General FLSA Information

What is the Fair Labor Standards Act or FLSA?
The FLSA is a federal law that establishes minimum wage, overtime pay, recordkeeping and youth employment standards for employees in the private sector and in federal, state and local governments.

What is changing?
The Minimum Salary Threshold Test for the white-collar overtime exemption is changing. The U.S. Department of Labor (DOL) has finalized changes that will raise the minimum salary threshold to the 40th percentile of weekly earnings for full-time salaried workers. The minimum salary threshold, above which an employee can be designated as exempt from overtime requirements, is $913 a week or $47,476 annually for a full-year worker. The effective date of the Final Rule is Dec. 1, 2016. Future automatic updates to those thresholds will occur every three years, beginning on Jan. 1, 2020.

Why did the DOL make this change?
The DOL concluded the prior standard salary level of $455 weekly ($23,660 annually for a full-year employee) set in 2004 for this exemption was too low. Indeed, the real value of the salary level has fallen significantly since it was set 12 years ago. Today, the annualized equivalent of the standard salary level is below the 2015 poverty threshold for a family of four, making it inconsistent with Congress' intent to exempt only "bona fide EAP workers," i.e., those workers covered by either the Executive, Administrative or Professional exemptions (discussed in detail below).

What does it mean to be exempt or non-exempt?
Exempt employees are excluded from overtime payment. Non-exempt employees are subject to the payment of overtime. Exemption is based on qualifying for all three of the following tests:

- **Salary Basis Test:** Employee must be paid on an annual salary basis;
- **Minimum Salary Threshold Test:** Employees must be paid above a salary threshold amount that is currently $913 per week or $47,476 annually; and
- **Duty and Discretion Tests:** Employee must qualify as an Executive, Administrator, Professional or Computer Professional.

What is the Standard Duties Test?
Find out more about the FLSA and overtime exemptions on GTHR’s website at [http://ohr.gatech.edu/flsa](http://ohr.gatech.edu/flsa). Additional information is on the DOL’s website: [https://www.dol.gov/whd/overtime/fs17a_overview.pdf](https://www.dol.gov/whd/overtime/fs17a_overview.pdf).

Who will the rule change affect?
If an employee’s rate of pay is below the new minimum salary threshold, the employee must be designated as non-exempt, even if they meet the duties test above that would generally qualify them as overtime exempt. Employees whose pay is below the threshold must now report hours worked and are eligible for overtime pay.
How does this affect a part-time or a less-than-100% contract employee?

Pay for part-time roles will not be pro-rated. An employee with a .75 FTE with a fulltime rate of $60,000 (above the minimum salary threshold) is paid $45,000. $45,000 is below the anticipated minimum salary threshold, and therefore, the employee will be non-exempt if the threshold is $47,476.

What does all this mean for me?

In some cases, employee classifications may change from overtime exempt to non-exempt. If you are in a position that is re-classified from exempt to non-exempt, you will become eligible to earn overtime wages or compensatory time if you work over 40 hours during a given week. This may change the way you report your hours worked, to document the time you are eligible for overtime earnings.

Will exempt employees under the new salary threshold receive a pay increase to remain exempt?

The Institute is committed to ensuring full compliance with the new federal regulations effective Dec. 1, 2016. In some cases, this will mean raising the salary of overtime-exempt, full-time employees.

Can I or my department opt out of FLSA changes if we want to handle things differently?

No. These changes are driven by changes to federal law that will apply to employees across the United States, not by Georgia Tech’s policy-makers or individual departments. The Institute has and will continue to consult with departments across campus on factors impacting Georgia Tech’s response to these regulatory changes. However, guidelines will be established centrally to ensure the Institute’s response is consistent, non-discriminatory, sustainable and legally compliant.

Is there an exemption for institutions of higher education from the FLSA or the DOL’s overtime regulations?

