

Developing an Employee Handbook

An employee handbook sets the tone for the employee and allows the employer to outline expectations and provide a framework for proper communication and conflict resolution. Employers typically have employees sign off that they've reviewed the handbook and understand the content.

Because the employee handbook is so important, it is important to know what to include for the employee handbook to be effective. "Effective" may be a subjective term, but in this case, it simply means that the handbook gives employees guidance and information related to the organization, and protects the organization against claims of unfair treatment or discrimination.



What Is an Employee Handbook and Why Does It Matter?

Starting with the basics, an employee handbook is a clear-cut document that outlines a company's policies and procedures. It also lays out any organizational expectations. It is not an employment agreement, so be sure to avoid using legal jargon. To avoid any confusion of the legal status of the document, be sure to include a statement early on that makes it clear to employees that the content of the handbook does not constitute an employment agreement.

Employee handbooks benefit both employees and employers by establishing a positive and productive work culture

Benefits of the handbook for employees include:

- An understanding of company policies
- Clear expectations of performance and behavior
- A sense of the organization's commitment to its workforce
- A resource to turn to when questions arise

Benefits for employers include the opportunity to:

- Establish performance standards and behavioral expectations to promote a positive and consistent workplace culture
- Create a framework for conflict resolution
- Outline essential policies and procedures
- Reduce legal liability by laying out relevant laws and regulations
- Demonstrate a commitment to compliance

Employee Handbook vs. Policy Manual

The primary difference between an employee handbook and a policy manual is the target audience.

- **Employee handbook:** The intended audience is the employee, and it serves as a valuable resource to inform, empower, and protect.
- **Policy manual:** The intended audience is a manager or supervisor, and it's used when more information is needed to understand rules or processes in greater detail. This document is entirely the product of a specific theatre company's activities, facilities, and organizational structure.

The two can be combined in one document. An example is linked on page 7.

Key Sections and Elements of the Employee Handbook

A handbook can include information on everything from employee benefits to working conditions and confidentiality policies. It can also serve as a guide to help employees understand the ins and outs (and dos and don'ts) of your organization. Plain and simple, it keeps everyone informed and on the same page.

If you've ever embarked on the task of actually creating an employee handbook, you know it can be far from a simple task. Deciding what to include, what to leave out, and how to communicate important expectations can be complicated.



If you'd like to create a new employee handbook, or improve an existing one, read on, and you'll find a sample employee handbook table of contents with explanations of each item you should consider including in your own handbook.

Section 1: General Employment Policies

Although the use of the word "general" is here, this portion of your handbook is one of the most important. This is where you define the basic policies that explain how, when and where your employees are expected to work.

We highly recommend that include the following information in this section:

1. At-Will Nature of Employment
2. Statement of Non-Discrimination
3. Sexual and Other Unlawful Harassment Policy
4. Disability Accommodation Policy
5. Business Ethics and Conduct Expectations
6. Ownership of Work Materials Policy
7. Conflict of Interest Policy
8. Whistle Blower Policy
9. Access to Personnel Files Policy
10. Non-Disclosure (Confidentiality) Policy

All of these elements are important in their own way. Without a non-disclosure agreement, your employee could breach confidentiality and have no idea that they were not supposed to discuss a topic outside of work. Without a conflict of interest policy, you might have an employee seek out a business relationship with another organization that puts your own operation at risk, yet have no recourse as your policy was not spelled out. That's why it's important to take care in developing most, if not all, of the sections above as a foundation for your employee handbook.

Section 2: Employment Status

This is another category that will be very important in your employee handbook. One of the most important roles this handbook plays is keeping open communication.

We highly recommend that you include two sections:

1. Introductory Period: if you wish to have a "trial" period for new employees, define what that period will look like and how long it will last here
2. Employment Categories: what does it mean for someone to be defined as temporary, part-time, full-time, exempt, non-exempt, etc.?

Section 3: Recruiting and Hiring

One of the most exciting aspects of running a nonprofit is growing and adding new members to the team. Your employee handbook should lay out the ins and outs of your employees' legal obligations during their employment at your organization as well as your process for recruiting and onboarding. At a minimum, you need to cover your policy on eligibility to work in the U.S. in your employee handbook.

The following categories are also recommended, but not required:

- Job Posting and Employee Referrals Process
- Employment Applications Process
- Employment Reference Checks Policy
- Policy on Employment of Relatives
- Relocation Expense Policy
- Process for Reemployment of Former Staff Members
- Employment Offer Policy
- Position Descriptions
- Promotion Policy
- Reclassification Policy
- Transfer Policy

Section 4: Compensation and Salary Administration

Payday is everyone's favorite day. Keep your staff on the same page about how their money will be dispersed and when.

