

***EXCEL* Management Systems, Inc.**

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**Human Resources Policy, Practices and Procedures**

Revised 3/16/2012

## Section I – Introduction

The information in this manual is intended to familiarize employees with the policies and procedures of **EXCEL** Management Systems, Inc. This manual is intended to be used as a guideline. **EXCEL** reserves the right of latitude to resolve any unique circumstance. Nothing contained herein shall be construed to create any contractual relationship between **EXCEL** and any employee. All employment with **EXCEL** is “employment at will” as interpreted under the laws. Any contract governing terms of employment can only exist as a separate written agreement signed by an authorized representative of **EXCEL** and by the contracting employee.

This manual is for informational purposes only, and is not intended as a contract of employment, or as a promise or guarantee of specific treatment in specific situations.

## Section II – Employment

### Equal Employment Opportunity and Affirmative Action Statement

**EXCEL** is committed to Equal Employment Opportunity and Affirmative Action (EEO/AA). **EXCEL** views the unique differences and perspectives that individuals bring to the workplace as integral to our success in business. It is the policy of **EXCEL** to ensure career opportunities without regard to race, religion, color, national origin, sex, age, disability, marital status, veteran status, sexual orientation, ancestry, or citizenship status. In support of a diverse workforce, decisions as to hiring, promotion, training, transfer, rates of pay and other aspects of the employment relationship will be based solely upon job-related qualifications.

#### Guidelines:

- The EEO/AA policy of the Company will be communicated internally to all employees.
- **EXCEL**, as an Affirmative Action contractor, will comply with the letter and spirit of Executive Order 11246 and auxiliary regulation. It will take pro-active steps to develop and implement programs designed to employ and advance those individuals protected by the regulations.
- Responsibilities for EEO/AA rest with the President of the Company. However, each department head is expected to and will be held accountable for providing EEO/AA with their organization.
- The Human Resources Department is responsible for: acting as advisor to management concerning EEO/AA by providing coordination and technical guidance for the development, recommendation, results, and implementation of specific plans and programs as appropriate.
- Staff and economic resources will be allocated as required for training, education, and research to ensure employee understanding of EEO/AA.

### The Americans with Disabilities Act

**EXCEL** provides equal employment opportunities for persons with disabilities as a good business practice and in compliance with the American with Disabilities Act and all other applicable Federal, State, and Local laws. Employees and applicants with a disability may request reasonable accommodations to enable them to apply for and perform jobs for which they are qualified.

#### Guidelines:

- An individual is considered to have a disability if that individual either (1) has a physical or mental impairment that substantially limits one or more of the person’s major life activities, (2) has a record of such impairment, or (3) is regarded as having such impairment.
- Major life activity means a basic activity which the average person in the general population can perform with little or no difficulty, including walking, seeing, hearing, speaking, breathing, learning, working, performing manual tasks, and caring for oneself.
- Employees or applicants may request reasonable accommodations to assist them in the work environment. The manager, in conjunction with the Human Resources Department, will consider all requests for

accommodations. Any decisions to approve or refuse a requested accommodation will be communicated to the employee/applicant.

### **Employment Applications**

**EXCEL** relies on the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process. Any misrepresentations, falsifications, or material omissions in any of this information may result in the exclusion of the individual from further consideration for employment. If **EXCEL** learns that an employee falsified their application they will be subject to disciplinary action up to and including termination.

### **Immigration Law Compliance**

**EXCEL** is committed to employing only United States citizens and aliens who are authorized to work in the United States. In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility.

### **Workplace Harassment**

It is the policy of **EXCEL** to provide and maintain a professional work environment free from all forms of discrimination, intimidation, harassment, or insult for any reason, including that based on race, sex, religion, color, national origin, age, disability, veteran status, sexual orientation, marital status, ancestry, or citizenship status. Consistent with **EXCEL**'s respect for individual dignity, harassment on the basis of race, color, religion, national origin, or sex is prohibited under Title VII of the Civil Rights Act of 1964. Any form of harassment is illegal and will not be tolerated.

