

**NETWORK OF COMMUNITY OPTIONS, INC.
PERSONNEL POLICIES**

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20 Welcome New Employee!

Welcome to Team NCO! On behalf of all of us here at Network of Community Options, Inc., I am happy to welcome you to the team!

We take great pride in the work we do at NCO and hope you will take great pride in the role in which you will be serving as well.

This handbook was developed to outline the expectations of our employees and to describe the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbooks as soon as possible, for it will answer many questions about employment with NCO.

We hope that you enjoy your employment journey with NCO, and again, welcome to the team!

Sincerely,

Lisa Pinkston
Executive Director

40 INTRODUCTORY STATEMENT

This handbook is designed to acquaint you with NCO and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by NCO to benefit employees. One of our objectives is to create a work environment that fosters both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As NCO continues to grow, the need may arise, and NCO reserves the right to revise, supplement, or rescind any policies or portions of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. Employees will, of course, be notified of such changes in the handbook as they occur.

101 NATURE OF EMPLOYMENT

Employment with NCO is entered into voluntarily, and the employee is free to resign at any time, with or without cause. Similarly, NCO may terminate the employment relationship at will at any time, with or without notice or cause.

Policies set forth in this handbook are not intended to create a contract. The provisions of the handbook have been developed at the discretion of the management, and except for its policy of employment-at-will, may be amended or cancelled at any time, at NCO's sole discretion.

These provisions will supersede all existing policies and practices and may not be amended or added to without the express written approval of the NCO Board.

The development and revision of this manual are the responsibility of the Executive Director or their designee and are subject to review by the NCO Board Policy Committee. Policy changes are subject to approval by the NCO Board of Directors.

Any salary figures provided to an employee in annual or monthly terms are stated for the sake of convenience or to facilitate comparisons and are not intended to and do not create an employment contract for any specific period.

Nothing in this statement is intended to interfere with, restrain, or prevent concerted activity as protected by the National Labor Relations Act (NLRA). Such activity includes employee communications regarding wages, hours, or other terms or conditions of employment. NCO employees have the right to engage in or refrain from such activities.

102 EMPLOYEE RELATIONS

NCO believes that the working conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about working conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with their supervisors, the work environment can flow smoothly, communication can be clear, and attitudes can be positive. We believe that NCO effectively demonstrates its commitment to employees by promptly responding to their concerns.

103 EQUAL EMPLOYMENT OPPORTUNITY

To provide equal employment opportunities and advancement opportunities to all individuals, employment decisions at NCO will be based on merit, qualifications, and abilities. NCO does not discriminate in employment opportunities or practices on the basis of race, color, religion, gender (including pregnancy), national origin, age, mental or physical disability, genetic characteristic, or any other characteristic protected by law.

NCO will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training. An employee who requires accommodation to perform the essential functions of their job should contact the Executive Director of Human Resources and request the necessary accommodation. An individual with a disability should specify the accommodation they need to perform the job. NCO will then identify barriers that prevent the employee from performing the job and possible accommodations, if any, that will help resolve the limitations. If the accommodation is reasonable and will not impose an undue hardship, NCO will make the accommodation.

In addition to a commitment to provide equal employment opportunities to all qualified individuals, NCO has established an affirmative action program to promote opportunities for all individuals in certain protected classes throughout the organization.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, the Executive Human Resources Director, or the Executive Director. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

105 HIRING OF RELATIVES

The employment of relatives in the same area of an organization can cause serious conflicts and problems, including favoritism and issues with employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

Relatives of persons currently employed by NCO may be hired only if they will not be working directly for or supervising a relative. NCO employees cannot be transferred into such a reporting relationship.

If the relative relationship is established after employment, the individuals concerned will decide who is to be transferred. If that decision is not made within 30 calendar days, management will make the decision.

In other cases where a conflict or potential conflict arises, even if no supervisory relationship is involved, the parties may be separated by reassignment or termination of employment.

For the purposes of this policy, relatives are defined to include spouses, parents, children, brothers, and sisters, brothers-in-law and sisters-in-law, fathers-in-law and mothers-in-law, stepparents, stepbrothers, stepsisters, and stepchildren. This policy also applies to individuals who are not legally related but who reside with another employee.

106 EMPLOYEE MEDICAL EXAMINATIONS

To help ensure that employees can perform their duties safely, medical examinations may be required. Any such medical examination shall be provided by NCO at no cost to the employee, and a copy of the report of the medical examination shall be provided at no cost to the employee on the employee's written request.

Information regarding an employee's medical condition or history will be kept separate from other employee information and maintained in a confidential manner. Access to this information will be limited to those who have a legitimate need to know.

107 IMMIGRATION LAW COMPLIANCE

In compliance with the Immigration Reform and Control Act of 1986 (“IRCA”) and any other applicable federal, state, or local laws, NCO is committed to:

- Employing only those who are authorized to work in the US.
- Not discriminate on the basis of national origin or citizenship in hiring, recruiting, or terminating employees.
-

Every NCO employee must adhere to all aspects of this policy. Failure to comply with IRCA may subject NCO and any responsible individuals to civil monetary or criminal penalties.

In compliance with ICRA, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 no later than the first day of employment and must present acceptable documents authorized by U.S. Citizenship and Immigration Services proving identity and employment authorization no later than the third day after starting employment with NCO.

The I-9 employment eligibility verification process must be completed for each new employee within the specified timeframe. There are no exceptions to this requirement. Employees who fail to complete the process within the required timeframe will be terminated immediately.

Former employees who are rehired must complete the form if they have not completed an I-9 with NCO within the past three years, or if their previous I-9 is no longer retained or is no longer valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Executive Director of Human Resources. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

108 CONFLICTS OF INTEREST

Employees have an obligation to conduct business within the guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which NCO wishes the business to operate. The purpose of these guidelines is to provide general direction, allowing employees to seek further clarification on issues related to acceptable standards of operation. Contact the Executive Director for more information or to address any questions about conflicts of interest.

Transactions with outside firms must be conducted within the framework established and controlled by the executive level of NCO. Business dealings with outside firms should not result in unusual gains for those firms. Unusual gain refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both. Promotional plans that could reasonably be interpreted to involve unusual gain require specific executive-level approval.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of NCO's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

The mere existence of a relationship with outside firms does not, by itself, create a conflict of interest. However, if an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that they disclose to an officer of NCO, as soon as possible, the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties. NCO reserves the right to determine what constitutes a conflict of interest.

Personal gain may result not only in cases where an employee or relative has significant ownership in a firm with which NCO does business, but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealing involving NCO.

The materials, products, designs, plans, and data of NCO are the property of NCO and should never be given to an outside firm or individual except through normal channels and with appropriate authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, constitutes unacceptable conduct. Any employee who participates in such a practice will be subject to disciplinary action, up to and including possible termination of employment and legal action.

109 POLICY FOR EDUCATION CONCERNING FALSE CLAIMS LIABILITY, ANTI-RETALIATION PROTECTIONS, AND DETECTING AND RESPONDING TO FRAUD, WASTE, AND ABUSE

The purpose of this policy is to ensure compliance with all applicable Federal and State Laws/regulations regarding the education of false claims recovery to employees. NCO encourages its employees to report improper activities in the workplace and will protect employees from retaliation for making any such report in good faith.

Employee/whistleblower rights:

Employees have the right to report, without suffering retaliation, any activity by NCO or any of our employees that the employee reasonably believes: 1) violates any state or federal law; 2) violates or amounts to noncompliance with a state or federal rule or regulation; or 3) violates fiduciary responsibilities by a nonprofit corporation. Applicable laws and regulations include: Federal and State False Claims Acts, including reporting violations of federal and state law; the federal Program Fraud Civil Remedies Act; similar applicable state laws; administrative remedies; and applicable whistleblower protections, pursuant to § 1902(a) of the Social Security Act, as amended by Section 6032 of the Deficit Reduction Act of 2005, and Arkansas Medicaid Provider Manual § 142.800.

Additionally, employees may refuse to participate in an activity that would result in a violation of state or federal statutes, or a violation or noncompliance with a state or federal rule or regulation.

Employees are also protected from retaliation for exercising any of these rights in any previous employment. The whistleblower protection laws do not entitle employees to violate a confidential privilege of NCO (such as the attorney-client privilege) or improperly disclose trade-secret information.

False Claims laws and related laws

False claims laws are intended to prevent fraud, waste, and abuse in government health care programs by (1) permitting the government to bring civil lawsuits to recover damages and penalties against providers that submit false or fraudulent claims and, in certain circumstances, (2) permitting private persons, including current or former employees of providers, to bring legal actions against the providers on the government's behalf. There is a federal False Claims Act, and Arkansas has adopted a similar False Claims Act and a Medicaid antifraud statute that is intended to prevent and deter the submission of false or fraudulent claims to the Arkansas Medicaid program.

Federal False Claims laws

The Federal False Claims Act imposes civil penalties (and in some cases, criminal penalties on people and entities who knowingly submit a false claim or act in deliberate ignorance of the claim's truth or conspired to defraud the government by having a false or fraudulent claim paid. The

Federal False Claims Act defines a “false claim” to include (a) knowingly present, or cause to be presented, a false or fraudulent claim for payment or approval; (b) knowingly making, using, or causing to be made or used, a false record or statement material to a false or fraudulent claim; (c) conspiring to commit a violation of the Act; (d) having possession, custody, or control of property or money used, or to be used, by the Government and knowingly deliver, or cause to be delivered, less than all of that money or property; (e) authorizing to make or deliver a document certifying receipt of property used, or to be used, by the Government and, intending to defraud the Government, making or delivering the receipt without completely knowing that the information on the receipt is true; (f) knowingly buying, or receiving as a pledge of an obligation or debt, public property from an officer or employee of the Government, or a member of the Armed Forces, who lawfully may not sell or pledge property; or (g) knowingly making, using, or causing to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the Government.

The Federal False Claims Act also creates administrative remedies in the form of civil penalties against any person who makes, or causes someone else to make, a false claim or false statement. The Federal False Claims Act creates civil penalties in an amount not less than \$5,000 and not more than \$10,000, as adjusted by the Federal Civil Penalties Inflation Adjustment Act of 1990, plus 3 times the amount of damages which the government sustains because of each false claim or statement. A “false claim” (for purposes of federal civil remedies) is defined as a claim that the person knows, or has reason to know, is false; includes or is supported by any written statement which asserts a material fact which is false; includes or is supported by any written statement that omits a material fact; is false as a result of such omission; and is a statement in which the person making such statement has a duty to include such material fact; or is for payment for the provision of property or services which the person has not provided as claimed.