Schools and institutions of higher education are generally covered by the FLSA's minimum wage and overtime provisions. However, some employees are exempt from the Final Rule. Teachers are exempt if their primary duty is teaching, tutoring, instructing or lecturing. "Teachers" include, for example, regular academic teachers; kindergarten or nursery school teachers; teachers of gifted or disabled children; professors; adjunct instructors; teachers of skilled and semi-skilled trades and occupations; home economics teachers; vocal or instrument music teachers; and under certain circumstances, athletic coaches and assistant coaches. Postdoctoral researchers in the sciences are not covered by the teaching exemption. These employees are generally considered professional employees and are subject to the salary threshold for exemption from overtime.

Generally, the DOL views graduate and undergraduate students who are engaged in research under a faculty member’s supervision in the course of obtaining a degree to be in an educational relationship and not an employment relationship with the school or with a grantor. As such, the DOL will not assert such workers are entitled to overtime.

In addition, the administrative personnel who help run higher education institutions and interact with students outside the classroom, such as DOL heads, academic counselors and advisors, intervention specialists, and others with similar responsibilities are subject to a special salary threshold that does not apply to white-collar employees outside of higher education. Instead, they are not eligible for overtime if they are paid at least as much as the entrance salary for teachers at their institution.
Time Recording

How should actual hours worked be recorded?

Non-exempt employees must accurately report all hours worked and any leave taken during each pay period. Each non-exempt employee is responsible for ensuring that all time worked and leave taken are accurately reflected on their timesheet; and the timesheet must be approved by the employee by the established payroll approval deadlines. Failure to approve the timesheet by the established deadline may jeopardize on-time processing and receipt of employee pay. In addition, continual neglect to approve time and/or leave in accordance with established pay dates may result in disciplinary action, up to and including termination.

Misrepresenting working hours, falsifying signatures or timesheet information, recording time from a non-authorized device or location, and tampering with a time device or employee’s timesheet are extremely serious offenses and violate Institute policy. Employees found to have engaged in any of these prohibited activities are subject to disciplinary action, up to and including termination.

If an employee’s time needs to be changed for any reason, they must obtain manager approval and notify the manager in writing.

Is a lunch break required for overtime-eligible employees?

Though not required, employees who work at the Institute are encouraged to take a lunch break. Skipping lunch should be the exception, not the norm, and should be approved by their manager/supervisor.

Are overtime-eligible employees entitled to breaks and rest periods?

Frequent unscheduled breaks are not required and may be addressed by the employee’s manager/supervisor. Breaks, particularly bona fide meal periods (typically lasting at least 30 minutes), are generally encouraged but not included in time worked.

Will newly overtime-eligible employees have to record their hours on a daily basis or "punch a time clock"?

The FLSA requires that employers keep certain records for each non-exempt worker. That is so workers can be sure they are paid the wages they earn and are owed.

Where an employee works a fixed schedule that rarely varies, the employer may simply keep a record of the schedule and then indicate the changes to the schedule that the worker actually worked when the worker’s hours vary from the schedule (“exceptions reporting”).

Does the FLSA allow for a flexible schedule for overtime-eligible employees? Can employers still allow employees to work from home or have flexible schedules?

Yes. The FLSA does not require minimum or maximum hours for a shift, or prohibit split shifts. There is no requirement that a worker must have a predetermined schedule or restrictions on where the work is performed. There is also no restriction on when the work may be performed.
Doesn't having to punch a clock restrict the ability of an employee to work flexibly?

No. For example, an overtime-eligible employee has a flexible schedule that does not require the employee to work particular hours but requires that they work at least 40 hours per week. In a particular week, the employee might leave early on Monday to go to her daughter's soccer game, finish some work from home late Monday night, stay late on Tuesday and Wednesday to catch up on a priority project, leave on Thursday midafternoon to attend a gym class and then return to work. Employees must accurately record all time worked and submit this time weekly.

**Travel for Overtime-eligible Employees**

How is travel time paid for non-exempt employees who go out of town for work?

Prior to the travel dates, a non-exempt employee should discuss with their manager how to record their time while traveling and how it will be compensated. You may also want to reach out to your HR Business Partner or HR Representative to discuss.

Generally, overnight travel is compensated for the time that overlaps the regular work hours.