#### **Guidelines:**

- Harassment includes, but is not limited to, comments or behavior that singles out an employee based on race, sex, religion, color, national origin, age, disability, veteran status, sexual orientation, marital status, ancestry, or citizenship status. Sexual harassment includes, but is not limited to, unwelcome sexual advances, requests for sexual favors and other verbal, physical, or visual conduct of a sexual nature in the workplace.
- An employee who believes he/she is being harassed should tell the harasser to stop & that his/her behavior or comments are unwelcome and offensive.
- An employee who has witnessed or been the victim of harassment should immediately notify a member of management or their Human Resources Department.
- Management personnel are required to report any and all harassment incidents that they have knowledge of to Human Resources.
- Allegations of harassment will be promptly and thoroughly investigated by the Human Resources Department. If the investigation reveals that harassment has occurred, appropriate disciplinary action up to and including termination of employment will occur. To the extent practical, the complaint, investigation, and resolution will be kept confidential and managed strictly on a need to know basis.

- **EXCEL** forbids retaliation against anyone who in good faith reports harassment or cooperates in an investigation alleging harassment.

### **Violence Free Workplace**

**EXCEL** is committed to providing a safe and professional work environment; therefore, threats of acts of workplace violence will not be tolerated. All employees are expected to treat co-workers, managers, customers, and the public in a mature and professional manner.

#### **Guidelines:**

- All allegations of threats or acts of violence occurring in the workplace will be promptly and thoroughly investigated by the Human Resources Department. If the investigation reveals that the allegation is valid, appropriate disciplinary action up to and including termination of employment will occur.
- It is the responsibility of each employee to report incidents of threats or acts of violence of which he or she is aware to their immediate supervisor or Human Resources.

### **Weapons**

Possession of weapons including, but not limited to firearms and knives, presents the possibility of danger in the workplace and therefore is in violation of our safety policy. The possession of such articles is cause for disciplinary action up to and including termination of employment.

### **Personnel Records**

It is the policy to maintain certain records on each employee, which are directly related to the employee's job with **EXCEL**.

#### **Guidelines:**

- Personnel files are the property of **EXCEL** and access to the information is restricted.
- Employees may review their own personnel file in **EXCEL**'s offices and in the presence of their manager or a Human Resources Representative.
- Employees who wish to review their files should contact the Human Resources Department.

### **Performance Evaluations**

Supervisors and employees are strongly encouraged to discuss job performance and goals on a day-to-day basis. Formal performance evaluations are conducted to provide both supervisors and employees the opportunity to establish standards, set expectations, discuss accomplishments, areas of improvement, and job tasks. Performance evaluations should encourage communications between the supervisor and the employee, and provide a better understanding of performance expectations and goals of an employee.

### **Corrective Action**

In the event that an employee's performance, productivity, or behavior falls below **EXCEL's** standards, the Company may choose to proceed with disciplinary action. Such action may include formal or informal discussions, verbal or written warnings, or termination. When determining the appropriate level of discipline, the Company will take into account the nature and seriousness of the offense, the employee's prior record and length of service. Action is taken with the intent to correct the problem and return the employee to acceptable standards. The Company reserves the right to terminate an employee when, in the sole opinion of the Company, corrective counseling has been unsuccessful or would be inappropriate. It is not possible to list all the forms of performance, productivity, or behavior that are considered unacceptable in the workplace. The following are examples of infractions that can result in disciplinary action up to and including termination.

- Theft or inappropriate removal or possession of property.
- Falsification of timekeeping or any **EXCEL** records.
- Working under the influence of alcohol or illegal drugs.
- Possession, sale or use of alcohol, illegal drugs, firearms, explosives, or other improper materials.
- Insubordination or other disrespectful conduct.
- Violation of safety or health rules.
- Smoking in the workplace.
- Sexual or other unlawful or unwelcome harassment.
- Excessive absenteeism or any absence without notice.
- Unauthorized absence from work.
- Unauthorized use of telephone, mail systems, or other employer-owned or customer-owned equipment.
- Unauthorized disclosure of business "secrets" or confidential information.
- Unsatisfactory performance or conduct.
- Failure to observe published job-site instructions.
- Conviction of criminal activity

If an employee does not report or call into work for 3 consecutive days it will be considered a voluntary termination.