At minimum, include the following items in this section:

1. Timesheet Policy
2. Overtime Policy
3. Pay Periods

These items are also recommended

- Compensation Philosophy
- Pay Deductions and Setoffs Policy
- Direct Deposit Process
- Personnel Data Changes Process
- Administrative Pay Corrections Policy
- Compensatory Time Off Policy
- Pay Advance Policy

Section 5: General Workplace Policies

What time should I show up for work? What is the dress code? How many breaks can I take? Don't leave your employees guessing. You want to ensure the best work ethic and safe work environment.

We highly recommend that you include the following sections in your employee handbook:

1. Working Hours
2. Attendance and punctuality expectations
3. Safety Protocols
4. Workplace Violence Prevention
5. Smoking in the Workplace
6. Drugs in the Workplace
7. Security Inspection Policy

8. Acceptance of Gifts, Gratuities, and Services Policy
9. Authorization to Sign Contracts & Agreements
10. Communication with the Press These items can also be helpful:
11. Work Breaks Policy
12. Lactation Breaks Policy
13. Emergency Closings Policy
14. Flexible Work Arrangements
15. Personal Appearance/Dress Code
16. Open Door Policy
17. Housekeeping Policy
18. Visitors in the Workplace
19. Children in the Workplace
20. Staff Travel Recommendations 11. Corporate Credit Card Policy
21. Political Activity Policy
22. Solicitation Policy

Section 6: Employee Benefit Programs

Employees often value their benefits, both tangible and intangible, almost as much as their pay. After you put a benefits program in place that meets your employees' needs, it's important to lay out the specifics of that program for your employees in your handbook.

We recommend including some or all of the following, depending on your specific benefits package:

1. Benefits Overview
2. Medical/Dental/Vision Benefits
3. Flexible Spending Accounts
4. Transit/Commuting Benefits
5. Life Insurance/Disability Benefits
6. EAP
7. Retirement Savings Plan
8. Statutory Benefits (Workers Compensation, Social Security, Unemployment)
9. Education Assistance
10. Benefits Continuation

Section 7: Leave

Everyone needs a break every now and then. By creating guidelines of when it's appropriate to paid time off (PTO), vacation, or sick days, your employees will be better able to manage their leave time.

We highly recommend that you include the following sections in your employee handbook:

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|----------------------|--------------------------|
| 1. Holidays | 4. FMLA/State FMLA |
| 2. Vacation Policy | 5. Military Leave Policy |
| 3. Sick Leave Policy | 6. Jury Duty |

The following items can also be helpful:

- Personal Leave Policy
- Bereavement Leave Policy
- Parental Leave Policy
- Medical Leave Policy
- Pregnancy-Related Absences
- Unpaid Leaves of Absence
- Court Leave
- Time Off to Vote
- Other State- defined Mandated Leaves

Section 8: Organizational Property and Technology

Every organization is different as to whether they allow their employees to use their phone or computer at work, and whether they supply their employees with these tools.

Here are the essentials for this section of your employee handbook:

1. Document Retention Policy
2. Phone and Mail Systems Policy
3. Computer and Email Usage Policy
4. Social Media Policy
5. Smart Phone Issuance and Use While Driving

The following items can also be helpful in this section:

- Personal Property
- General Use of Equipment
- Internet Usage Policy

Section 9: Employee Performance and Workplace Conduct

How do you expect your employees to behave while at work? What qualifies as misconduct? What kind of performance is considered grounds for a promotion, or a termination? How will employee performance be evaluated? Answer those questions and more in this section of your employee handbook.

These items are essential for this section:

1. Personal relationships within the workplace
2. Employee Conduct and Work Rules
3. Progressive Discipline Process
4. Problem Resolution Process

You may also consider adding the following items in this section:

- Outside Employment Policy
- Performance Evaluation Process
- Employee Relations

Section 10: Separation From Employment

For most employees, your organization will not be the last stop in their career. You want to avoid the messiness that can often come along with an employee transition.

Be sure to include the following in this section:

1. Employment Separation
2. Return of Property

You may also consider including an item on references for current and former employees.

Section 11: Employee Acknowledgment Form

If you're taking the time and care to create an employee handbook, you'll definitely want to be sure that everyone has read and processed it. By creating an employee acknowledgment form, you will (legally) be able to prove that if signed, the employee has read and acknowledges the policies implemented by your organization. For example, if there is a breach of these policies in any way, you will have this form as proof that the employee knew that they were violating policy.

One important thing to remember as you read this guide that there is no right or wrong way to organize your employee handbook. Each employee handbook will be different based on what your organization needs.

Additionally, many states mandate benefits or policies different from those at the Federal level. Ensure that your employee handbook considers state regulations as well as Federal, and that it is reviewed every 2-3 years to ensure compliance.

Templates & Examples

While it's best if you take the outline above and create your own employee manual, you'll also find two templates in MS Word below, from AACT's Resource Library. We suggest you download both, to see which of the two works best for your company. In addition, you'll find handbooks from three different theatres, each different in its approach. These are provided only as examples, not as templates.