Example: If an employee’s regular work hours are 8:30 a.m. to 5 p.m. Monday through Friday and the employee leaves to travel to a seminar on Sunday at 4 p.m. and arrives at 9 p.m., the employee would be compensated for the one hour of travel time, which is from 4 – 5 p.m.

Meal periods are not paid while traveling unless it is a working lunch.

All hours *worked* are paid while traveling.

**Time Reporting Questions for Employees**

Do I have to report my hours?

Yes, if you are a non-exempt employee, you need to report all hours worked as directed by your manager.

Who approves my submitted hours?

Your manager/supervisor will approve your time and make sure it is ready for the Payroll Office to process on a weekly basis.

What is considered overtime?

Overtime-eligible employees are paid overtime for hours worked over 40 hours in the workweek.

Is overtime calculated daily?

No, overtime is calculated based on the workweek.
What if I work 12 hours in a day, does that count as overtime?

No, in Georgia overtime is based on a 40-hour workweek and not the number of hours an individual works in a single day.

What is the Institute workweek?

The workweek is Thursday through Wednesday, which is used to calculate overtime pay. The Payroll Calendar is a tool to assist in visualizing the workweek for scheduling purposes: [http://ohr.gatech.edu/payroll/paycheck](http://ohr.gatech.edu/payroll/paycheck)

Why didn’t I get paid overtime during a holiday week?

It is important to note that overtime is paid on actual hours worked. That means paid hours that are not actually worked, like vacation, sick and holiday do not count toward being paid overtime.

If I work part time, how many hours do I have to work to get paid overtime?

According to state and federal law, overtime begins after an overtime-eligible employee has worked in excess of 40 hours in the workweek; there are no adjustments or pro-rations if someone works part time.

I am scheduled for a 37.5-hour workweek; does overtime pay begin after 37.5 hours or 40 hours?

Overtime pay begins after a non-exempt staff member has worked in excess of 40 hours in the workweek; you will be paid straight time for any hours worked between 37.5 and 40 hours.

If I work more than 40 hours in a workweek, how is overtime pay calculated?

Overtime is calculated by taking the hours worked over 40 in a workweek at a rate not less than time and one-half the regular rate of pay.

Do I need to get approval from my supervisor to work more than 40 hours?

Yes, you always need to get approval from your manager/supervisor in advance if you plan or need to work more than 40 hours in a workweek to meet the expectations of your job.

What happens if I work overtime and don’t obtain prior approval from my manager/supervisor?

You will be paid for time worked in accordance with applicable regulations. However, you and your manager should discuss your work schedule prior to working any overtime. Failure to obtain approval in advance of working overtime may result in discipline up to, and including, termination.

Does paid vacation or sick time count toward overtime calculations?

No, the FLSA does not require payment for time not worked, such as vacations, sick leave or holidays (federal or otherwise). These benefits are matters of agreement between an employer and an employee. Overtime is calculated using hours actually worked.
What if a building closure or other campus closure not associated with inclement weather (e.g., a weekday football game) results in an employee being scheduled for less than 8 hours that day (based on the employee’s regular work schedule)?

Employees can, with permission from their department and manager, “flex” their time so as to work outside of normally scheduled hours.

**Do break periods count as hours worked for purposes of calculating overtime?**

Any break period of approximately 15 minutes or more will not count as time worked and should be recorded as such on timesheet.

**What if I work through lunch?**

If you are a non-exempt employee, you must report your hours if you work during lunch; you must report all hours worked, regardless of where or when they were worked relation to your “normal” workday. Bona fide meal periods (typically 30 minutes or more) generally are not compensated as work time. Employee “bona fide meal period” means that you are completely relieved from your work obligations, whether active or inactive, while eating.

**What if I work at night or on weekends?**

If you are a non-exempt employee, you must report your hours if you work during nights or weekends; you must report all hours worked, regardless of where or when they were worked in relation to your “normal” workday.

**What if I work from home?**

If you are a non-exempt employee, you must report your hours if you work from home; you must report all hours worked, regardless of where or when they were worked in relation to your “normal” workday.

**Can I still have a flextime schedule?**

If you and your supervisor agree to a flextime schedule, you can continue to work a flextime schedule upon mutual agreement between you and your supervisor. As a non-exempt employee, you must report all hours worked within a workweek, and you will be paid accordingly.