### **Open Door Policy**

It is **EXCEL's** philosophy to maintain an open and free exchange of information between managers and employees. Experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. It is important that problems be discussed and resolved in a timely manner. Most problems or concerns can be resolved between an employee and the immediate manager in the normal course of their day-to-day relationship. However, employees are also encouraged to take any problems, issues, or concerns to any member of management or to a representative of the Human Resources Department.

### **Guidelines:**

No supervisor or manager should discourage an employee in any way from discussing their problems with any member of management or Human Resources.

### **Conflict of Interest**

Employees shall conduct business so as to avoid actual or potential conflicts of interest. 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 relative as a result of the company's business dealings. If an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she discloses to an officer of **EXCEL** as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

### **Non-Compete and Confidentiality**

The protection of confidential business information, trade secrets, and intellectual property are vital to the interests and the success of **EXCEL**. Employees understand and agree as a condition of employment that in the course of their employment with **EXCEL**, they will receive and have knowledge of proprietary information of **EXCEL**, including, but not limited to, projects, practices, customer contacts, potential customers, and list(s) of customer contact and/or potential customer that **EXCEL** deems are sensitive and confidential in nature. Employees agree not to disclose, reproduce, divulge, disseminate, publish, reveal or otherwise make known at any time, directly or indirectly, to anyone who is not a party to this policy, of any such confidential information. Employees agree that for a period of 12 months following the termination of employment with **EXCEL**, the employee shall not directly or indirectly compete with **EXCEL** on any project or for any customer or contractor. Employees also agree that for 12 months following the termination of employment, the employee shall not contact or otherwise solicit, directly or indirectly, for the purpose of establishing a business relationship any current or prospective customers of **EXCEL**.

### **Employee Training**

**EXCEL** recognizes the need for professional training to aid individuals to perform their job. The Company will provide training for employees when it will result in a positive impact for the Company and the individual. All requests will require the approval of the employee's supervisor, manager, and director as well as Human Resources & Finance prior to the training. We encourage employees to discuss training issues with their immediate supervisor.

## Section III – Benefits

**EXCEL** Management Systems, Inc. offers multiple benefits to its employees. Each year during open enrollment, an employee has the opportunity to add, change, or delete benefits. Open enrollment covers the following benefits: healthcare, dental care, vision care, and supplementary and dependent life insurance.

### **Health, Dental, & Vision Care**

**EXCEL** offers a comprehensive health care benefit package to its employees. To be eligible for the health care benefits, employees must be scheduled to work 32 hours or more a week. Coverage will begin the first day of the month following date of hire. Contact your Human Resource Representative for details on these benefits.

#### **Guidelines:**

Employees must enroll themselves and their dependents in health care benefits within 31 days of hire. Failure to enroll will disqualify the employee until the next open enrollment period.

Health care benefits are governed by IRS code Section 125. That section only permits changes during open enrollment periods. Employees who experience a major life event (birth, marriage, divorce, loss of health care coverage etc.) may be eligible to change benefits during the enrollment year. Contact the Human Resource Department for additional information.

### **Company Paid Short and Long Term Disability Insurance**

**EXCEL** provides, free of charge, all fulltime employees short term, and long-term disability insurance in addition to \$15,000 term life insurance. Short-term disability coverage begins on the 15th calendar day of absence the benefit equals 50% of monthly salary to a maximum of \$400 per week for no longer than 13 weeks. Long term disability after 90 days with a benefits amount of 60% of monthly salary to a maximum of \$5,000 per month, length of the benefit varies dependent on the type of disability.