A “false statement” is defined as a statement that the person knows or has reason to know: asserts a material fact which is false; or omits a material fact that makes the statement false.

The Federal False Claims Act includes an important provision that allows private citizens to initiate a lawsuit on behalf of the federal government and request the government to join in the suit. In return, that citizen may share a percentage of any recovery or settlements. This type of lawsuit is known as a qui tam and the individual is considered a whistleblower who brings forth evidence of the alleged improper conduct.

The Federal False Claims Act also contains a provision that protects a whistleblower from retaliation by his or her employer. This applies to any employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against in his or her employment as a result of the employee’s lawful acts in furtherance of a false claims action. The whistleblower may bring an action in the appropriate federal district court and is entitled to reinstatement with the same seniority status, two times the amount of back pay, interest on the back pay, and compensation for

any special damages as a result of the discrimination, such as litigation costs and reasonable attorney's fees.

The Federal False Claims Act applies to billing and claims sent from NCO to any government payer program, including Medicaid.

Similarly, The Program Fraud Civil Remedies Act of 1986, 31 U.S.C. §§ 3801, *et seq.* (PFCRA), addresses smaller cases that the Department of Justice does not select for enforcement litigation. Under the PFCRA, federal agencies may pursue administrative procedures and remedies for both false statements and false claims with alleged liability of \$150,000 or less.

Another type of unlawful conduct relates to kickbacks, which are prohibited by the federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b. The Anti-Kickback Statute prohibits anyone from soliciting, receiving, or accepting, whether directly or indirectly, any kickback, bribe, rebate, or other kind of payment in exchange for referring a person for services that are submitted to a federal program for payment. The Anti-Kickback Statute applies to monetary payments as well as discounted products, bundled services, compensation in kind, and other reciprocal arrangements. The statute creates both civil and criminal penalties, including fines up to \$100,000 and imprisonment up to ten years in federal prison, for violations.

Arkansas False Claims laws

Arkansas has adopted a generally applicable Medicaid anti-fraud statute that is intended to prevent the submission of false and fraudulent claims to the Arkansas Medicaid program. The Arkansas Medicaid Fraud False Claims Act (AMFFCA) is a civil statute that helps the state identify fraud and recover losses resulting from fraud in the Arkansas Medicaid program. Violations of the AMFFCA include, but are not limited to the following: (1) knowingly making false statements of concealing relevant knowledge related to any benefit or payment under the Medicaid program or the condition of an entity in relation to eligibility for participation in the Medicaid program; (2) knowingly soliciting, giving or receiving any remuneration in exchange for referrals or recommendations; (3) knowingly charging in excess of the established rates or requiring additional payment as a condition of admission or continued stay; and (4) knowingly participating in the Medicaid program after having been found guilty or pleading guilty or no contest to a Medicaid fraud charge, theft of public benefits, or abuse of adults or employing a person who has abused adults. Penalties of actual damages plus a fine of \$5,000 to \$10,000 per claim and travel damages may be imposed for AMFFCA violations. A violator may also be suspended from Medicaid or have its provider agreement revoked.

Additionally, Arkansas has a criminal statute, the Arkansas Medicaid Fraud Act (AMFA), which provides for criminal penalties in cases of Medicaid fraud. Penalties for full restitution, a mandatory fine of three times the total amount of the false claims, and a fine of up to \$3,000 per claim may be imposed. A violator may also be suspended from Medicaid or have its provider agreement revoked. Violation of the AMFA is also a Class A misdemeanor if the amount of false

claims violation is under \$200, a Class C felony if the amount is between \$200 and \$2,500, and a Class B felony if the amount is over \$2,500. The AMFA also prohibits participation in the Medicaid program after receiving a conviction for a Medicaid fraud charge.

The AMFFCA and AMFA do not contain whistleblower protections or provisions that allow individuals with original information concerning fraud to file a lawsuit on behalf of the state. However, the AMFFCA and AMFA protect individuals who provide records to the state from civil or criminal liability. Both statutes also allow individuals who report fraud to the Attorney General to receive a percentage of the total amount recovered. Violations of the AMFFCA and AMFA are investigated by the Attorney General.

Arkansas anti-solicitation regulations

The Arkansas Department of Human Services Division of Medical Services has also promulgated certain regulations that govern licensed Community Support System Providers (“CSSP”), including NCO. Under the regulations, a CSSP “cannot solicit a beneficiary or his or his family.” 016-27-001 Ark. Code R. § 306(b). Solicitation includes the initiation of contact with a beneficiary or his or his family by a CSSP when the beneficiary is currently receiving services from another provider and the CSSP is attempting to convince the beneficiary or his or his family to switch to or otherwise use the services of the CSSP that initiated the contact. 016-27-001 Ark. Code R. § 103(cc)(1).

Prohibited solicitation also includes contacting the family of a beneficiary that is currently receiving services from another provider; offering money to a beneficiary or his or her family; offering free goods or services not available to other similarly situated beneficiaries or their families; and any other activity that may be reasonably determined to be solicitation. 016-27-001 Ark. Code R. § 103(cc)(2)(A)–(C), (G).

Where to report:

Employees have a duty to comply with all applicable laws and to assist NCO in ensuring legal compliance. An employee who suspects a problem with legal compliance is required to report the situation(s) to the Executive Director or Chair of the Board of Directors if the complaint involves the Executive Director.

Employees may also report information regarding possible unlawful activity to an appropriate government or law enforcement agency.

Protection from retaliation:

Any employee who believes that they have been retaliated against for whistleblowing may file a complaint with the Chair of the Board of Directors.

Education and Training: This False Claims Policy shall be made available in both electronic and paper formats and circulated to all employees, contractors, and

All NCO employees receive interactive training on the Federal and State False Claims Acts, as well as this policy, during new employee orientation and annual policy training sessions. This training includes information on the differences between fraud, waste, and abuse; an overview of the Medicaid program and how it impacts NCO; definitions and examples of Medicaid fraud and illegal Medicaid participation under federal and state law; identifying, mitigating, and avoiding high-risk activities and relationships that involve fraud, waste, or abuse; and the ramifications of noncompliance with applicable federal and state laws. Additionally, whistleblower laws and procedures are highlighted and reviewed, and questions concerning fraud, waste, abuse and whistleblower protections are answered.

This policy is available in both paper and electronic formats to all employees, contractors, and agents, and can be obtained from the Human Resources Department. This policy is also available as part of the NCO employee handbook.

110 DIRECT CARE EMPLOYMENT REQUIREMENTS

Direct care staff with periodic responsibility of providing direct care services to individuals served by NCO must:

1. Meet current liability insurance requirements,
2. Possess a valid current Arkansas driver's license,
3. Meet state and federal wage and hour, health, and/or licensure requirements and have required certificates, and
4. Meet First Aid/CPR and other training requirements as per state guidelines.

111 OUTSIDE EMPLOYMENT

An employee may hold a job with another organization as long as they satisfactorily perform their job responsibilities with NCO. All employees will be judged by the same performance standards and will be subject to NCO's scheduling demands, regardless of any existing outside work requirements.

If NCO determines that an employee's outside work interferes with job performance or the ability to meet the requirements of NCO as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with NCO.

Outside employment is prohibited where it creates a conflict of interest or otherwise has an adverse impact on NCO.

112 NON-DISCLOSURE

The protection of confidential information about individuals served and confidential business records is of vital interest to the success of NCO. Such confidential information includes, but is not limited to, the following examples:

1. All files containing information about individuals served by NCO.
2. All personnel files.
3. All medical records relating to personnel.
4. Other information designated by NCO as “confidential”.

All employees will be required to sign a non-disclosure and non-compete agreement as a condition of employment. Any employee who discloses confidential information about individuals served or confidential business information will be subject to disciplinary action, up to and including possible termination of employment and legal action.

NCO is not a covered entity as defined by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”); however, we maintain healthcare and related information that is subject to HIPAA requirements. Thus, NCO has made a decision that HIPAA privacy and security provisions will apply to protected health information (PHI) maintained by NCO.

HIPAA regulations will be followed in administrative activities undertaken by assigned personnel when they involve PHI in any of the following circumstances: health information privacy, health information security, and health information electronic transmission. NCO will consider any breaches in the privacy and confidentiality of handling of PHI to be serious, and disciplinary action will be taken in accordance with this handbook.

Questions regarding these policy provisions should be addressed to the Executive Human Resources Director. NCO records that are governed by this policy will be maintained for a period of no less than six years, and, when the maximum retention period has passed, the records will be subject to NCO’s record retention policy.

113 GINA / GIWA

NCO complies with the federal Genetics Information Nondiscrimination Act of 2008 (GINA) and the Arkansas Genetic Information in the Workplace Act (GIWA), Ark. Code Ann. §§ 11-5-401 to 11-5-405. GINA and GIWA prohibit employers and other entities covered by these laws from requesting or requiring the disclosure of genetic information of an employee or family member of an employee, except as specifically allowed by this law.

“Genetic information,” as defined by GINA, includes:

- an individual’s family medical history;
- the results of an individual’s or family member’s genetic tests;
- the fact that an individual or an individual’s family member sought or received genetic services; and
- genetic information of a fetus carried by an individual or an individual’s family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

To comply with these laws, employees should not directly or indirectly disclose any genetic information to NCO at any time.

Family medical history may be provided, however, regarding an employee’s family member where the employee is requesting or taking leave under federal or state leave laws or NCO policy to care for the family member with a serious health condition.

201 EMPLOYMENT CATEGORIES

It is the intent of NCO to define employment classifications in compliance with applicable federal and state law so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment or benefits for any specified period of time. Accordingly, both the employee and NCO retain the right to terminate the employment relationship at will at any time.

Exempt Employees. Employees designated as exempt are paid a fixed salary and are not entitled to overtime pay. While exempt employees are expected to adhere to regular schedules to ensure effective workflow, the number of hours actually worked in a given week may vary. An exempt employee is paid a salary that does not, except in limited circumstances authorized by law, change based on the number of hours worked. Exempt employees are always paid in full-day increments, although they must use the appropriate paid leave, if available, for absences of more than two hours for personal reasons.

Nonexempt Employees. Employees designated as nonexempt are entitled to overtime pay at a rate of 1.5 times their regular rate of pay for all hours worked over 40 in a workweek, as required by applicable federal and state law. Nonexempt employees are required to record all hours worked, including any hours worked outside of their normal schedule. For more information, please see NCO's timekeeping policy.

