



# **Employee Handbook Essentials: A Checklist for Business Owners**

An employee handbook provides your workforce with a step-by-step guide to success, establishing a code of conduct for your employees, providing a framework for supervisors when addressing misconduct, and acting as a first line of defense against lawsuits or liability claims.

While creating or updating your employee handbook, consider these tips:

- 1 A well-written policy should:
  - Establish the policy's objective
  - Explain why the policy is necessary
  - Identify to whom the policy applies
  - Clearly outline acceptable and unacceptable behavior
  - Warn of consequences
- 2 Policies should not be overly broad or specific. This gives you discretion to make sound decisions regarding your workforce and to comply with applicable laws.
- 3 Evaluate which policies to include:
  - Assess which policies your business is required to have based on applicable federal, state, and local labor laws. This may vary based on factors such as company size, location, or industry.
  - Avoid including policies that your business does not follow, unless it's required by law.
  - If you are required to include a policy in your handbook, make sure you are following that policy.
- 4 Once your handbook is created, review it annually, update policies as needed (such as to be compliant with new regulations) and distribute to your employees.
- 5 When distributing your employee handbook, consider requiring your employees to acknowledge that they have received the handbook and understand it is their responsibility to review it and become familiar with it.



# Employee Handbook Checklist

Below is a checklist of topics and policies that you may choose to include in your company's employee handbook. You can use this checklist to review your current handbook or as a guide when creating a handbook.

**Anti-Discrimination** — Explains that the Company does not discriminate against employees or applicants on the basis of any legally protected characteristic or allow discrimination of any kind.

**Anti-Harassment and Anti-Retaliation** — Details that the Company will not tolerate harassment of any kind, including harassment related to any characteristics that are protected under law, and that the policy applies to all persons involved with the Company in some way.

**Artificial Intelligence** — Explains the Company's policy on the use of AI tools in the workplace.

**At-Will Employment Statement** — Explains that either party can terminate employment at any time, and for any lawful reason and that there should be no illusion of a contractual agreement between employees and the Company. (Note: This is applicable for all states except Montana.)

**Attendance & Standard Working Hours** — Explains the Company's expectation that employees must be regular and punctual in attendance due to absenteeism and tardiness placing a burden on the Company and its employees.

**Background Checks** — Explains that the Company performs background checks as part of ensuring that quality employees who have performed well in the past are hired.

**Benefits** — Explains which employees are eligible for group insurance plans offered by the Company and when they are eligible. Policy should be a broad overview of the benefits and can direct employees to the Summary Plan Description.

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**Business Expense Reimbursement** — Explains that the Company will reimburse employees for necessary and reasonable travel expenses related to the normal conduct of business.

**Code of Ethics** — Informs the employee of the Company's Code of Ethics and includes details on the Company's prohibition of improper payments, political contributions, reporting to management, antitrust laws, exchange of information with competitors, or any other conduct that would violate its code of ethics.

**Company Car** — Details the provision of Company cars for business use to certain employees, upon approval.

**Company Credit Card** — Explains the guidelines for use of a company credit card and why the cards are provided to certain employees.

**Complaints and Grievances** — Explains the Company's goal to have open communication with employees and details how they should voice complaints or grievances.

**Confidential Information & Company Property** — Details the importance of protecting the Company's confidential information and property and the guidelines for doing so.

**Conflicts of Interest** — Explains that employees should always act with the Company's best interest in mind and should not put themselves in a situation that conflicts with the Company's best interest.

**Contagious Illness** — Explains that the Company's goal is to maintain a healthy workplace for all persons. To do so, the Company evaluates contagious illnesses to determine whether an employee with a contagious illness will pose a threat to the health of himself or herself, other employees, or customers.

**Customer Complaints** — Details the customer complaint process and how such complaints should be handled by the Company and its employees.

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**Direct Deposit** — Explains direct deposit policy and the advantages of using direct deposit.

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**Disciplinary Action** — While each employee’s relationship with the Company is at-will and a disciplinary procedure is not followed in all circumstances, this policy explains the Company’s basic approach to discipline.

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**Diversity** — Explains that the Company encourages and welcomes diversity, recognizing it as a key competitive advantage.

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**Domestic Partnership** — Explains that the Company promotes acceptance of diversity, specifically in regard to sexual orientation, and, because of this, provides the same benefits to registered domestic partners and their families as it does to legally married individuals and their families.

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**Dress Code** — Explains the Company’s general dress code and reasoning behind it.