- [Employee Handbook Template 1](#) (12 pages)
- [Employee Handbook Template 2](#) (17 pages)
- [Employee-Handbook](#) (Lyrical Opera Theatre)
- [Employee Handbook and Policy Manual](#) (Quincy Community Theatre)
- [Employee, Volunteer & Contractor Handbook](#) (Waco Civic Theatre)

Updating and Maintaining an Employee Handbook

Regularly reviewing and updating your employee handbook is essential to make sure you are up to date with current operations. As you know, laws and regulations are always changing, so you will want to keep an eye on the handbook to maintain compliance, where necessary. Setting a schedule at regular intervals (yearly, quarterly, etc.) may be a good idea so that it does not fall off your radar.

To make sure your handbook is relevant, you will want to get your employees involved. Getting input from them is a great way to get a diverse perspective on your document, and can enhance engagement. While new employees may not be quick to share any criticism of the document, it might still be worth asking them if any areas of the handbook were not clear upon their initial review. Long-term employees can provide especially valuable feedback as they are living the company culture and will be able to see what edits or additions can be made to the handbook.

Legal Considerations

NOTE: The content in this section should not be considered legal advice. AACT provides this information to help improve your understanding. However, for the most accurate details regarding at-will employment or related laws, consult your local legislation or a lawyer with expertise in employment law.

“At-will “employment in the United States means that an employer can fire an employee at any time, for any legal reason (or sometimes without a reason) without facing legal consequences. This flexibility works both ways: employees are also free to leave their jobs at any time without needing to give notice or a reason. In both cases, neither party will face legal repercussions.

At-will employment also allows employers to change the terms of employment at their discretion. They can modify an employee’s hours, responsibilities, pay, benefits, or any other aspect of the job, whenever they choose, and without prior notice.

Employers often use handbooks and manuals to inform employees of their employment policies. Even when no express employment contract exists, courts have held that handbooks and manuals can be implied contracts if the language creates an impression that employees can only be dismissed for cause.

States recognizing implied contracts based on handbook statements include: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, District of Columbia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin and Wyoming. [Source: [Criterion](#) The information from Criterion was current when this article was published, but could have changed. Check the Criterion site or your state laws for confirmation.]

The primary way to minimize the likelihood that a court or arbitrator will find that handbook provisions amount to an implied contract is to include an unambiguous prominent disclaimer, on the first page of the handbook, stating that the handbook or other documents don't create contractual rights, and that the employment relationship is at-will. Any procedures that describe disciplinary steps should always be clearly described as guidelines, to be used at the nonprofit's discretion. The disclaimer should also address the fact that the nonprofit has the right to make changes to its personnel policies and that the new policy manual supersedes any prior manuals.

Example At-will Disclaimer

DISCLAIMER - IMPORTANT NOTICE ABOUT YOUR EMPLOYMENT

Employment with THEATRE is at-will, which means that either you or THEATRE may terminate employment at any time, for any reason, with or without notice. The policies and practices described in this employee manual are provided to you for guidance only, and do not constitute a contract of employment. Neither this handbook nor any other documents circulated to employees, nor any verbal representations constitute contracts. No supervisor or employee except the Executive Director has the authority to enter into an employment agreement, express or implied, with any employee concerning the employment relationship. These policies supersede any previous policies that may have been distributed previously. Your signature on the acknowledgement is a certification that you have received a copy of these policies as updated. These policies are subject to change at any time at the discretion of THEATRE.

Example Employee Acknowledgment

It is recommended that you place the following on the last page of the handbook:

This Handbook is effective as of the undersigned date and may be updated at any time.

I, as an employee, acknowledge that I have read and agree to the above terms and conditions made in this Handbook.

Employee Signature: _____ Date: _____

Print Name: _____

Policy Updates

When a theatre changes its policies and distributes a new employee handbook and/or policies statement, it's important that every employee receives the new version(s). Even employees who are on leave should receive a new manual by mail, using a method that provides proof of delivery.

Summing Up

An employee handbook is important because it establishes expectations, protects the company, and helps new employees get oriented.

Sets expectations

- Outlines the company's policies and procedures
- Describes how employees should behave in the workplace
- Explains what happens if employees don't meet expectations
- Describes how to request time off, dress appropriately, and more

Protects the company

- Helps prevent claims of discrimination, unfair treatment, or wrongful termination
- Shows that the company has reasonable care for its employees
- Helps ensure compliance with federal and state laws

Orients new employees

- Introduces employees to the company's mission, values, and culture
- Helps employees understand the company's norms and expectations
- Helps employees adapt to the company quickly

Other benefits

- Helps employers stay consistent in enforcing policies and procedures
- Helps employers keep track of changes in laws and regulations
- Helps employers communicate with employees
- Helps employers resolve conflicts with employees

Regularly update and communicate your employee handbook to ensure it remains relevant and effective.