### **Employee Paid Supplemental Insurance Plans**

A variety of employee paid supplemental insurance plans are available, they include: Health Care, Term Life Insurance, Accident Insurance, Disability Insurance, and Pre-paid Legal Assistance. Contact your Human Resource Representative for additional information about these benefits.

### **Continuation of Group Health Coverage (COBRA)**

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage when a “qualifying event” would normally result in the loss of eligibility. Qualifying events would include: resignation, termination, death of an employee, divorce, reduction in hours, etc.

#### **Guidelines:**

- Under COBRA the employee or beneficiary pays the full cost of coverage plus an administration fee.
- The Company provides each eligible employee and/or dependent with written notice describing rights under COBRA.

**Holidays**

**EXCEL** recognizes and compensates employees for holidays each year.

**Employees working on non-federal contracts will observe the following holiday schedule:**

New Year’s Day	Labor Day
Martin Luther King Jr.’s Birthday	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

**Employees working on federal contracts will observe the following holidays:**

New Year’s Day	Labor Day
Martin Luther King Jr.’s Birthday	Columbus Day
President’s Day	Veterans Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day

**Vacation & PTO:**

Employees will be allocated at the start of the year all their vacation & PTO time, rather than have it accrue throughout the calendar year. Employees will not be paid out for unearned current year vacation when they terminate.

**Vacation**

Unless the employee’s supervisor grants an exception, an employee cannot use their vacation benefit until they have completed 90 days of service. Vacation time will be accrued at the following rate:

- 0 – 5 years of continuous service shall be eligible to take 10 days per year
- 6 – 10 years of continuous service shall be eligible to take 15 days per year
- 11+ years of continuous service shall be eligible to take 20 days per year

Accrual rates will be based on the employee anniversary date. If the hire date is July 15, 2003, the employee will begin accruing at 15 days per year on July 16, 2008. If an employee resigns or is terminated prior to the time that used vacation time is earned; the employee will be required to return the resulting value of the overpayment to **EXCEL**. If an employee resigns or is terminated who has earned but unused vacation; the employee will be paid for the time.

Effective January 1, 2013 vacation accrual will be capped. Employees will only be able to have 1.5 times their annual vacation allotment. So this means that your balance needs to stay under the total hours listed below for vacation schedule.

2 weeks vacation	Balance	120.00 hours
3 weeks vacation	Balance	180.00 hours
4 weeks vacation	Balance	240.00 hours

Example with 2 weeks' vacation at the end of 2012 you will only be able to carry over 40 hrs. EXCEL front loads vacation on January 1st so you would receive your 80 hrs and 40hrs carry over would equal the 120 hours maximum.

### **Paid Time Off (PTO)**

**EXCEL** believes that employees should have opportunities to enjoy time away from work to help balance their lives. The Company recognizes that employees have diverse needs for time off and has established this Paid Time Off (PTO) policy to meet these needs.

Update: Effective 1/1/2012

- Administrative Office will have 8 Holidays and 7 PTO days
- State/Federal will have 10 Holidays and 5 PTO days

### **Guidelines:**

- Employees are responsible and accountable for managing their own PTO to cover illness, bereavement, emergencies, personal business, inclement weather, or other needs that require time off from work.
- On January 1st of each year non-federal employees are awarded 7 days of PTO, federal employees are awarded 5 days of PTO. Whenever possible, PTO should be scheduled in advance.
- Granting of PTO is subject to supervisory approval.
- Unscheduled absences will be monitored and employees will be counseled when absences adversely affect the operations of the Company.
- **EXCEL** may request that the employee provide a statement from their health care provider at any time concerning the justification of an unscheduled absence.
- Employees who are hired after January 1st will have their PTO prorated.
- Part time employees will receive prorated PTO.
- Employees may carry over a maximum of 40 hours of PTO time.
- If an employee quits or is terminated PTO time is not paid out.