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**Driving While on Company Business** — Sets the expectations for employee behavior while driving on Company business.

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**Drug-Free Workplace** — Explains the Company’s expectation that employees will not be under the influence of drugs or alcohol while working and establishes requirements for employees to notify the Company within a certain timeframe if they are convicted under any criminal drug statutes for a violation occurring while the employee was working.

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**Educational Assistance Program** — Explains the Company’s program that reimburses employees for costs associated with furthering their education, assuming that the courses will assist employees in performing their current job functions or will help them along their intended career path within the Company.

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**Emergency Action Plan** — Details the Company’s procedures in different types of emergency situations (fire, medical, violence, etc.).

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**Employee Assistance Program** — Outlines the Company’s employee assistance program as it relates to coping with personal problems.

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**Employee Classification** — Lists the different classifications of employees and the criteria for each one.

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**Employee Discount** — Explains any discount(s) offered to employees of the Company and what the discount(s) can be used for.

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**Employee Fraternalization** — Sets the boundaries for employee fraternization and explains behavior expectations for employees regarding personal and/or romantic interactions between employees in the workplace.

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**Employee Referral Bonus** — Explains that the Company provides a bonus to employees who refer candidates that are hired.

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**Employer-Provided Mobile Devices** — Explains the guidelines for using employer-provided mobile devices and explains which employees are generally provided such mobile devices.

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**Employment of Relatives** — Details that hiring and/or promotion decisions must take into account that immediate family members may not have a direct supervisor-subordinate relationship, create an adverse effect on work performance, or create a conflict of interest.

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**Employment Taxes & Voluntary Deductions** — Details the deductions that come out of each employee’s paycheck. In addition to taxes, this includes the optional deductions for benefits coverage, of which a portion will be paid by the employer.

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**Equal Employment Opportunity** — Explains that the Company provides an equal employment opportunity to all individuals and values a diverse workforce.

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**Facility Access & Visitors** — Explains the Company’s goal of maintaining maximum security and safety at a minimum inconvenience to employees. It details the guidelines that help maintain safety and security, including the requirement that visitors be escorted by authorized personnel at all times and that only certain doors are unlocked at specific times.

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**Federal Family & Medical Leave Policy** — Explains the Family and Medical Leave Act (FMLA) and the steps to follow to request this leave.

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**Flextime** — Explains the Company’s use of flextime, which allows employees to determine their own work schedule as long as they are present between certain hours of the day, work a certain amount of hours per week, or meet certain production quotas.

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**Funeral/Bereavement Leave** — Explains that the Company understands employees may need time to grieve in the event of the death of an immediate family member and the amount of time off the Company offers to employees who’ve suffered such a loss.

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**General Computer Use** — Explains the importance of safeguarding corporate information assets and the guidelines for Company computer use.

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**Injury & Illness Reporting** — Explains the importance of and expectation that employees will immediately report work-related injuries and illnesses to the Company.

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**Internal Transfer or Promotion** — Explains that movement and advancement within the Company is encouraged, employees may be transferred or promoted at times, and that moves within the Company may be management- or employee-initiated.

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**Job Postings** — Outlines the Company’s job posting process for open positions.

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**Jury Duty** — Explains that the Company will pay the difference between jury duty pay and regular wages for days that employees are unable to report to work due to jury duty, as long as the employee has been employed by the Company for at least 90 days prior.

**Lunch and Rest Periods** — Explains the amount of time allotted to employees for lunch breaks and rest periods. Also specifies that lunch breaks are unpaid.

**Media Relations** — Details the procedure for responding to media inquiries and explains who is authorized to provide statements to the media regarding Company business.

**Military Leave** — Explains that the Company provides military leave to service members and details that the employee will not be required to use vacation time for military duty (training or service), but if he or she chooses to, the full regular vacation pay will be received.

**Mission Statement** — Explains the Company's mission, details how superior employees are selected, and gives an overview of how the Company intends to fulfill its mission.

**Nondiscrimination of Applicants and Employees with Disabilities** — Details the Company's commitment to complying with applicable federal, state, and local laws governing reasonable accommodations, including but not limited to the Americans with Disabilities Act and the Pregnant Workers Fairness Act.

**Nursing Mothers** — Explains the Company's commitment to providing lactation accommodation to mothers returning to work following the birth of a child.

**Off-Hours Company Smartphone Use for Nonexempt Employees** — Explains requirements for off-hours use of employer-provided smartphones by nonexempt employees and why such use is not compensated.