Nonexempt employees must have permission from their supervisor before working overtime. For more information, please see NCO's overtime policy.

An employee's nonexempt or exempt classification may be changed only upon written permission from NCO.

NCO also assigns each employee to one of the following categories:

REGULAR FULL-TIME employees are those who are not in a temporary or introductory status and who are regularly scheduled to work NCO's full-time schedule. Generally, they are eligible for NCO's benefit package, subject to the terms, conditions, and limitations of each benefit program.

PART-TIME employees are those who are hired as interim replacements, to temporarily supplement the work force or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of NCO's provided benefits programs.

PER DIEM employees are those who routinely work full-time or part-time and who accept additional compensation in lieu of participation in all but legally mandated benefit programs. NCO offers this category in a limited classification and to a limited number of employees. Service in this category cannot be credited in any way towards any benefit program, even if the employee is later assigned to a benefit-eligible category. A change to or from this category can be accomplished only with the written consent of NCO.

CASUAL employees are those who have established an employment relationship with NCO but who are assigned to work on an intermittent and/or unpredictable basis. While they receive all legally mandated benefits, such as workers' compensation insurance and Social Security, they are ineligible for all other NCO benefit programs.

202 ACCESS TO PERSONNEL FILES

NCO maintains a personnel file on each employee. The personnel file contains information such as the employee's job application, resume, documentation of performance appraisals, salary increases, and other relevant employment records.

Personnel files are the property of NCO, and access to the information they contain is restricted. In general, only supervisors and management personnel of NCO who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file should contact the Executive Director of Human Resources in writing. With reasonable advance notice, employees may review their own personnel files in NCO's offices and in the presence of Human Resources Staff.

It is up to the discretion of NCO as to whether or not current or former employees may obtain copies of documents within their personnel/training/medical files. The cost per copy is \$0.35 per page for current and former employees.

Access sheets will be kept in front of each file to be signed, dated, and with the purpose entered by those seeking access to the file.

Information on an employee's medical condition or history, as well as training documentation, will be kept separately from the personnel files but will meet the same level of confidentiality as the personnel files.

203 EMPLOYMENT REFERENCE CHECKS

To ensure that individuals who join NCO are well-qualified and have a strong potential for productivity and success, it is the policy of NCO to verify the employment references of all applicants.

The Executive Director of Human Resources, or their designee, will respond to all reference check inquiries from other employers regarding former NCO employees, provided the former employee has given their written consent. Responses to such inquiries, as a rule, will only address the length, date, and duration of employment, job title, and re-hire status eligibility for rehire.

204 PERSONNEL DATA CHANGES

It is the sole responsibility of each employee to promptly notify NCO of any changes to their personnel data. Personal mailing addresses, cell phone/telephone numbers, email addresses, names and numbers of dependents, emergency contact information, educational and training accomplishments, and other relevant status reports should be kept current at all times. If any personnel data has changed, notify the Human Resources Department.

205 INTRODUCTORY PERIOD

The introductory period is designed to enable new employees to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. NCO uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or NCO may end the employment relationship at will at any time, during or after the introductory period, with or without cause, and without advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. Any significant absence will automatically extend the introductory period by the length of the absence. If NCO determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

During the introductory period, new employees are not eligible to receive promotions or raises as they are not yet in the "regular" employment classification.

Upon satisfactory completion of the introductory period, employees enter the "regular" employment classification.

206 STAFF DEVELOPMENT AND TRAINING REQUIREMENTS

Each employee will be required to complete all training and staff development mandated by state or federal law, licensure requirements, regulations, and as specified by NCO. Employees will receive paid compensation during the orientation process, at a rate of pay that equals, at minimum, the current minimum wage. Whenever possible, this orientation will be completed during normal working hours. However, on occasion, as dictated by conflicting work schedules, training and/or staff development may be conducted outside of normal work hours.

207 JOB DESCRIPTIONS

NCO requires a written job description that describes the duties, responsibilities, and qualifications of each staff position.

Each job description will:

1. Identify the immediate supervisor and personnel to be supervised by the position title.
2. Be written in terms of tasks and responsibilities.
3. Contain a description of training and experience that would be acceptable indicators of knowledge, skills, and abilities.
4. Be available to the public upon request.
5. Be placed in each personnel file and be signed and dated by the employee, and the direct supervisor or designee.
6. Be reviewed or updated annually at evaluation time with the input of the employee.

208 EMPLOYMENT APPLICATIONS

NCO relies on the accuracy of the information contained in employment applications, as well as the accuracy of other data presented throughout the hiring process and during employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in NCO's exclusion of the individual from further consideration for employment, or if the person has been hired, termination of employment.

The employment application will be completed by the applicant prior to employment. The current application form requirements, which NCO may change at any time, include:

1. Qualifications and experience for the position sought.
2. References with a signed reference check release.
3. Prior conviction statement.
4. Declaration of truth statement.
5. Emergency contact information.

209 PERFORMANCE EVALUATION

Supervisors and employees are strongly encouraged to discuss job performance and goals on a day-to-day, regular basis. A formal written performance evaluation will be conducted at the end of an employee's initial twelve (12) months of hire. Additional formal performance reviews are conducted to provide supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

Performance evaluations are scheduled approximately every twelve (12) months, coinciding generally with the anniversary of the employee's original date of hire. The results of the annual performance evaluations will be communicated in writing to the employee and placed in the personnel file. The evaluations must be signed and dated by the supervisor or designee listed on the job description and by the employee.

NCOs award merit-based pay adjustments to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the information documented by this formal performance evaluation process. Increases are not guaranteed, as they depend on various factors, including the availability of NCO funding.

301 EMPLOYEE BENEFITS

Eligible employees at NCO are provided a wide range of benefits. Several of the programs (such as Social Security, workers' compensation, disability, and unemployment insurance) cover all employees in the manner prescribed by law.

This handbook provides brief summaries of the key features of the benefits program, but does not restate all of the features of these benefit programs. Additional terms, conditions, and limitations regarding program eligibility and benefit entitlement often exist. For that reason, every employee should consult the official plan documents for complete information regarding each benefit program. In the event of an actual or apparent conflict between the benefit summaries outlined in the handbook and the terms of the plan documents, the provisions of the official plan documents shall prevail.

Per the requirements under the Affordable Care Act (ACA), as of April 2015, employees who work 30 or more hours consistently per week will be eligible to participate in NCO employee health care plan. To be able to participate in the full benefits plan, i.e., paid time off, etc., an employee must work a consistent 35 hours per week

In addition, while it is NCO's present intention to continue these benefits, NCO reserves the right to modify, curtail, reduce, or eliminate any benefit, in whole or in part. We recognize our responsibility to provide you with reasonable notice of all material changes that may affect you.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. Details of many programs can be found elsewhere in the employee handbook.

The following benefit programs are available to eligible employees:

- Auto Mileage
- Employee Health Program
- Flextime Scheduling
- Holidays
- Jury Duty Leave
- Life Insurance
- Major Medical Insurance
- Medical Insurance
- Pension Plan
- Tax-Sheltered Annuities
- Travel Allowances
- Paid Time Off

Some benefit programs require contributions from employees, but most are fully paid by NCO. The benefit package for regular full-time employees represents an additional cost to NCO of approximately 34 percent of the wages.

303 PAID TIME OFF BENEFITS

Paid time off is available to eligible employees, providing opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classification(s) are eligible to accrue and use paid time off as described in this policy.

Regular full-time employees (35+ hours per week)

The amount of paid time off employees receive each year increases with the length of their employment as shown in the following schedule. Accrual hours calculations are based on a 40-hour work week per pay period:

<u>Years of Service:</u>	<u>Accumulation per Pay Period:</u>	<u>Annual Cap:</u>
0 – 1 Year	4.0 Hours	N/A
1 – 2 Years	6.0 Hours	400 Hours
3 – 4 Years	7.0 Hours	440 Hours
5+ Years	8.0 Hours	500 Hours

Please refer to NCO’s paid time off policy for further details.

304 CHILDCARE BENEFITS

NCO provides childcare assistance to all eligible employees as a benefit of employment. Eligible employee classifications are:

All employees

Below is a brief description of childcare assistance that may be provided, when feasible. For more detailed information, please contact the Executive Director of Human Resources.

1. **FLEXTIME SCHEDULING:** Employees may request the opportunity to vary their work schedules (within employer-defined limits) to better accommodate childcare responsibilities.
2. **CHILDCARE CENTER:** Employees may request childcare at agency-owned childcare center(s) at the employee's own expense.

305 HOLIDAYS

NCO will grant holiday time off to all full-time employees on the holidays listed below.

- New Year's Day (January 1st)
- Good Friday (Friday before Easter)
- Memorial Day (Last Monday in May)
- Independence Day (July 4th)
- Labor Day (First Monday in September)
- Veterans Day (November 11th)
- Thanksgiving Day (4th Thursday in November)
- Day after Thanksgiving
- Christmas Eve (December 24th)
- Christmas Day (December 25th)
- New Year's Eve (December 31st)

NCO reserves the right to designate the days that will be recognized as paid holidays in lieu of the day on which the holiday may occur. In the event a day other than the actual holiday is designated, this change will be communicated to employees as far in advance as possible.

Eligible Employee Classification

Regular full-time employees

Due to residential scheduling requirements, direct care staff will observe different non-working days as specified in their schedules.

According to applicable restrictions, NCO will grant paid holiday time off to all eligible, nonexempt employees immediately upon assignment to an eligible employment classification. Holiday pay will be calculated based on the employee's straight-time pay (as of the date of the holiday) multiplied by the number of hours in the employee's regularly scheduled shift.

306 WORKERS' COMPENSATION

NCO provides a workers' compensation insurance program at no cost to employees. Workers' compensation coverage will pay for reasonably necessary medical care needed if you get hurt or get sick because of an injury on the job. However, you must immediately report a work-related accident, no matter how minor. Your failure to immediately report a work-related accident or to cooperate with NCO and its workers' compensation carrier may delay or terminate your workers' compensation benefits.

Workers' compensation coverage will also replace part of your lost wages if your doctor says you must be off work for a certain length of time because of a work-related injury or illness. NCO or its workers' compensation insurance carrier has the right to choose the doctor who will treat you.

You must:

- Complete all workers' compensation forms in a timely manner.
- Keep all appointments.
- Report all the earnings you receive after your injury to the workers' compensation carrier.
- Receive approval from the workers' compensation claims handler before receiving treatment. If you are not satisfied with the doctor first assigned, ask your claims handler or carrier to approve another doctor.
- Return to work as soon as the doctor says you are able.