### **Vacation Buy Back Plan**

**EXCEL** Management Systems, Inc. awards vacation time to provide an opportunity for employees to relax and renew themselves. Employees who do not take advantage of their time off can suffer burn out or diminished performance. **EXCEL** encourages employees to use their vacation time. However, there are cases that for

personal or business reasons an employee does not exhaust their annual entitlement and may carry over or bank that time. Banked vacation may be withdrawn as cash under the following guidelines:

- The employee has a minimum of 120 hours in their vacation bank.
- Employees must leave a minimum of 80 hours in their vacation bank.
- One cash withdrawal may be made each calendar year.
- Withdrawals may be in 40 hour increments only.
- Withdrawals may not be against time being accrued in the current year.
- A check will be issued at the next payroll cycle.

The payroll department will be responsible for approving and processing cash payouts.

### **Family Medical Leave of Absence (FMLA)**

It is the policy of **EXCEL** to grant up to 12 weeks of family medical leave during any 12-month period to eligible employees to care for themselves or an eligible family member due to serious illness, or in the event of birth or adoptions in accordance with the Family Medical Leave Act of 1993.

#### **Guidelines:**

- The leave is unpaid, but may be used in conjunction with vacation, PTO, STD or LTD.
- Employees are eligible for FMLA after they have been employed for 12 months and a minimum of 1250 hours of employment in the previous 12 months.
- Family members are defined as the employee's spouse, and biological, adopted, foster or stepchildren, and other children for who the employee is legally responsible, and the employee's biological, adoptive, or stepparents who were legally responsible for the employee during the employee's childhood.
- Company benefits will be made available to the employee on the same basis as during active employment.
- Serious illness is defined as a certified health condition, injury, or physical or mental condition which requires continuing treatment or supervision by a caregiver or the requirement of inpatient care in a hospital, hospice, or residential health care facility.
- FMLA may be denied under any one of the following conditions: 1) the employee is assigned to a work site with less than 50 employees within a 75 mile radius or 2) where medical certification cannot be obtained.
- Entitlement to a FMLA to care for a child ends 12 months after birth or placement.
- Employees will be required to exhaust all accrued vacation and PTO time as part of FMLA.

### **Absences due to Illness**

Employees who are absent due to illness for more than 5 consecutive days are required to provide documentation from their health care provider which states they have been unable to work due to a medical condition and must present a release to return to work prior to returning to work.

### **Jury Duty**

**EXCEL** encourages all employees to serve their community when called for jury duty. Employees will be paid the difference between their jury duty pay and their regular salary up to a maximum of 40 hours.

**Guidelines:**

- The employee must provide their supervisor with court documentation requesting the employee to report for jury duty.
- If the employee is released early from jury duty, they are expected to return to work at the earliest time possible.
- Upon completion of jury service the employee should present evidence to their supervisor indicating the amount of pay received.

**Military Leave**

An employee will be granted a military leave of up to 10 days a year to attend scheduled drills or training. Employees will be paid the difference between their military pay and their **EXCEL** salary upon evidence of their military pay.

Extended military leaves will be granted in accordance with Federal & State laws should an employee be called to active duty.

## Section IV – Compensation

### Compensation:

**EXCEL** Management Systems, Inc. believes that it is in the best interest of both the organization and employees to fairly compensate the workforce. It is our intention to use a compensation system that will determine the market value of a position based on the skills, knowledge, and behaviors required of a fully competent incumbent. Annually the Management Team will review and approve as appropriate funds to be allocated for merit pay salary increases, bonuses, and incentive pay.

### 401k:

**EXCEL** sponsors a defined contribution profit sharing plan pursuant to Section 401 (k) of the Internal Revenue Code. The plan allows participants to contribute a percentage of their compensation to the plan, not less than 1% and not to exceed 100%. Information regarding specific investment options can be obtained by contacting the Payroll or Human Resources Departments. Upon joining **EXCEL**, your minimum contribution will be 2% unless you opt out of joining the 401k plan. In the event that **EXCEL** exceeds its Budgeted Revenue by 1-10%, the company will make a contribution to each employee's 401k account equal to 1% of their earnings. If **EXCEL** exceeds its Budgeted Revenue by more than 10% then a 2% contribution will be made to their 401k account. Employer contributions will vest at 20% a year.