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**Online Communication and Social Media** — Explains that employees must be careful to protect the Company’s reputation in their use of social networking sites.

**Open Door** — Explains that the Company encourages open communication between employees and management and that concerns should be reported so that a resolution may be agreed upon.

**Orientation Period** — Explains the orientation period (the first 90 days of employment) in which employees undergo training and are directed by their supervisors.

**Outside Employment** — Details the Company’s policy as it relates to outside employment.

**Overtime Pay** — Explains which employees are eligible to receive overtime pay and how employees are compensated, per applicable laws.

**Paid Holidays** — Details the Company’s paid holidays.

**Paid Time Off** – Details the amount of paid time off (PTO) that employees are eligible to earn each month, based on status (full or part time).

**Pay Periods & Check Distribution** – Explains when and how employees will be paid, including in the case of special circumstances like holidays or work absences.

**Performance Evaluation** — Explains that management will provide ongoing performance feedback to each employee, and may, at times, perform formal performance evaluations.

**Personnel Records** — Details the content that employee personnel files contain and the employee’s responsibility for keeping pertinent information up to date with the Company.

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**Use of Company Phones** — Explains that the Company provides phones to employees for business use and details appropriate use of Company phones.

**Recording Devices Prohibited** — Explains that the use of all types of recording devices (including camera phones) is prohibited on Company property or during working hours unless specifically permitted by the Company.

**References** — Explains the process for employment verifications or reference requests regarding current or former employees.

**Religious Observances** — Explains the respect that the Company has for the individual beliefs of all employees, and that, because of this respect, one day of paid leave is provided annually to employees who have religious obligations on days of operation.

**Remote Work/Telecommuting** — Details the Company's remote work policy, if applicable.

**Safe Harbor Policy for Exempt Employees** — Details the Company's practice to accurately compensate employees in accordance with all applicable federal and state laws.

**Safety** — Explains the Company's commitment to maintaining a safe and secure working environment and emphasizes the importance of reporting accidents promptly.

**Salary Advance** — Explains whether the Company may grant a salary advance to an employee in an emergency, as well as any stipulations.

**Separation from Employment** — Details the expected resignation process, such as providing two-week notice, and whether the company provides severance upon separation.

**Severe Weather** — Explains the Company's policy in the case of severe weather and the procedure for informing employees if the Company will be closed in such circumstances.

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**Sexual Harassment** — Explains that the Company will not tolerate sexual harassment and that the policy applies to all persons involved with the Company.

**Sick Time** — Details the definition of sick time, how it is accrued, and how employees should notify the Company if they will be absent due to illness or medical reasons.

**Smoke-Free Environment** — Explains that the Company is a smoke-free environment and that smokers must observe the same guidelines as nonsmokers regarding the frequency and length of break periods.

**Social Functions** — Sets the guidelines for employee behavior at Company social functions and gives examples of the types of social functions that may occur.

**Solicitations, Distributions, & Use of Bulletin Boards** — Explains that employees have the option of communicating with their coworkers about nonwork events, fundraisers, etc., through the use of Company bulletin boards.

**Standards of Conduct** — Provides employees with a list of examples of behaviors prohibited by the Company that will result in disciplinary action.

**Time Tracking** — Explains the requirement that employees accurately record and track their hours via the Company's preferred time-tracking method (online, timecards, etc.) and should not punch in or out for another employee.

**Time Off to Vote** — Explains that because the Company encourages all of its employees to vote, time off to vote is provided when the employee would otherwise not have enough time before or after work to do so.

**Vacation** — Details how vacation time is accrued, how employees should request to use their vacation time, and how multiple, simultaneous leave requests within a department will be handled.

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**Violence in the Workplace** — Makes clear the Company’s stance on violence; neither violence nor threats of violence will be tolerated.

**Weapons in the Workplace** — Explains the Company’s policy on employees (licensed or not) carrying or possessing weapons on Company property.

**Welcome and Purpose** — Introduces readers to the handbook and informs them that following handbook policies are a condition of employment but that the relationship is at-will.

**Workers’ Compensation** — Details the Company’s procedures regarding workers’ compensation and the necessary task employees must complete to ensure that the proper workers’ compensation is paid to them.

**Workplace Bullying** — Explains the Company’s goals of providing a safe and healthy work environment for all employees, and that, because of this, the Company prohibits bullying of all kinds.



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