Please refer to the Workers' Compensation Notice and Instructions to Employers and Employees Form P, which is posted in NCO's workplace locations, for additional information and instructions.

Neither NCO nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by NCO.

307 LEAVE BENEFITS

NCO provides paid time off and unpaid medical leave (FMLA) for all eligible employees for periods of temporary absence due to illnesses or injuries. Eligible employee classification(s):

Regular full-time employees (35 + hours a week)

Please refer to NCO's specific leave policies for further details.

308 VOTING LEAVE

NCO encourages employees to fulfill their civic responsibilities by participating in the electoral process. Employees may take up to two (2) hours of leave to vote in general or special elections.

Leave under this policy is [unpaid]. Employees may choose to use available accrued but unused paid time off in lieu of unpaid leave.

Employees must request leave under this policy from their supervisor at least two working days prior to Election Day before taking time off to vote. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift; whichever provides the least disruption to the normal work schedule.

Employees are not required to furnish NCO with proof of voting.

310 JURY DUTY LEAVE

NCO encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees in an eligible classification may request up to one week of paid jury duty leave over any one-year period. For any additional days within a one-year period, time off will be unpaid. Employees may opt to use any available accrued, unused paid time off in place of unpaid leave. Paid time off will continue to accrue during unpaid leave for jury duty.

Jury duty pay will be calculated as the employee's base pay rate multiplied by the number of hours the employee would have otherwise worked on the day of the absence. Employee classification(s) that qualify for paid jury duty leave:

Regular full-time employees (35 + hours a week)

If you receive a jury summons, you must inform your supervisor as soon as possible to plan for a leave of absence. NCO reserves the right to require employees to provide proof of jury duty service to the extent authorized by law.

You are expected to return to work if you are excused from jury duty during regular working hours or released from jury duty earlier than expected.

Either NCO or the employee may request an excuse from jury duty if, in NCO's judgment, the employee's absence would create serious operational difficulties.

NCO will continue to provide health insurance benefits for the full term of an employee's jury duty leave.

312 WITNESS DUTY LEAVE

NCO acknowledges that, on occasion, employees may have a legal obligation to participate in proceedings as a witness. NCO authorizes leave to attend those proceedings under the circumstances described in this policy.

If you are required to attend a legal proceeding because you have been issued a subpoena, you must inform your supervisor upon receipt of the subpoena and provide proof of same to plan for a leave of absence.

Employees who must attend a legal proceeding pursuant to a subpoena issued by NCO will receive regular pay and, if applicable, overtime pay for the entire period of leave.

Employees who must attend a legal proceeding pursuant to a subpoena issued by any party other than NCO will be granted unpaid time off. Employees may elect to use any available, accrued, unused paid time off in place of unpaid leave. NCO reserves the right to require employees to provide proof of the need to attend the proceedings to the extent authorized by law.

You are expected to return to work if you are excused from the legal proceedings during regular working hours or released from the proceeding earlier than expected.

This policy does not extend leave to employees seeking leave because they or their family members are a party to legal proceedings.

313 BENEFITS CONTINUATION (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under NCO's health plan when a "qualifying event" would normally result in the loss of employment-based health insurance for a prescribed period, usually 18 months. In certain circumstances, such as an employee's divorce or death, the coverage period may be extended for qualified dependents. COBRA coverage is not extended to employees terminated for gross misconduct.

Some common qualifying events are resignation, termination of employment (other than for gross misconduct), or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; an employee's entitlement to Medicare; and a dependent child's loss of dependent status.

If a former employee chooses to continue group benefits under COBRA, they must pay the total applicable premium plus a 2% administrative fee. Coverage will cease if the former employee fails to make premium payments as scheduled, becomes covered by another group plan that does not exclude pre-existing conditions, or becomes eligible for Medicare.

Under the Uniformed Services Employment and Reemployment Rights Act, an employee who is out on a military leave of absence will retain their health insurance coverage for the first 31 days of uniformed service. Employees out on military leaves of absence that extend beyond the 31 days will be eligible for COBRA benefits for up to 24 months.

NCO provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under NCO's health insurance plan. The notice contains important information about the employee's rights and obligations. For additional information or questions regarding COBRA, employees should contact the Human Resources Department.

401 TIMEKEEPING

To ensure that NCO has complete and accurate time records and that employees are paid for all hours worked, it is the responsibility of every nonexempt employee to accurately record the time worked. Federal and state laws require NCO to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked refers to the actual time spent on the job performing assigned duties.

On a daily basis, nonexempt employees should accurately record the time they begin and end their work, as well as all time away from work, including the start and end times of each meal period. They should also record the beginning and end of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Employees must report corrections to their time entries as soon as possible using NCO's employee time clock system. Altering, falsifying, or tampering with time records or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

It is the employee's responsibility to verify his or her time record to certify the accuracy of all time recorded. The supervisor will review and verify the time record before submitting it for payroll processing. In addition, if corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by initialing the time record.

403 PAYDAYS

Payroll distribution is conducted every other Friday. Each paycheck will include a pay stub reflecting earnings for all work performed and documented by the end of the present payroll period.

Employees will have their pay directly deposited into their bank account upon advance written authorization to NCO. Upon request, employees may receive an itemized statement of wages when NCO makes direct deposits.

If you do not receive your direct deposit or paycheck, notify the Human Resources Department immediately. Employees should review their paychecks and the attached pay stubs for errors. If you find a possible error, report it to the Human Resources Department immediately. NCO will correct any errors, including any under- or overpayment, as soon as possible.

405 EMPLOYMENT TERMINATION

RESIGNATION: Voluntary employment termination initiated by an employee.

DISCHARGE: Involuntary employment termination initiated by the organization.

LAYOFF: Involuntary employment termination initiated by the organization for non-disciplinary reasons.

NCO typically schedules exit interviews at the time of termination. The exit interview will provide an opportunity to discuss issues such as employee benefits, conversation privileges, repayment of outstanding debts to NCO, or return of NCO-owned property. Suggestions, complaints, and questions can also be voiced.

Since employment with NCO is based on mutual consent, both the employee and NCO have the right to terminate employment at will, with or without cause, at any time. Employees will receive their final pay within 7 days of the scheduled pay date for their final dates of service.

Employee benefits will be affected by employment termination in the following manner:

- All accrued, vested benefits that are due and payable at termination will be paid.
- Some benefits may be continued at the employee's expense if the employee chooses.
- The employee will be notified in writing of the benefits that may be continued and the terms, conditions, and limitations of such continuance.

407 SEVERANCE PAY

NCO does not grant severance pay to employees whose employment is terminated. However, NCO reserves the right to make exceptions to this policy at its sole discretion.

408 PAY ADVANCES

Neither pay advances nor extensions of credit on unearned wages will be provided to employees.

409 ADMINISTRATIVE PAY CORRECTIONS

NCO takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that all employees are paid promptly on the scheduled payday.

In the unlikely event that an error occurs in the amount of pay, the employee should promptly bring the discrepancy to the attention of their Direct Supervisor so that corrections can be made as quickly as possible. Once underpayments are identified, they will be corrected in the next regular paycheck, unless doing so would present an undue burden to the employer.

Overpayments will also be corrected in the next regular paycheck unless this presents a burden to the employee (where there is a substantial amount owed). In that case, NCO will attempt to arrange a repayment schedule with the employee to minimize inconvenience to all parties involved.

NCO does not make improper deductions from the salaries of exempt employees and complies with the salary basis requirements of the Fair Labor Standards Act (FLSA). Employees classified as exempt from the overtime pay requirements of the FLSA will be notified of this classification at the time of hire or a change in position.

Permitted deductions. The FLSA limits the types of deductions that may be made from the pay of an exempt employee. Deductions that are permitted include:

- Deductions that are required by law, e.g., income taxes.
- Deductions for employee benefits when authorized by the employee.
- Absence from work for 1 or more full days for personal reasons other than sickness or disability.
- Absence from work for 1 or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy, or practice of providing compensation for salary lost due to illness.
- Offset for amounts received as witness or jury fees or for military pay.
- Unpaid disciplinary suspensions of 1 or more full days imposed in good faith for workplace conduct rule infractions; *and*
- Any full work week in which the employee does not perform any work.

During the week an exempt employee begins work for the company or during the last week of employment, the employee will only be paid for actual hours worked. In addition, an employee may be paid only for hours worked during a period when the employee is using unpaid leave under the Family and Medical Leave Act (FMLA).

Improper deductions. If an employee classified as exempt believes that an improper deduction has been taken from the employee's pay, the employee should immediately report the deduction to the HR department. The report will be promptly investigated, and if it is found that an improper deduction has been made, the company will reimburse the employee for the improper deduction.

410 PAY DEDUCTIONS AND SETOFFS

The law requires that NCO make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. NCO also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." NCO matches the amount of Social Security taxes paid by each employee.

NCO offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Pay setoffs are pay deductions made by NCO, typically to help settle a debt or obligation to NCO or others.

All deductions from your pay will be identified on your pay stub. You should carefully review your pay stub each pay period. If you have questions about any deductions or if you believe an improper deduction has been made, you should immediately report your concerns to your manager or the Human Resources Department. NCO will promptly investigate all reports concerning an employee's pay. If NCO has made an improper deduction from your pay, it will reimburse you as soon as practicable.

If you have questions concerning why deductions were made from your paycheck or how they were calculated, your direct supervisor can assist in answering your questions.

501 SAFETY

To ensure a safe and healthy work environment for employees, customers, and visitors, NCO has implemented a comprehensive workplace safety program. This program is a top priority for NCO. The Executive Director, or the Executive Human Resources Director, has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

Employees are required to comply with all of NCO's safety policies, rules, and guidelines, as well as any applicable federal, state, and local laws regarding workplace safety. Failure to follow NCO's safety policies, rules, and guidelines or applicable law may result in discipline, up to and including termination of employment.

NCO provides employees with information about workplace safety and health issues through regular internal communication channels, including supervisor-employee meetings, bulletin board postings, memos, and other written communications. These issues can also be addressed via NCO's company website.

Employees and supervisors receive periodic workplace safety training. The training covers potential safety and health hazards, as well as safe work practices and procedures, to eliminate or minimize these hazards.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor, the Executive Human Resources Director, or bring them to the attention of the Executive Director.

