#### Federal Overtime Pay Applicability – Churches and Religious Organizations Employee is likely Do employee's Flowchart for simple analysis for rules effective December 1, 2016. (version 2016.2) exempt from federal duties meet the overtime pay rules. Copyright © Batts Morrison Wales & Lee, P.A. • All rights reserved. definition for an "executive." Make sure to check administrative," or "professiona state law for potential position as defined state law overtime below? Start Here requirements. Yes Your organization is Is the Is the employee an likely subject to ordained, licensed, or employee Is your "enterprise coverage" Is the generate \$500,000 commissioned paid hourly or organization a and you should analyze Is weekly or more in revenues from employee a minister or otherwise does pay vary bona fide nonprofit each employee's roles salary at leas sales of goods or services employed in a religious bona fide based on the church or religious and duties to determine \$913? other than operation adership role in which the teacher? amount of time if he/she is exempt or organization? employee's duties are of a school. worked? non-exempt from primarily religious overtime pay rules. in nature? Consult employment law or day counsel for definition of bona fide teacher - which may include coaches and No Yes others – and to address Your school, preschool, administrators. or daycare activity is Yes subject to "enterprise coverage" and you **STOP** Does your organization should analyze each This flow chart is operate a school. employee's roles and Employee is nondesigned exclusively preschool, or daycare? duties in that activity to exempt and is for churches and determine if he/she is eligible for overtime religious exempt or non-exempt No pay at the rate of organizations from overtime 1.5 times the pay rules. Is the Your organization is likely regular pay rate for employee Employee is likely For employees not not subject to "enterprise hours worked over involved in exempt from federal in that activity coverage" for your non-40 in a work week. interstate commerce? overtime pay rules. school activities which Uses debit or credit cards Make sure to check means that you will need to makes interstate phone state law for consider each person's calls, uses the internet potential state law duties to determine if he/she in job, ships materials is involved in interstate overtime to other commerce before evaluating For each states, requirements. other factors. employee etc.) Michael E. Batts. CPA Gavla C. Crain

### **Executive**

- Primary duty is management of organization
- Must manage the work of two or more employees
- Authority to hire and fire, or makes hiring and firing recommendations that are given serious consideration

#### Administrative

- Primary duty office or non-manual work directly related to management of employer
- · Must exercise discretion and independent judgment with respect to matters of significance
- Specific examples: human resources managers (make or interpret policy), employees with authority to bind the organization

## **Professional**

- Performance of work requires advanced knowledge in a field of science or learning acquired by a prolonged course of specialized instruction; or
- Job requires invention, originality, or talent in recognized field of artistic endeavor
- Examples: registered nurse, engineer, accountant (not clerks or bookkeepers)

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Chart does not address hospitals, nursing homes, or residential care facilities, to which special rules apply.

#### Important Notic

This chart is for limited, simplified informational and educational purposes only and does not constitute legal or professional advice. Further, this chart does <u>not</u> consider all aspects of federal overtime pay rules and does <u>not</u> address state overtime pay rules, which may be more restrictive or otherwise different from the federal rules. This chart is not a substitute for professional advice from qualified legal counsel.