### Timekeeping & Pay

Accurate reporting of time worked is the responsibility of every employee. Federal and State laws require **EXCEL** to keep records of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

#### **Guidelines:**

Employees are responsible for completing weekly time sheets:

- Timesheets must be completed on a daily basis.
- Timesheets are not to be completed in advance of hours worked.
- All weekly timesheets will be submitted by the end of the work week.
- All employees must record all hours worked, whether compensated or not (to include any non- or compensated OT).
- All timesheets must accurately reflect the hours worked by project number/or project code.
- Approvers will review and approve the time record of employees before submitting it for payroll processing, and must submit the time sheets each Monday morning no later than noon EST.
- Work authorizations/job assignments will be provided to each employee before the employee is allowed to charge time to a particular contract project.
- All company employees will charge their time to either a contract or a corporate charge code.

If the **EXCEL** remote time keeping system is not available when you need to record your time, send your hours and charge code information to your time keeping approver. When the time keeping system is available you will

use this time and code information for updating the system, any updates to the system not matching the data in the e-mail you sent to your time keeping approver will require approval.

If corrections need to be made to the daily time record, both the employee and supervisor must verify the accuracy of the changes to the time record and if needed clarify any change recording the reasons.

In the event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of their supervisor and the payroll department so that corrections can be made as quickly as possible.

Altering, falsifying, 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.

Employees should be aware of the Department of Defense waste/fraud hotline (Telephone No. 1-800-424-9098) and its role in handling allegations of fraud and mismanagement while protecting the anonymity of the source of the referral. Further information can be obtained via posted material.

The law requires that **EXCEL** make certain deductions from every employee's compensation. Among these are applicable federal, state, and local taxes. **EXCEL** must also deduct Social Security and Medicare taxes on each employee's earnings up to specified limits.

**Note:** Some weeks may require two submissions of time if the end of month occurs mid-week.

### **Employment Categories**

**EXCEL** has multiple employment classifications which drive the employee's eligibility for all or certain benefits. The categories are:

Full time regular – employees who occupy a position which is expected to continue for the foreseeable future and who are scheduled to work 40 hours per week.

Part time regular – employees who occupy a position which is expected to continue for the foreseeable future and who are scheduled to work less than 40 hours per week.

Temporary – employees who are hired for a specific task on a short-term basis. These employees will receive all legally mandated benefits such as Social Security and Workers' Compensation, but will not be eligible for any other company benefits.

## Section V – Personnel Administration

### Business Travel

**EXCEL** will reimburse employees for reasonable business travel expenses directly related to accomplishing business objectives. Employees are expected to limit expenses to reasonable amounts.

#### Guidelines:

- The immediate supervisor must approve all business travel in advance.
- Original, itemized receipts must be submitted with the appropriate documentation on a Travel and Expense Reimbursement Request.
- Receipts for all expenses above \$15 must accompany reports.

### Use of Electronic Networks

**EXCEL**'s working environment provides electronic networks for conducting the company's or customer's business. These tools include electronic mail (E-mail), voice mail (V-mail), intranet, and internet access. These business tools are the property of **EXCEL** or its customer and are to be used solely in support of **EXCEL** business. Personal use of these systems is prohibited. Sending offensive, harassing, demeaning, or disruptive information or messages is strictly prohibited. Employees are also prohibited from sending or forwarding copyrighted material or other property owned by third parties; or accessing or using an E-mail or V-mail password, address, mailbox, or messages of another without authority. **EXCEL** reserves the right to monitor E-mail, V-mail and other networks at its discretion to ensure compliance with this and other policies. Employees who violate this policy may be subject to disciplinary actions up to and including termination of employment.