If you witness any unsafe conditions or potential hazards, you must report them to your direct supervisor immediately, or, if your direct supervisor is unavailable, the Executive Human Resources Director as soon as possible. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes.

You must promptly and accurately report all workplace injuries, accidents, or illnesses to your direct supervisor or the Executive Director of Human Resources, regardless of the severity. All employees must follow this procedure to report any workplace illness, accident, or injury. Such reports are necessary to comply with applicable law and to initiate the workers' compensation insurance and benefits procedure.

NCO prohibits any form of discipline, reprisal, intimidation, or retaliation for reporting a health or safety concern or a violation of this policy or for cooperating in related investigations.

Employees have the right to report work-related injuries and illnesses, and NCO will not discharge, discriminate against, or retaliate against employees for reporting such injuries or illnesses.

502 WORK SCHEDULES

Work schedules for employees vary throughout our organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as adjustments to the total hours scheduled each day and week.

Flextime scheduling is available in some cases, allowing employees to adjust their start and end times each day within established limits. Employees should consult their supervisors for the details of this program.

504 USE OF PHONE AND MAIL SYSTEMS

Personal use of the telephone for long-distance and toll calls is not permitted. Employees should exercise discretion when using company telephones for personal calls and may be required to reimburse NCO for any charges resulting from their personal use of the telephone.

The use of NCO-paid postage for personal correspondence is not permitted.

To ensure effective telephone communications, employees should always use the approved greeting and speak in a courteous and professional manner. Please confirm information received from the caller and hang up only after the caller has done so.

505 SMOKING

In keeping with NCO's intent to provide a safe and healthy work environment, smoking is prohibited throughout the workplace.

This policy applies to all employees and visitors.

Individuals served by NCO will be able to smoke in designated areas on NCO grounds.

506 REST PERIODS

Each workday, full-time nonexempt employees are provided with one ten-minute rest period. To the extent possible, rest periods will be provided during workplace breaks. Since this time is counted and paid time worked, employees must not be absent from their workstations beyond the allotted rest period.

507 OVERTIME

When operating requirements or other needs cannot be met during regular working hours, non-exempt employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive prior authorization from the supervisor. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked at the following rate(s):

One and one-half times the straight-time rate for all hours over 40 in a workweek.

Paid time off will not be considered hours worked for purposes of performing overtime calculations.

Failure to work scheduled overtime or overtime worked without prior authorization from the supervisor may result in disciplinary action, up to and including possible termination of employment.

If you believe that you have not been compensated for all hours worked, including overtime pay you believe you are owed, you should immediately report your concerns to the Human Resources Department. Supervisors are prohibited from requiring or encouraging employees to underreport any overtime hours worked. You are obligated to immediately report to the Human Resources Department any supervisor who requires or encourages you to underreport on your hours worked.

508 USE OF EQUIPMENT AND VEHICLES

Equipment is essential for accomplishing job duties and is expensive, making it difficult to replace. When using NCO property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety guidelines, and regulations.

Please notify your supervisor if any equipment, machines, tools, or other items appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs can prevent equipment deterioration and potential injury to employees or others. The supervisor can answer any questions about an employee's responsibility for the maintenance and care of equipment used on the job.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in disciplinary actions, up to and including termination of employment.

510 EMERGENCY CLOSING

At times, emergencies such as severe weather, fires, power failures, or earthquakes can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility. If such an emergency occurs during non-working hours, local radio and/or television stations will be asked to broadcast notifications of the closing.

When operations are officially closed due to emergency conditions, nonexempt employees will not be paid. Employees in essential operations may be asked to work on a day when operations are officially closed. In these circumstances, employees who work will receive regular pay plus a bonus.

Residential operations continue regardless of weather conditions, such as snow and ice storms. All employees are expected to report to their workstations as usual. Under extreme travel conditions, tardiness will be excused and not counted against leave if, in the opinion of the administrator and the direct supervisor (as applicable), the employee made a reasonable effort to arrive when conditions allowed.

Meals, sleeping accommodations, and emergency transportation may be provided for affected employees, where appropriate, at residential facilities, to assure adequate direct care coverage.

511 BUSINESS-RELATED DUES OR FEES

Professional staff members are strongly encouraged to become active members of their state and federal professional organizations. Where membership is for the purpose of officially representing the agency, payment of dues will be made by the agency. Other professional memberships may be paid by the agency if they are job-essential and approved in advance by the Executive Director.

Printed materials received as a result of professional society dues or membership fees paid by NCO are the property of NCO. Professionals attending a meeting at the expense of NCO are expected to share the information they gathered with other relevant staff members upon their return.

512 BUSINESS TRAVEL EXPENSES

NCO will reimburse employees for reasonable business travel expenses incurred while on assignments outside of their normal work location. The Executive Director must approve all business travel in advance. Employees whose travel plans have been approved are responsible for arranging their own travel.

When approved, the actual costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be reimbursed by NCO. Employees are expected to limit expenses to reasonable amounts.

Meals for employees may be reimbursed with a receipt, within NCO maximum limits, if:

- The employee is assisting individuals in a planned program activity that includes dining out.
- (Group home direct care only) A crowded program agenda for the day does not allow for time to prepare a proper meal in the home, and all must use the “drive-through window”. In this case, NCO will cover the cost of food for individuals and employees, as it will be deducted from the Facility Food Budget. Use petty cash when available.
- Taking individuals for a re-enforcer to get yogurt, coke, popcorn, etc, is not considered a reimbursable expense for the employee’s food, unless the food consumed by the employee serves as an allowable (reimbursable) meal for that employee and a meal wasn’t available at the residence.
- Expenses incurred for an allowable activity, i.e., movie, circus, skating, sporting event, if the employee is assisting an individual in an approved program activity.
- Breakfast reimbursement may be claimed only if the employee is on assignment away from home station in a travel status overnight, or leaves home in an assigned travel status before 6:00 a.m. Dinner reimbursement may be claimed only if the employee is on assignment away from home station in a travel status overnight, or remains in a travel status until after 7:00 p.m.

Expenses that generally will be reimbursed include the following:

- Airfare or train fare for travel in coach, economy class, or the lowest available fare.
- Car rental fees, only for compact or mid-sized cars.
- Fares for shuttle or airport bus service, where available; costs of public transportation for other ground travel.
- Taxi fares, only where there is no less expensive alternative.
- Mileage costs for the use of personal cars, only when less expensive transportation is not available.
- Cost of standard accommodations in low to mid-priced hotels, motels, or similar lodging.
- Costs of meals, no more lavish than would be eaten at the employee's own expense.
- Tips not exceeding 15% of the total cost of a meal or 10% of a taxi fare.
- Charges for telephone calls, fax, and similar services required for business purposes.
- Charges for one personal telephone call each day.
- Charges for laundry and valet services, only on trips of five or more business days. (Personal entertainment and personal care items are not reimbursed.)

Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by NCO may not be used for personal use without prior approval.

With prior approval, a family member or friend may accompany employees on business travel when the presence of a companion will not interfere with the successful completion of business objectives. Generally, employees are also permitted to combine personal travel, as long as time away from work is approved. Additional expenses incurred during non-business travel are the responsibility of the employee.

When travel is completed, employees should submit completed travel expense reports within 30 days. Receipts for all individual expenses should accompany reports.

Abuse of this business travel expense policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

601 FAMILY MEDICAL LEAVE ACT (FMLA)

NCO provides leave in accordance with the Family and Medical Leave Act of 1993 (FMLA), which allows for unpaid, job-protected leave to covered employees under specific circumstances.

Eligibility

To qualify for FMLA leave, you must: (1) have worked for NCO for at least 12 months, although it need not be consecutive; (2) have worked at least 1,250 hours in the last 12 months; and (3) be employed at a worksite that has 50 or more employees within 75 miles. If you have any questions about your eligibility for FMLA leave, please contact the Human Resources Department.

Leave Policy

If eligible, you may take up to 12 or 26 weeks of family or medical leave, whichever is applicable, as explained below, within the relevant 12-month period defined below. While you are on FMLA leave, NCO will maintain your group health insurance coverage at the same level and under the same circumstances as when you were actively working, as explained more fully under the section titled “Medical and Other Benefits.” On returning from approved FMLA leave, you have the right to be restored to the same job or an equivalent position, subject to the terms, limitations, and exceptions provided by law.

Leave Entitlement

Employees may take up to 12 weeks of unpaid FMLA leave in a 12-month period, which is defined as a calendar year, for any of the following reasons:

- the birth of a child and in order to care for that child (leave to be completed within one year of the child’s birth);
- the placement of a child with you for adoption or foster care, and in order to care for the newly placed son or daughter (leave to be completed within one year of the child’s placement);
- to care for a spouse, child, or parent with a serious health condition;
- to care for your own serious health condition, which renders you unable to perform any of the essential functions of your position; or
- a qualifying exigency of a spouse, child, or parent who is a military member on covered active duty or called to covered active duty status (or has been notified of an impending call or order to covered active duty).

Employees may take up to 26 weeks of unpaid FMLA leave in a single 12-month period, beginning on the first day that you take FMLA leave to care for a spouse, child, parent or next of kin who is a covered service member and who has a serious injury or illness related to active duty service, as defined by the FMLA’s regulations (known as military caregiver leave).

Notice of Leave

If your need for FMLA leave is foreseeable, you must give NCO at least 30 days' prior written notice. If this is not possible, you must at least give notice as soon as practicable (within one to two business days of learning of your need for leave). Failure to provide this notice may be grounds for delaying FMLA-protected leave, depending on the particular facts and circumstances.

Additionally, if you are planning a medical treatment or a series of treatments, or you are taking military caregiver leave, you must consult with NCO first regarding the dates of this treatment to work out a schedule that best suits the needs of the employee or the covered military member, if applicable, and NCO.

Where the need for leave is not foreseeable, you are expected to notify NCO within one to two business days of learning of your need for leave, except in extraordinary circumstances. NCO has Family and Medical Leave Act request forms available from the Human Resources Department. Please submit a written request, using this form, when requesting leave.

Certification of Need for Leave

If you are requesting leave due to your own or a covered relative's serious health condition, you and the relevant healthcare provider must provide appropriate medical certification. You may obtain Medical Certification forms from the Human Resources Department. When you request leave, NCO will notify you of the requirement for medical certification and when it is due (at least 15 days after you request leave). If you provide at least 30 days' notice of medical leave, you should also provide the medical certification before leave begins. Failure to provide requested medical certification in a timely manner may result in denial of FMLA-covered leave until it is provided.

