

**HR audit checklist: Total rewards**

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| **Compensation practices** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Are salary, bonus, compensation and performance information reviewed on a regular basis? |  |  |  | *This includes pay grades and ranges, frequency and timing of salary reviews, correlation of pay increases to performance, and performance evaluation procedures.* |
| Are compensation practices clearly communicated to employees? |  |  |  |  |
| Are minimum wage laws actively monitored? |  |  |  | *Indicate how often and by which position.* |
| Are paydays clearly communicated to employees? |  |  |  |  |
| Are nonexempt employees compensated at least one and one-half times their hourly wage for any hours worked beyond 40 in a single week, in accordance with provisions of the Fair Labor Standards Act? |  |  |  |  |
| Is there a regular review of compensation and bonus programs between all departments for consistency, equity, and compliance with IRS and applicable tax, withholding and securities laws? |  |  |  | *Indicate how often and by which position.* |
| Are commission and compensation policies designed to promote compliant business behavior (without inadvertently promoting noncompliant behavior)? |  |  |  |  |

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| **Timekeeping and paid time off** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Is there a timekeeping or attendance system in place? |  |  |  |  |
| If yes, how is the system monitored? |  |  |  |  |
| Is paid time off structured fairly and enforced consistently? |  |  |  |  |
| Is the paid time off policy clearly communicated to employees? |  |  |  |  |
| Are employees paid for absences due to personal illness or injury; illness or injury of an immediate family member; death of an immediate family member; and voting or jury duty? |  |  |  |  |

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| **Payroll** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Are appropriate payroll withholdings performed and forwarded? |  |  |  |  |
| Are payroll withholdings, deductions and garnishments actively monitored? |  |  |  |  |
| Are deduction authorization forms signed and submitted by employees? |  |  |  |  |
| Are garnishment policies and procedures clearly communicated to employees? |  |  |  |  |
| Are payroll records monitored for accuracy? |  |  |  | *Indicate how often and by which position.* |
| Are payroll transaction controls and tests in place to ensure that no payments are made to fictitious employees and payments to valid employees are stopped upon termination? |  |  |  |  |
| Are proactive measures taken to resolve payroll, wage and hour inconsistencies? |  |  |  |  |

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| **General benefits** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Is there an overall benefits policy and documentation of responsibilities of the benefit plan administrator? |  |  |  |  |
| Is benefit information clearly communicated to employees? |  |  |  |  |
| Are employee benefits regularly reviewed for the best pricing and competitive options? |  |  |  |  |
| Are summary plan descriptions in compliance with applicable laws and distributed to plan participants appropriately? |  |  |  | *Applicable laws include the Employee Retirement Income Security Act (ERISA).* |
| Does the organization share liability with the benefits administrator or brokerage firm? |  |  |  |  |
| Are laws involving benefits administration actively monitored? |  |  |  | *Indicate how often and by which position.* |

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| **Medical benefits** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Does the organization provide medical benefits? |  |  |  |  |
| If yes, is compliance with applicable federal and state laws actively monitored? |  |  |  | *Indicate how often and by which position.* |
| Is the medical plan type and status regularly reviewed? |  |  |  | *Types of plans include health maintenance organization, preferred provider organization, exclusive provider organization and health savings account. In addition, a plan may be fully insured, partially self-insured or fully self-insured.* |
| If the medical plan is self-insured, is risk exposure actively monitored in case more claims than expected need to be paid? |  |  |  |  |

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| **Consolidation Omnibus Budget Reconciliation Act (COBRA)** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Are initial and extended COBRA notices provided to plan participants on time? |  |  |  |  |
| Are separation of benefits and COBRA notices provided to inactive employees on time? |  |  |  |  |
| If COBRA administration is handled by a third-party administrator, are the details on separation and long-term leave communicated to the administrator in a timely manner? |  |  |  |  |

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| **Family and Medical Leave Act (FMLA)** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Is the organization subject to FMLA provisions? |  |  |  |  |
| If yes, is a consistent method used to determine the amount of FMLA leave an employee has used within a 12-month period? |  |  |  | *Options include the calendar year, any fixed 12-month "leave year," the 12-month period measured forward from the date of the first FMLA leave, or a rolling 12-month period measured backward from the date an employee uses any FMLA leave.* |
| Are leave of absence and FMLA forms readily available and in compliance with FMLA and ADA provisions? |  |  |  |  |
| Are supervisors and managers trained to report employee absences of more than three days? |  |  |  | *Indicate to which position.* |
| Is IRS Form 5500 completed and reported as applicable? |  |  |  |  |
| If yes, are all forms in the 5500 series filed using the U.S. Department of Labor's EFAST system? |  |  |  |  |

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| **Wellness plans** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Does the organization offer a wellness plan? |  |  |  |  |
| If yes, does the organization notify participants ahead of time about collection of health information through health risk assessments, biometric screenings or other means? |  |  |  |  |
| Does the organization provide reasonable accommodations for employees who have disabilities to participate in wellness programs? |  |  |  | *Accommodation is legally required unless it would result in an undue hardship for the employer.* |
| Are laws involving wellness plan administration actively monitored? |  |  |  | *Indicate how often and by which position.* |

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| **Employee assistance programs** | | | | |
|  | **Yes** | **No** | **In Progress** | **Observations** |
| Does the organization offer an employee assistance program? |  |  |  |  |
| If yes, program details clearly communicated to employees? |  |  |  |  |
| Do employees actively use the program? |  |  |  |  |

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