



HUMAN RESOURCES ISN'T JUST FOR BIG COMPANIES

Laura J. Phillips, SPHR
The Hopkins Group, LLC
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Congratulations! You've started your new business – you're registered with the state, you have your tax ID number, someone's working on your website, and someone else is printing business cards and flyers.

Your business plan calls for a couple of employees to be hired, so you buy some applications at a nearby office supply store, place an ad in the local paper, and you're all set, right?

Wrong.

First of all, are those application forms legal? Just because the local office supply store sells them in pads of 50 doesn't mean they are legal. Does the application ask for a birth date? Does it ask if the applicant is a U.S. citizen? Those questions are no-no's.

What about your ad? What kind of qualifications do you mention? "Strong guy needed for landscaping company" is illegal. And please don't ask them to send a picture with their resume. Can you hire kids under eighteen? Do you have to send reports to anyone about whom you hire and when you hired them?

Do you know which government forms each employee must complete, even you? Or which laws must be clearly posted for your employees to see? Various government agencies impose fines for violating posting laws and for not having proper forms from your employees.

Unfortunately for small business owners, the number of employment-related laws and regulations is tremendous. There are laws that apply to companies with one or more employees, two or more, fifteen or more, and the number of laws increases with the number of employees. Some laws are at the state level and others are federal.

New laws are written constantly and it almost seems that the courts change the interpretations of every one of them on a daily basis. For instance, California enacted an Online Privacy Protection Act that went into effect July 1, 2004. If you operate a business and have a website that collects information about potential or real customers, then you are required to post your privacy policy and provide certain information to those consumers. This is a California law, but it affects any business that may have customers in that state.



The National Labor Relations Board (NLRB) is typically thought of only applying in union settings; however, some of its rulings affect non-unionized businesses. The NLRB has been vacillating on a key ruling for several years: in June the NLRB reversed themselves and decided that a non-union employee *cannot* have a co-worker of their choosing present during an employer's investigation. This is a big change for employers and employees.

Are your employees identified as exempt, non-exempt, or both? The Department of Labor has just issued new guidelines (for the first time in decades) concerning which positions can be paid by the hour (non-exempt) and which positions can be paid a salary (exempt). These regulations go into effect August 23, 2004 and existing companies will need to review their employees' job descriptions to ensure compliance. A DOL audit can require you to pay back pay, overtime, and fines immediately to employees who were incorrectly categorized.

Another example is the Americans with Disabilities Act (ADA) and the major revisions that are being published for the Accessibility Guidelines. These guidelines, published at the end of July, are expected to be adopted late 2004 or early 2005 and dictate accessibility in public and private facilities. Even though you might currently be in compliance, you soon may not be.

Please don't let any of this frighten you away from starting your dream business. You have ideas and a passion for something – that's why you're starting this business. Just remember that as you reach out for experts in banking, contracts, and finance, be sure to find professional expertise for your human resources solutions.

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