Overtime Approval Procedure

1.0 Policy Objective & Scope

The objective of this policy is to establish a clear, consistent, and legally compliant procedure for requesting, approving, and recording overtime work. This policy ensures that all overtime hours are authorized in advance, properly compensated according to applicable employment standards legislation (e.g., Employment Standards Act, 2000 for Ontario), and accurately tracked for payroll and cost management purposes.

This policy applies to all non-unionized full-time and part-time employees of the manufacturing company, including office staff, production workers, and supervisors. It does not apply to employees who are expressly excluded from overtime provisions under applicable legislation (e.g., managers or certain professionals as defined by the ESA). All overtime must be pre-approved in accordance with the steps outlined below.

2.0 Roles & Responsibilities

- **Employee:** Submits the overtime request through the designated digital portal (SwitchDesk) at least 24 hours in advance, unless an emergency arises. Must accurately estimate the required hours and provide a business justification.

- **Direct Supervisor:** Reviews the request against operational needs and budget. Approves or denies within 24 hours of submission. Ensures the request does not violate any ESA rest period requirements.

- **Department Head:** Reviews and approves any overtime request exceeding 5 hours per week per employee or any request that falls outside normal business hours. Provides secondary authorization for high-cost or high-volume overtime.

- **HR Manager:** Monitors overtime trends to ensure compliance with ESA and internal policies. Maintains records of all approved overtime requests for audit purposes. Investigates any pattern of unauthorized overtime.

- **Payroll Administrator:** Processes approved overtime hours in the payroll system, ensuring correct pay rates (e.g., 1.5x regular rate) are applied. Rejects any hours not supported by an approved request.

3.0 Core Rules & Guidelines

- All overtime must be pre-approved in writing via the SwitchDesk portal before the overtime is worked. Retroactive approval is not permitted except in genuine emergencies (e.g., equipment breakdown) and must be reported to the HR Manager within 24 hours.

- Overtime is defined as any time worked beyond 44 hours per week (or the applicable provincial threshold) or beyond the employee's regular scheduled shift, whichever is greater. All overtime must be compensated at the rate of 1.5 times the regular hourly wage, unless a different rate is mandated by provincial legislation.

- No employee shall work more than 13 hours in a single day or more than 48 hours in a week without written approval from the Department Head and a documented safety assessment.

- Employees must take a minimum 8-hour consecutive rest period between shifts. Overtime must not be scheduled in a way that violates this rest period.

- Overtime requests must include a clear business justification (e.g., rush order, machine maintenance, inventory count). Requests without a valid reason will be automatically denied.

- Unauthorized overtime will not be compensated. Employees who work overtime without prior approval may be subject to disciplinary action, up to and including termination.

4.0 Step-by-Step Procedure / Workflow

1. Employee logs into the SwitchDesk portal and navigates to the 'Overtime Request' form under the HR module.

2. Employee selects the date(s) for the requested overtime, enters the estimated start and end times, and calculates the total hours requested.

3. Employee selects the reason for overtime from the dropdown menu (e.g., Production Rush, Equipment Repair, Inventory, Training, Other) and provides a detailed justification in the text field.

4. Employee reviews the request for accuracy and submits it. The system automatically sends a notification to the Direct Supervisor.

5. Direct Supervisor reviews the request within 24 hours. If the total overtime for the week (including this request) is 5 hours or less, the Supervisor may approve or deny directly. If the request exceeds 5 hours, the Supervisor must forward it to the Department Head for secondary approval.

6. If the request is denied, the Supervisor adds a brief explanation in the system, and the employee receives an automated notification with the reason. The process ends here.

7. If the request is approved (or approved by the Department Head for larger requests), the system updates the employee's schedule and sends a confirmation to the employee, Supervisor, and Payroll Administrator.

8. On the day of the overtime, the employee clocks in and out using the time clock system. The system flags any discrepancy between the approved hours and actual hours worked.

9. If actual hours exceed approved hours by more than 15 minutes, the employee must submit a 'Overtime Adjustment' request through SwitchDesk within 24 hours, with a new justification. This adjustment follows the same approval workflow.

10. Payroll Administrator runs a weekly report of all approved overtime hours and cross-references them with time clock data. Any unmatched hours are investigated and resolved before payroll processing.

11. Payroll Administrator processes the approved overtime hours in the payroll system at the applicable overtime rate. A record of the payment is attached to the original request in SwitchDesk.

12. HR Manager conducts a monthly audit of overtime requests to identify trends, potential compliance issues, or excessive overtime. Any anomalies are reported to the Department Head for corrective action.

5.0 Documentation & Compliance

- All overtime requests, approvals, denials, and adjustments are automatically logged in the SwitchDesk portal with timestamps and user IDs. These records are retained for a minimum of 3 years as required by the Employment Standards Act.

- Approved overtime requests are stored in the employee's digital HR file, accessible only to HR, Payroll, and the employee's direct supervisor. Access is logged and audited quarterly.

- Payroll records showing overtime payments are stored in the encrypted payroll system and backed up daily to a secure Canadian cloud server. These records are retained for 7 years for tax and audit purposes.

- The HR Manager conducts a quarterly compliance review to ensure all overtime was properly authorized and compensated. Any violations are documented and escalated to senior management.

- An annual audit of the overtime approval process is performed by an external auditor to verify compliance with PIPEDA (for employee data privacy) and provincial employment standards. Results are presented to the board of directors.

- All employees are required to acknowledge receipt of this policy upon hire and annually thereafter. Acknowledgment is recorded in SwitchDesk and stored in the employee's permanent file.