NCO, at its expense, may require an examination by a second health care provider designated by NCO. If the second health care provider's opinion conflicts with the original medical certification, NCO, at its expense, may require a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion. NCO may require subsequent medical recertification. Failure to provide the requested certification within 15 days, when practicable, may result in delay of further leave until it is provided.

NCO also reserves the right to require certification from a covered military member's health care provider if you are requesting military caregiver leave and certification in connection with military exigency leave.

Reporting While on Leave

If you take leave due to a serious health condition of your own or to care for a covered relative, you must contact NCO every two weeks to report the status of the condition and your intention to return to work. In addition, you must provide notice as soon as practicable (within two business days if feasible) if the dates of leave change, are extended, or were initially unknown.

Leave Is Unpaid

FMLA leave is unpaid. You will be required to substitute any accrued and unused paid time off for unpaid FMLA leave as described below:

- If you request leave because of a birth, adoption, or foster care placement of a child, any accrued and unused paid leave will first be substituted for unpaid family/medical leave and run concurrently with your FMLA leave.
- If you request leave because of your own serious health condition, or to care for a covered relative with a serious health condition, any accrued paid time off will be substituted for any unpaid family/medical leave and run concurrently with your FMLA leave.

The substitution of paid time off for unpaid FMLA leave time does not extend the 12 or 26 weeks, whichever is applicable, of the FMLA leave period. In no case can the substitution of paid leave time for unpaid leave time result in your receipt of more than 100% of your wages or salary. Your FMLA leave runs concurrently with other types of leave, such as accrued paid time off that is substituted for unpaid FMLA leave and any state family leave laws, to the extent permitted by state law.

Medical and Other Benefits

During approved FMLA leave, NCO will maintain your health benefits as if you continued to be actively employed. If paid leave is substituted for unpaid FMLA leave, NCO will deduct your portion of the health plan premium as a regular payroll deduction. If your leave is unpaid, you must pay your portion of the premium through personal check or cashier's check. Your health care coverage will cease if your premium payment is more than 30 days late. If your payment is more than 15 days late, NCO will send you a letter to notify you of this. If we do not receive your premium payment within 15 days after the date of this letter, your coverage may cease. If you elect not to return to work for at least 30 calendar days at the end of the leave period, you will be required to reimburse NCO for the cost of the health benefit premiums paid by NCO for maintaining coverage during your unpaid leave, unless you cannot return to work because of a serious health condition or other circumstances beyond your control.

Intermittent and Reduced Leave Schedule

If medically necessary, FMLA leave occasioned by a serious health condition may be taken intermittently (in separate blocks of time due to a serious health condition) or on a reduced leave schedule (reducing the usual number of hours you work per workweek or workday). FMLA leave may also be taken intermittently or on a reduced leave schedule for a qualifying exigency relating to covered military service.

If leave is unpaid, NCO will reduce your salary based on the actual time worked. In addition, while you are on an intermittent or reduced leave schedule, NCO may temporarily transfer you to an available alternative position that better accommodates your leave schedule and has equivalent pay and benefits.

Returning from Leave

If you take leave because of your own serious health condition (except if you are taking intermittent leave), you are required, as are all employees returning from other types of medical leave, to provide medical certification that you are fit to resume work. Otherwise, you will not be permitted to resume work until it is provided.

State Family and Medical Leave Laws and Other Company Policies

Where Arkansas family and medical leave laws offer more protections or benefits to employees, the protections or benefits that are more favorable to the employee, as provided by these laws, will apply.

603 PERSONAL LEAVE

NCO provides leave of absence without pay to eligible employees who wish to take time off from work duties to fulfill personal obligations. Employees in the following employment classification(s) are eligible to request personal leave as described in this policy.

Regular full-time employees (35 + hours a week)

As soon as eligible employees become aware of the need for a personal leave absence, they should request a leave form from their supervisor.

Personal unpaid leave may be granted for a period of up to 7 calendar days once a year. With the supervisor's approval, an employee may take any available paid time off as part of the approved leave period.

Requests for personal leave, whether paid or unpaid, will be evaluated based on several factors, including anticipated workload requirements and staffing considerations during the proposed absence period.

Subject to the terms, conditions, and limitations of the applicable plans, NCO will continue to provide health insurance benefits for the full period of the approved personal leave.

Paid time off will continue to accrue during the approved personal leave period.

When personal leave ends, every reasonable effort will be made to return the employee to the same position, if it is available, or to a similar available position for which the employee is qualified. However, NCO cannot guarantee reinstatement in all cases.

If an employee fails to report to work promptly at the expiration of the approved leave period, NCO will assume the employee has resigned.

Requests for paid time off will be granted based on several factors, including anticipated workload requirements and staffing considerations.

607 PREGNANCY-RELATED ABSENCES

NCO will not discriminate against any employee who requests an excused absence for medical disabilities associated with pregnancy. Such leave requests will be made and evaluated in accordance with the medical leave policy provisions outlined in this handbook, as well as all applicable federal and state laws.

NCO is committed to complying with the Pregnant Workers Fairness Act (PWFA) and applicable state law. Consistent with this commitment, NCO provides reasonable accommodations to qualified applicants and employees with known limitations related to pregnancy, childbirth, or related medical conditions unless doing so would create an undue hardship.

If you believe you need accommodation because of your limitations related to pregnancy, childbirth, or related medical conditions, you are responsible for requesting a reasonable accommodation from the HR Manager and should specify what accommodation is needed to perform the job and the precise limitations related to your pregnancy, childbirth, or related medical conditions. The Company will then review and analyze the request, engaging in an interactive process with the employee or applicant to determine if an accommodation can be made or if any other suitable accommodations are appropriate. If your limitation or need for accommodation is not obvious, the Company may ask you to provide supporting documents showing that you have a limitation within the meaning of the PWFA and that your limitation necessitates a reasonable accommodation. All information obtained concerning the medical condition or history of an applicant or employee will be treated as confidential information, maintained in separate files, and disclosed only as permitted by law.

701 EMPLOYEE CONDUCT AND WORK RULES

To ensure orderly operations and provide the best possible work environment, NCO expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property.
- Falsification of timekeeping records.
- Working under the influence of alcohol or illegal drugs.
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer—owned vehicles or equipment.
- Physical violence or the verbal threat of violence in the workplace.
- Negligence or improper conduct leading to damage to employer-owned or client-owned property.
- Insubordination or other disrespectful conduct.
- Violation of safety or health rules.
- Violation of federal, state, or local law.
- Smoking in prohibited areas.
- Excessive personal use of cell phones, including texting, during work hours.
- Sexual or other unlawful or unwelcome harassment.
- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
- Excessive absenteeism or any absence without notice.
- Unauthorized use of telephone, mail systems, or other employee-owned equipment.
- Unauthorized disclosure of business “secrets” or confidential information.
- Violation of personnel policies.
- Unsatisfactory performance or conduct.

Employment with NCO is at the mutual consent of NCO and the employee (employment-at-will), and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

702 DRUG AND ALCOHOL POLICY

It is NCO's desire to provide a drug-free, healthy, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on NCO premises and while conducting business-related activities off NCO premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or engage in the unlawful manufacturing, distributing, dispensing, possessing, or using of illegal drugs. Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace. The selling, or illegal distribution of prescription drugs is also prohibited and is subject to disciplinary action up to and including termination of employment.

To inform employees about important provisions in this policy, NCO has established a drug-free awareness program. The program provides information on the dangers of the effects of substance abuse in the workplace, resources available to employees, and consequences for violations of this policy.

Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor or the Executive Human Resources Director to receive assistance or referrals to appropriate resources in the community.

Employees with a drug or alcohol problem that have not resulted in and are not the immediate subject of disciplinary action may request approval to take unpaid time off to participate in a rehabilitative or treatment program. Leave may be granted if the employee agrees to abstain from use of the problem substance; abides by all NCO policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause NCO any undue hardship.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify NCO of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five (5) days of the conviction. Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise concerns with their supervisor, the Executive Human Resources Director, or the Executive Director without fear of reprisal.

This policy does not prohibit the proper use of prescription and/or over-the-counter medications under the direction of a physician. This includes the use of marijuana by an employee who has a medical marijuana registry identification card. However, misuse of these medications, such as use in a manner, combination, or quantity contrary to the prescription or contrary to legal directions is strictly prohibited.

An employee who is taking prescription or non-prescription legal medications must notify their supervisor of its use if it is expected to adversely affect their performance of the essential functions of their job. Likewise, employees may not report to work when it is medically necessary for them to use medication which will likely affect or impair their personal safety or the safety of others.

703 SEXUAL AND OTHER UNLAWFUL HARASSMENT AND MENTAL OR PHYSICAL ABUSE

NCO is committed to providing a work environment for employees and a service environment for individuals receiving services that are free of discrimination, mental or physical abuse (including neglect), and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, disability, religion, or any other legally protected characteristic will not be tolerated. As an example, sexual harassment (both overt and subtle) is a form of employee misconduct that is demeaning to another person, undermines the integrity of the employment relationship, and is strictly prohibited. State and federal laws and regulations, and NCO policy prohibit mental or physical abuse or neglect of individuals served.

Any employee who wants to report an incident of sexual or other unlawful harassment or mental or physical abuse or neglect should promptly contact his or her supervisor. If the supervisor is unavailable or the employee believes it would be inappropriate to contact their supervisor, the employee should immediately contact the Executive Director of Human Resources or the Executive Director. Employees can raise concerns without fear of reprisal.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment, mental, physical abuse, or neglect should promptly advise the Executive Director, who will handle the matter in a timely and confidential manner.

Any employee engaging in sexual or other unlawful harassment, mental, or physical abuse or neglect will be subject to disciplinary action up to and including termination of employment.

The State of Arkansas Department of Human Services has adopted regulations, policies, and procedures that cover suspected abuse and neglect of individuals receiving services. The regulations, policies, and procedures outline definitions, reporting and investigating steps, disciplinary actions to be taken, and an appeals process. A copy of this policy is given to each new employee at the time of employment. Updates are distributed to each employee, with a copy of the distribution retained in the personnel file.

704 ATTENDANCE AND PUNCTUALITY

To maintain a safe and productive work environment, NCO expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on NCO. In rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their direct supervisor as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary actions, up to and including termination of employment.

705 PERSONNEL APPEARANCE

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image NCO presents to clients, families, and visitors.

