

# SOP Template: Overtime and Compensatory Time-Off Documentation

This SOP outlines **overtime and compensatory time-off documentation** procedures, including accurate tracking of employee overtime hours, authorization requirements, documentation standards, calculation methods for compensatory time accrual, approval workflows, record-keeping practices, and compliance with labor regulations. The purpose is to ensure transparent, fair, and consistent management of overtime and compensatory time-off to support workforce productivity and adherence to company policies.

## 1. Purpose

To establish clear procedures for documenting, approving, and managing overtime and compensatory time-off, in alignment with legal requirements and company policies.

## 2. Scope

This SOP applies to all employees eligible for overtime and compensatory time-off, supervisors, department heads, and payroll/HR staff.

## 3. Definitions

- **Overtime (OT):** Hours worked beyond the standard workweek, as defined by company policy or labor law.
- **Compensatory Time-Off (CT):** Leave granted to employees instead of overtime pay for extra hours worked.
- **Eligible Employees:** Staff categorized under roles and contracts qualifying for Overtime/CT.

## 4. Process Overview

1. Overtime authorization
2. Accurate time tracking
3. Documentation and approval workflow
4. Calculation and accrual of compensatory time-off
5. Record keeping and auditing
6. Compliance checks

## 5. Procedures

### 5.1 Overtime Authorization

- Employees must obtain **written pre-approval** from their direct supervisor before working overtime, except in emergencies.
- Supervisors should validate business necessity and available budget prior to approval.

### 5.2 Time Tracking

- All overtime hours must be recorded daily via an approved timekeeping system.
- Employees and supervisors are responsible for timely and accurate entries.

### 5.3 Documentation Standards

- OT/CT request forms must include: employee name, dates, hours requested, justification, and supervisor's signature.
- All records should be retained in both digital and/or physical formats for a minimum of [X years] as per policy.

### 5.4 Calculation of Compensatory Time-Off

- CT is accrued at a rate compliant with labor laws, typically one hour of CT for each hour of overtime, or as determined by policy.
- Fractional hours must be rounded as prescribed by company policy.

### 5.5 Approval Workflow

1. Employee submits OT/CT request form to supervisor.
2. Supervisor reviews for accuracy, necessity, and budget.
3. HR/payroll reviews and enters approved hours into employee records.
4. Final approval is logged and communicated to employee.

## 5.6 Record-Keeping

- All OT/CT records are maintained confidentially in employee files.
- Records are subject to regular internal audit for compliance and accuracy.

## 5.7 Compliance

- All processes adhere to applicable federal, state, and local labor regulations.
- Non-compliance may result in disciplinary action.

## 6. Roles and Responsibilities

Role	Responsibility
Employee	Submit requests, accurately record hours, comply with procedures.
Supervisor	Approve/deny requests, ensure business necessity, review records.
HR/Payroll	Process entries, maintain records, audit compliance.
Management	Set policies, monitor compliance, resolve disputes.

## 7. References

- Company Employee Handbook
- Fair Labor Standards Act (FLSA)
- State/Local Overtime Laws
- Internal Audit Reports

## 8. Review and Revision

This SOP will be reviewed annually and updated as necessary to comply with changing legislation and organizational requirements.