



HR At a Glance - Compliance

A Practical Desk Reference for Small Business Leaders



EMPLOYEE RECORDS

Poor recordkeeping is one of the most common and preventable compliance risks for small businesses.

REQUIRED POLICIES

A handbook that hasn't been reviewed recently may not reflect current law.

WAGE & HOUR COMPLIANCE

Misclassification and overtime errors are one of the most common compliance mistakes.

FIRST STEP

Know what records you have and where they are stored.

FIRST STEP

Review your handbook.

FIRST STEP

Verify employee classifications.

Records to Maintain

- I-9 forms
- Personnel files
- Payroll records
- Benefit records
- Required retention periods

Policies to Review

- Anti-harassment policy
- Complaint procedure
- Leave policies
- Timekeeping expectations
- Workplace conduct

Areas to Review

- Exempt/non-exempt review
- Overtime practices
- Meal/rest periods
- Timekeeping procedures
- Final pay requirements

Red Flags

- Missing I-9s
- Personnel files mixed together
- No record retention process

Red Flags

- Handbook hasn't been updated in 2+ years
- No written complaint procedure
- Leave policies are unclear or missing

Red Flags

- Employees classified as exempt without review
- No written timekeeping policy
- Final pay process is unclear

Lean in HR Tip

Organization prevents compliance problems.

Lean in HR Tip

A policy that isn't in writing is difficult to enforce.

Lean in HR Tip

Wage and hour violations often result from unclear expectations, not bad intent.

KELLY'S RULES OF COMPLIANCE

1. Know your records before someone asks for them.
2. Document policies in writing - verbal doesn't count.
3. Apply rules consistently across all employees.
4. Classify correctly from the start. Fixing it later is costly.
5. Compliance problems rarely fix themselves.

⚠️ HOW URGENT IS THIS?

⊗ ADDRESS TODAY

- Missing I-9s
- Active harassment complaint
- Wage payment errors
- Safety violations

⚠️ ADDRESS THIS WEEK

- I-9 audit
- Handbook review
- Classification review
- Record organization

✅ ADDRESS THIS MONTH

- Retention schedule
- Policy updates
- Manager training
- Compliance audit

⚠️ BEFORE YOU TAKE ACTION

Before addressing a compliance concern, ask yourself:

- | | |
|---|--|
| <input type="checkbox"/> Are my I-9s complete and current? | <input type="checkbox"/> Do I have a written complaint procedure? |
| <input type="checkbox"/> Is my handbook up to date? | <input type="checkbox"/> Are my pay practices consistent with wage and hour law? |
| <input type="checkbox"/> Are my employees correctly classified? | <input type="checkbox"/> Would my records hold up to an audit? |

Most compliance problems don't start with bad intent - they start with incomplete records, outdated policies, and unclear expectations. A little structure today prevents significant problems tomorrow.



Need a Second Opinion?

Take the free HR Snapshot to identify hidden compliance risks before they become expensive problems.

leaninhr.com | Scan to take the free HR Snapshot