

# Standard Operating Procedure (SOP)

## Overtime Approval and Monitoring Processes

This SOP details the **overtime approval and monitoring processes**, encompassing the criteria for overtime eligibility, the procedure for submitting and approving overtime requests, tracking and recording overtime hours, ensuring compliance with labor laws and company policies, monitoring overtime costs, and reporting and reviewing overtime data. The goal is to manage overtime effectively, control labor costs, and maintain workforce productivity while adhering to legal and organizational standards.

### 1. Purpose

To establish a structured process for approving, tracking, and monitoring overtime to ensure compliance, cost control, and workforce productivity.

### 2. Scope

This SOP applies to all employees eligible for overtime and their respective supervisors/managers.

### 3. Definitions

- **Overtime (OT):** Hours worked by an eligible employee in excess of the standard workweek, as defined by labor law and company policy.
- **Eligible Employee:** An employee entitled to overtime compensation according to applicable regulations.

### 4. Roles & Responsibilities

Role	Responsibility
Employee	Submit overtime requests and accurately record hours worked.
Supervisor/Manager	Review, approve, and monitor overtime requests and utilization.
HR/Payroll	Ensure legal compliance, maintain records, and process overtime compensation.

### 5. Overtime Approval Process

1. **Eligibility Assessment**
  - Confirm employee eligibility for overtime.
  - Review circumstances necessitating overtime (e.g., workload, deadlines).
2. **Submission of Overtime Request**
  - Employee submits a formal overtime request form at least 24 hours in advance, when possible.
  - Request includes date, hours, reason, and anticipated tasks.
3. **Review and Approval**
  - Supervisor/Manager reviews request for necessity and budget implications.
  - Approves or rejects request within 24 hours of submission.
  - Communicate decision to employee and HR/Payroll.
4. **Documentation**
  - Approved overtime requests are logged and stored for audit and compliance.

### 6. Overtime Monitoring & Recording

- Employees must accurately record actual overtime worked using designated timekeeping systems.
- Supervisors verify and endorse recorded hours weekly.
- HR/Payroll audits time records monthly for discrepancies or policy violations.

### 7. Compliance

- Ensure all overtime complies with local labor laws and internal policies.
- Immediate escalation of any non-compliance to HR and management for corrective action.

### 8. Monitoring Overtime Costs

1. Supervisors review overtime utilization against departmental budgets weekly.
2. Finance team provides monthly cost reports to management for further analysis.
3. Implement corrective measures if overtime costs exceed thresholds.

## 9. Reporting & Review

- HR compiles monthly and quarterly overtime reports with analysis of trends and variances.
- Management reviews reports and adjusts workforce planning as needed.
- Annual review of the SOP to ensure effectiveness and legal compliance.

## 10. Records Retention

- All overtime requests, approvals, and timekeeping records must be retained for a minimum of 3 years or as prescribed by law.

## 11. References

- Local and national labor laws and regulations
- Company Employee Handbook
- Timekeeping Policy

## 12. Revision History

Date	Version	Changes	Approved By
2024-06-10	1.0	Initial version	HR Manager