all exempt employees are entitled to management leave;

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- Employees simply meeting job requirements that already are compensated by salary and benefits;
- Inefficient use of time during the standard workweek that causes extra hours to meet deadlines;
- Ineffective deployment of resources that cause extra hours, such as failing to delegate tasks or prioritize work appropriately with a manager’s input; or
- Volunteer activities that cause extra hours that are related but not critical to the employee’s core function, such as service on professional committees or travel associated with events that have limited value to achieving the Auditor’s Office’s goals. These activities should be considered on individual performance evaluations or through schedule adjustments.

Examples are provided in the table below.

Criteria	Examples	Eligible for management leave?
Exceptional commitment to accomplishing tasks critical to the Auditor’s Office’s mission or compliance with the Portland City Code, such as working substantially longer hours to meet a deadline.	The budget process requires staff to complete the Auditor’s Office’s submission by February 1. Staff work weekends in January to apply budget guidance to office needs and complete requested budget by the deadline.	Yes. The extra hours required to accomplish critical tasks by the deadline exceed the expectation that exempt employees sometimes work more than 40 in a workweek.
	To meet a deadline for publishing an annual report, an employee stays a few hours late one evening to finish it.	No. These extra hours fall within the expectation that exempt employees sometimes work more than 40 in a workweek.

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Criteria	Examples	Eligible for management leave?
<p>Increased workload that causes or requires hours beyond the standard workweek, such as during a temporary staffing shortage or to respond to a management-approved request.</p>	<p>An employee retires just as several complaints are filed that need to be screened and possibly investigated. The Division manager asks the remaining investigators to assume the retiring employee’s cases, as well as the influx of new ones, causing them to work extra hours until a replacement employee can be recruited and hired.</p>	<p>Yes. The employees are helping their Division manager meet a core responsibility in difficult circumstances, at the cost of a predictable, off-hours schedule for them.</p>
	<p>A Division manager asks an employee to complete two new tasks, but the employee is already busy with other things and has worked a couple of extra hours to move them along. The Division manager adjusts the employee’s workload to create capacity for the new tasks.</p>	<p>No. The extra hours already put in would be expected of an exempt employee. The manager adjusted the workload to reduce the need for even more hours.</p>
<p>Commendable daily performance enhanced by creative problem-solving, innovation, or leadership achievements that are deserving of recognition.</p>	<p>An employee who regularly exceeds expectations in meeting daily tasks also takes the initiative to implement a difficult new procedure that helps the office achieve an important goal. The office benefits because the employee’s initiative provides a model for others to follow, which makes them more efficient.</p>	<p>Yes. A productive employee takes on added duties and accomplishes a goal that serves the mission of the office.</p>

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	An employee serves on a professional committee. The Division manager adjusts the employee's workload to accommodate the extra work the committee assignment entails.	No. The employee benefits professionally from the committee and bears no extra burden for the service on the committee, and the benefit to the Auditor's Office is marginal. The employee's salary and benefits are sufficient reward.