Whether on site or working in the community, during business hours, employees are expected to present a professional and tasteful appearance when representing NCO. We understand that what is tasteful for one person may be inappropriate to another. If your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstances, you will not be compensated for the time away from work. Consult with your supervisor to clarify what constitutes an appropriate appearance in the current work environment.

706 RETURN OF PROPERTY

Upon request from NCO or upon the conclusion of employment, employees are responsible for items issued to them by NCO or in their possession or control, such as the following:

- Cellular phones
- Credit cards
- Gift cards
- Equipment
- Computers, including laptops
- Identification badges
- Keys
- Manuals
- Protective equipment
- Security passes, i.e., computer passwords
- Tools
- Uniforms
- Vehicles
- Written materials

All NCO property must be returned by employees on or before their last day of work. Where permitted by applicable laws, NCO may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. NCO may also take all actions deemed appropriate to recover or protect its property.

707 GRIEVANCE ISSUES

Any employee who believes that NCO or any of its employees has acted or failed to act in a manner constituting a violation of an employee's legal rights may file a grievance using this policy.

Employees who believe that NCO or any of its employees have acted or failed to act in a manner constituting a violation of an employee's legal rights do not have to file a grievance using this policy, although they are encouraged to do so.

NCO has appointed an EEO/Grievance Officer at the Central Office. The officer will assist employees in implementing this policy. This officer will also help any employee who requests such assistance. Any Manager, Supervisor, or Personnel Officer can provide the employee with the name, address, and phone number of the nearest EEO/Grievance Officer.

Grievance process:

STEP 1

Verbal Discussion: The employee has fifteen (15) calendar days from the time of knowledge of a violation of his/her constitutional or statutory rights to start this step by contacting the Executive Director. The Executive Director will arrange an informal discussion with involved personnel and, within seven (7) calendar days, will give a written decision to the employee. If the employee is not satisfied, a written grievance may be filed.

STEP 2

Written Grievance: The employee has five (5) calendar days from the time of receipt of the written decision in Step 1 to file a written grievance (NCO form #1 should be used) with the EEO/Grievance Officer. The EEO/Grievance Officer will notify the Personnel Committee within one (1) day of receipt of the written grievance.

The Personnel Committee or a committee appointed by the NCO Board Chair will have fourteen (14) calendar days to complete its investigation and present a written report (which may contain recommendations) to the Board President and the employee. The Committee may appoint an investigator, who may be the EEO/Grievance Officer, to assist in the investigation. The EEO/Grievance Officer may make written recommendations within the fourteen (14) day period to the Board President and the employee. The Board President will make a written decision and send it to the employee within three (3) calendar days.

STEP 3

If an employee is not satisfied with the action taken by the Board President, they may file a complaint with the EEOC or take further action to protect their legal rights.

708 RESIGNATION

Resignation is a voluntary act initiated by the employee to terminate employment with NCO. Although advance notice is not required, NCO requests at least two (2) weeks' written resignation from all employees.

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

If an employee fails to provide advance notice as requested, they will be considered ineligible for rehire.

710 SECURITY INSPECTIONS

NCO wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, NCO prohibits the possession, transfer, sale, or use of such materials on its premises. NCO requires the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of NCO. Accordingly, they, as well as any articles found within them, can be inspected by an agent or representative of NCO at any time, either with or without prior notice.

712 SOLICITATION

To ensure a productive and harmonious work environment, people not employed by NCO may not solicit or distribute literature in the workplace at any time for any purpose.

NCO recognizes that employees may have an interest in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during work time. Working time does not include lunch periods, breaks, or any other periods in which employees are not on duty.

Examples of impermissible forms of solicitation include:

- The circulation of petitions unrelated to the workplace.
- The distribution of literature is unrelated to the workplace and not approved by the employer.

Additionally, the posting of written solicitations on company bulletin boards is prohibited. These bulletin boards display important information, and employees should consult them frequently for:

- Equal Employment Opportunity is the Law
- [Notice to Employer and Employee](#): Minimum Wage, Overtime, Child Labor, Wage Collection
- Your Rights Under the Fair Labor Standards Act – Federal Minimum Wage and Overtime Laws
- OSHA’s Job Safety and Health Protection
- Your Rights Under the Uniformed Services Employment and Reemployment Rights Act (USERRA)
- Your Rights under the Family and Medical Leave Act of 1993
- Your Rights Under the Uniformed Services Employment and Reemployment Rights Act (USERRA)
- Employee announcements
- Internal memoranda
- Job openings
- Organization announcements
- Payday notices
- Workers’ Compensation Notice and Instructions to Employers and Employees Form P
- State disability insurance and unemployment insurance information

If employees have a message of interest to the workplace, they may submit it to the Executive Director for approval. All approved messages will be posted by the Executive Director.

714 DRUG TESTING

NCO is committed to providing a safe, efficient, and productive work environment for all employees. Federal and state law also require NCO employees to meet the legal requirements applicable to their employment with NCO. In keeping with this commitment and in compliance with federal and state law, employees and job applicants may be asked to submit to a drug screening that tests for the use of illegal drugs.

Any such drug screening shall be provided by NCO at no cost to the employee, and a copy of the report of the drug screening shall be provided at no cost to the employee on the employee's written request. NCO will attempt to protect the confidentiality of all drug test results. Please refer to the personnel policy addendum for further information.

Questions concerning this policy or its administration should be directed to the Executive Director.

800 LIFE-THREATENING ILLNESSES IN THE WORKPLACE

Employees with life-threatening illnesses, such as cancer, heart disease, AIDS, etc., often wish to continue their normal pursuits, including work, to the extent allowed by their condition. NCO supports these endeavors if employees can meet acceptable performance standards, as well as state and federal required licensure or operating standards. As in the case of other disabilities, NCO will make reasonable accommodation, in accordance with all applicable legal requirements, to enable qualified employees with a life-threatening illness to perform the essential functions of their job.

Medical information on individual employees is treated confidentially. NCO will take reasonable precautions to protect such information from inappropriate disclosure. Supervisors and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Anyone who discloses such information inappropriately is subject to disciplinary action, up to and including termination of employment.

Employees with questions or concerns about life-threatening illness are encouraged to contact the Executive Director, the Executive Director of Human Resources, or the NCO's Employee Assistance Program for information and referral to appropriate services and resources.

800 RECYCLING

NCO promotes environmental awareness by incorporating recycling and waste management into its business practices and operating procedures. This support includes a commitment to the purchase, use, and disposal of products and materials in a manner that optimizes the use of natural resources and minimizes any negative impact on the Earth's environment.

Special recycling receptacles have been set up to promote the separation and collection of the following recyclable materials at NCO:

- Newspaper
- Aluminum

This simple act of placing a piece of paper, a can, or a bottle in a recycling container is the first step in reducing demand for the earth's limited resources. The success of this program depends on active participation by all of us. Employees are encouraged to make a commitment to recycling and be part of this solution.

NCO encourages reducing and, when possible, eliminating the use of disposable products. Source reduction decreases the consumption of valuable resources through workplace practices such as:

- Posting memos,
- Two-sided photocopies,
- Eliminating fax cover sheets,
- Reusing paper clips, folders, and binders, and
- Turning off lights when not in use.

Whenever possible, NCO employees are encouraged to purchase products for the workplace that contain recycled or easily recyclable materials. Buying recycled products supports recycling and increases the market for recyclable materials.

By recycling, NCO is helping to solve trash disposal and control problems facing all of us today.

NETWORK OF COMMUNITY OPTIONS, INC

SUBJECT: Substance Abuse

ISSUED & APPROVED BY: NCO, Inc. Board of Directors

REVIEWED BY: Drug Policy Committee

DISTRIBUTION: All employees – Addendum to personnel manual

ORIGINAL DATE EFFECTIVE: 3/14/96

REVISION DATE EFFECTIVE: July 2025

DRUG TESTING/ABUSE POLICY

Network of Community Options, Inc. (hereinafter referred to as NCO) is committed to providing a safe work environment and promoting the well-being and health of its employees. That commitment is jeopardized when any NCO employee illegally uses drugs and alcohol in the workplace. Therefore, NCO has established the following policy:

1. No employee shall possess, sell, trade, buy, or offer for sale illegal drugs or otherwise engage in the illegal use of drugs on the job. Such drugs include but are not limited to: heroin, marijuana, cocaine, PCP, “crack”, “meth”, opiates, and amphetamines.
2. No employee shall report to work under the influence of illegal drugs or alcohol.
3. No employee shall use prescription drugs illegally. However, nothing in this policy precludes the appropriate use of legally prescribed medications. Drivers taking prescription medication must provide a doctor’s statement to their supervisor stating that it is safe to drive the vehicle while taking the medication.
4. Employees shall ensure that no alcohol is present in any vehicle on behalf of the agency-NCO, which includes an unopened can of beer or a bottle of mouthwash containing alcohol. It is a violation of the Federal Highway Administration to have such items present in the vehicles.
5. Violators of this policy are subject to disciplinary action, up to and including termination.

DRUG TESTING OF APPLICANTS

Guidelines for testing of applicants are established and kept within the Administrative Offices.

1. All applicants will be informed of NCO’s Substance Abuse Program via their initial application for employment.
2. All applicants who have been made a conditional offer of employment will be drug-tested via a urine analysis.
3. Any such drug screening shall be provided by NCO at no cost to the applicant, and a copy of the report of the drug screening shall be provided at no cost to the applicant, on the applicant’s written request.
4. All applicants who test positive will be ineligible for employment for 30 days.

DRUG TESTING OF EMPLOYEES

NCO has adopted, as a condition of employment, testing practices to identify employees who use illegal drugs either on or off the job. Any such drug screening shall be provided by NCO at no cost to the employee, and a copy of the report of the drug screening shall be provided at no cost to the employee on the employee's written request.

1. For-Cause Testing: Current employee may be asked to submit to a drug test if cause exists to indicate that their health or ability to perform work may be impaired. Factors which could establish cause include, but are not limited to:
 - a) Sudden change in work performance,
 - b) Repeated failure to follow instructions or procedures,
 - c) Violation of company safety procedures,
 - d) Involvement in an accident or near accident,
 - e) Discovery or presence of substances in an employee's possession or near the employee's workspace,
 - f) Odor of alcohol and/or residual odor peculiar to some chemical or controlled substance,
 - g) Unexplained or frequent absenteeism,
 - h) Personality changes or disorientation, and
 - i) Arrest or conviction for violation of a criminal drug statute.

2. Post-Accident Testing: All employees involved in a reportable job-related accident must be drug-tested for the use of controlled substances within 32 hours after the reportable accident or where the testing is required by law. Any employee who is seriously injured and cannot provide a specimen at the time of the accident shall provide the necessary authorization for obtaining hospital records and other documents that would indicate whether there was any controlled substance in the employee's system.

Post-accident alcohol tests are required within 2 hours, but not later than 8 hours after the accident. After 8 hours, efforts to secure a breath alcohol test must cease and reason(s) must be documented why it could not be done. Although blood tests are not allowed, it must be documented whether (and where) blood testing was available. In post-accident situations, the driver shall not use alcohol within 8 hours following the accident or until he or she undergoes a post-accident test, whichever occurs first. Law enforcement tests are permissible in this instance.

Although not a violation of DOT regulations, an employee who tests between 0.02 and 0.0399 must undergo a confirmation test within 30 minutes. If the second test result is below .02, the employee may drive. If not, he/she shall be removed from the safety-sensitive function for 24 hours and may not drive the CDL vehicle until after a negative Return-to-Duty drug test is obtained.

For-Cause Testing:

If a supervisor or other member of management believes that cause exists, the following action should be taken:

1. Advise the employee, in private, that he/she will be required to submit to testing and will be suspended, pending discharge and without pay, pending the results of the lab test. Inform the employee that if the results are negative, he/she will be reimbursed for lost time.
2. As soon as possible, document the observations and behavior responsible for initiating the test.
3. Depending on the time and day of the incident, contact either the designated physician or the Emergency Room. Escort the employee to either area and remain until the collection process is completed.
 - (a) A substance abuse test must be performed on a DOT-approved Evidential Breath Test (EBT) machine by a trained and certified Breath Alcohol Technician (BAT)
4. After specimen collection is completed, the employee should leave the collection area and is suspended pending discharge.
 - (a) If the employee's condition requires assistance, transportation should be arranged by the supervisor or a member of management.
 - (b) A record of disciplinary action must be provided to the administrative offices by the next day.
5. When test results are positive, the designated physician will provide the employee with a copy of the test results, and at his/her option and expense, have a second confirmation made on the test result.
6. Strict confidentiality will be maintained during any phase of intervention, assessment, testing, and follow-up, where appropriate. Specific information and results must be retained for 1-5 years and will be audited annually by the Federal Highway Administration.

POSITIVE DRUG TEST RESULTS:

Employees who test positive for illegal drugs or whose test reveals alcohol levels beyond legal limits at the workplace or during normal working hours will be suspended immediately. The employee may request a second test if they disagree with the results of the first test; however, the second test is at the employee's expense and must be sent to a federally accredited laboratory.

If the employee produces evidence that they are actively participating in a rehabilitation program, they may use, at their option, any available paid time off while in the rehabilitation program and furnish evidence of this to NCO and will be eligible to return to work. He/she would be subject to testing for illegal drug or alcohol use upon request of NCO management. Should he/she test positive for illegal drug and alcohol use a second time, he/she will be subject to immediate dismissal.

It is a violation of the regulations to have an alcohol concentration of .04 or greater while driving, or immediately prior to or after driving a commercial vehicle, or to drive while using alcohol or within 4 hours after using alcohol. It is also a violation to refuse to submit to a test. The driver must be relieved of duty for 24 hours and be referred to an Employee Assistance Program (EAP). The driver cannot drive until a negative Return-to-Duty test result is obtained. Follow-up tests are required (up to 60 months as the EAP requires, but no less than 6 during the first 12 months)

NCO recommends an EAP benefit for employees and their dependents who test positive for the use of illegal drugs at the employee's expense. An EAP provides confidential assessment, referral, and short-term counseling for employees who need or request it. If an EAP referral to a treatment provider outside the EAP is necessary, costs may be covered by the employee's medical insurance, but the cost of such outside services will be the employee's responsibility.

It is the responsibility of the NCO supervisors to counsel employees whenever they see changes in performance or behavior that suggest an employee has a drug or alcohol problem. Although it is not the supervisor's job to diagnose personal problems, the supervisor should encourage such employees to seek help and advise them about available resources for getting help. Everyone shares responsibility for maintaining a safe work environment, and co-workers should encourage anyone who may have a drug or alcohol problem to seek help.

The goal of this policy is to strike a balance between our respect for individuals and the need to maintain a safe, productive, drug-free, and alcohol-free environment. The intent of this policy is to offer help to those who need it.

NETWORK OF COMMUNITY OPTIONS, INC

SUBJECT: Paid Time Off

ISSUED & APPROVED BY: NCO, Inc. Board of Directors

REVIEWED BY: Drug Policy Committee

DISTRIBUTION: All employees – Addendum to personnel manual

ORIGINAL DATE EFFECTIVE: April 2025

REVISION DATE EFFECTIVE: July 2025

PAID TIME OFF (PTO) POLICY

NCO believes that employees should have opportunities to enjoy time away from work to help balance their lives. NCO recognizes that employees have diverse needs for time off from work. This paid time-off (PTO) policy has been established to meet these needs. The benefits of PTO include promoting a flexible approach to time off. Employees are accountable and responsible for managing their own PTO hours to maintain adequate reserves in case of vacation, personal time, illness, bereavement, emergencies, or other situations that require time off from work.

Eligibility

PTO is accrued upon hire or transfer into a full-time position (35 hours per week). Upon transferring from full-time to part-time, PTO accumulations will be paid to employees for up to 40 hours. New hires can start to accumulate PTO after 90 days of full-time employment. Part-time employees (less than 35 hours per week) are not eligible to accumulate PTO.

Cost of Coverage

NCO, Inc. provides this PTO plan as a benefit at no cost to employees.

Accrual and Payment of PTO

Accruals are made on the Monday following a pay date. The length of full-time employment determines the rate at which employees accrue PTO. PTO is accrued on actual hours worked. PTO does not accrue during unpaid leaves of absence. Employees become eligible for the higher accrual rates on the first day of the pay period in which the employee's full-time anniversary date falls.

- PTO accrues at 100 percent of the employee's regular straight-time rate of pay up to a maximum of 40 hours per work week.
- PTO is not used in the computation of overtime.
- PTO is paid at the employee's straight-time rate of pay or, for exempt employees, the weekly salary.

<u>Years of Service:</u>	<u>Accumulation per Pay Period:</u>	<u>Annual Cap:</u>
0 – 1 Year	4.0 Hours	N/A
1 – 2 Years	6.0 Hours	400 Hours
3 – 4 Years	7.0 Hours	440 Hours
5+ Years	8.0 Hours	500 Hours

PTO is subject to supervisor approval.

Use and scheduling of PTO

Employees are required to use available PTO when taking time off from work, with the exception of a company-required absence due to low workload or absences occasioned by the company. PTO may be taken in increments of as low as one hour. However, PTO may not be used for missed time due to an employee reporting late to work, except during inclement weather.

PTO is always subject to supervisory approval, departmental and client needs, and established departmental procedures. Unscheduled absences will be monitored. An employee will be counseled when the frequency of unscheduled absences adversely affects the work environment/clients. All approved absences must be used as PTO. PTO must be taken for any work absence longer than three hours. PTO must be scheduled three days in advance except for unforeseen circumstances, subject to supervisory approval. PTO must be scheduled in advance of 30 days when block scheduling at work week (five consecutive days or 40 hours). In the event of conflicting dates when scheduling PTO between employees of the same organizational level, the employee with the greater length of service time will have preference. Employees may not borrow against their PTO banks. Therefore, no advance leave will be granted.

PTO may only be used for regularly scheduled workdays and cannot be used to accrue overtime.

Payment upon separation

Upon resignation or retirement, employees will be paid for any earned, unused PTO hours within thirty (30) days of their departure date. NCO has the discretion to determine whether accumulated PTO will be paid to employees who resigned their employment with NCO. The employee will typically be able to sell back the remaining accumulated PTO time at 100 percent of their employee's straight-time rate of pay or, for exempt employees, the weekly salary up to 200 hours, if he or she has met the following:

- 1.) Submits a written two-week notice and works each scheduled day of the notice.
- 2.) Has been an active employee for at least a year. Employees who resign without notice, are terminated, or fail to fully complete the notice forfeit any accrued PTO.

Selling Back of PTO

PTO may be sold back to NCO up to 40 hours annually at the employee's regular rate of pay on the employee's anniversary date, provided the employee is in good standing. A written request must be submitted to HR at least one month prior to the employee's anniversary date. Failure to do so will make the employee ineligible to sell PTO back until the following anniversary date. (Example: An anniversary date of March 15th would require the employee to request the annual 40-hour sell-back no later than February 15th.)

Death Benefit

Upon the employee's death, their designated beneficiary will receive a payout of the employee's PTO at the employee's regular rate of pay, up to 200 hours. This payment will be processed within 30 days of the Human Resources Department receiving a certified copy of the death certificate.

Donating PTO

Employees may donate, anonymously if they wish, accrued PTO hours to other employees who have exhausted their leave to use in emergency cases (i.e., bereavement, personal leave, personal illness, or family emergencies).

- Employees shall not donate PTO to other employees for vacation purposes or to avoid losing their PTO when the PTO is reached.
- Donated employees may only donate accrued PTO.
- The donating employee must submit a donation request to Human Resources in writing.
- Employees receiving a donation of PTO must be eligible for the accrual of PTO.

Family and Medical Leave Act and PTO

Under NCO's Family and Medical Leave Act (FMLA) policy, all accrued time is taken before the start of unpaid FMLA leave.

Reserved Rights

This plan serves as a guideline, and NCO reserves the right to modify and interpret it as needed. NCO reserves the right to review on a case-by-case basis, consider appropriate action, and make exceptions as needed. All exceptions must be granted by the NCO, Inc. Board of Directors.

EMPLOYEE GRIEVANCE FORM I

This set of forms is for filing a formal grievance and is documentation for the grievance process. All supporting documentation should be attached to these forms. **Please note: If the employee complaint concerns sexual harassment or any kind of illegal discrimination, the employee should follow NCO policy by bringing these issues directly to the Executive Director or the Executive Human Resources Director.**

Grievant Name: _____

Title: _____

Home Address: _____

Phone #: _____ Work Location: _____

GRIEVANCE STATEMENT:

The following information must be filled in so that the grievance can be processed. Additional pages may be used.

1. State the date & circumstances concerning the grievance. _____

2. What have you done to try to resolve the situation? What were the results of your actions? _____

3. How would you like to see this situation resolved? _____

Grievant's Signature _____ Date _____