**Can I offer to work on my own time without any expectation of payment?**

No, non-exempt employees must be compensated for all hours actually worked.

**Can an employee decide to waive payment of overtime?**

No, the overtime requirement may not be waived under any circumstances due to federal guidelines.

**Is there a policy that addresses how we should treat employees, exempt and non-exempt, who wish to take time off to vote?** NEW (1/30/17)

Yes, Policy 2.11 addresses various types of leaves of absence, including taking time off to vote. The Institute encourages employees to exercise their constitutional right to vote in all federal, state, and location elections. If election polls are not open at least 2 hours before or 2 hours after an employee’s normally scheduled work shift,
sufficient leave time must be granted to permit the employee to vote. In this instance, an employee should be granted a two-hour block of time in which to vote, if needed.

What happens if a non-exempt employee is summoned for jury duty? NEW (1/30/17)

Policy 2.11, referenced above, provides that employees summoned for court duty as a juror or witness must notify his/her immediate supervisor as soon as official orders are received and provide a copy of the orders. Employees called for jury duty or witness duty will be paid at the normal rate of pay for any regularly scheduled time lost from the job. If the court duty is completed prior to the end of the employee’s normal work schedule, the employee must report to work for the remainder of his/her shift.

How are non-exempt employees compensated for “volunteer” type activities, such as a 5K sponsored by the Institute or serving on a committee at the Institute that is not related to his or her position? NEW (1/30/17)

Lectures, meetings, training programs and similar activities are viewed as working time unless all of the following criteria are met:

- Attendance is outside of the employee’s regular working hours;
- Attendance is in fact voluntary;
- The course, lecture, or meeting (etc.) is not directly related to the employee’s job; and
- The employee does not perform any productive work during such attendance.

If you have questions as to whether an event is covered by these criteria or not, please consult with your HR Representative.

Pay Questions

Where do I go to verify my annual salary?

You may confirm your pay in Techworks.

How do I calculate my hourly pay?

You will need the number of work hours in a year:
40 hour workweek x 52 weeks in a year = 2080 work hours in a year
Then take your annual salary and divide it by 2080 (number of work hours in a year)
Example: $30,014.40 divided by 2080 = $14.43 per hour

How can I calculate what my new bi-weekly check will be before taxes?

Alternatively, take your hourly rate and multiply it by 80 (if full time) (2 weeks in a pay period x 40 hours in each workweek). Example: $14.43 x 80 = $1,154.00

When are non-exempt employees paid?

The bi-weekly Payroll Calendar (http://ohr.gatech.edu/payroll/paycheck) shows the workweeks and pay days.

Does the change in pay schedule affect my direct deposit status?
You will not need to change your direct deposit information as part of this change. Any direct deposit authorizations you have set up will continue after your pay frequency changes. However, if you have any fixed-dollar amounts automatically deducted by your financial institution, you may want to adjust the amount (see Deduction Question below more information).

**Why is my check less than half of my monthly check?**

There are 26 pay periods, rather than 24 pay periods in a year. While your check may be less than half each check, there will be two times a year that you will be paid three times in one month. See the Payroll Calendar for pay days. In 2016, there are three pay days in July and December.

**What happens when I receive a salary increase that raises my salary above $47,476?**

Georgia Tech Human Resources will monitor positions to ensure alignment with Federal Regulations. If a salary and duties align with the regulations and all like jobs within the classification are similarly aligned, an exempt classification may occur.

**Can an employee donate their unused accrued vacation time to another employee interested in the vacation cash out?**

Per USG guidance, this is not permitted.

**Deduction Questions**

**Will benefit deductions change?**

While your expected annual contributions are not expected to change, your pay period benefit deductions for medical, dental, etc., will be recalculated based on the new pay frequency.

**Will Flexible Spending Accounts change?**

Flexible spending accounts are special accounts that are designed to save money on taxes for health care or dependent care expenses. The amount deducted from each check will be recalculated automatically by the Payroll system.

**Will transitioning to overtime eligible status affect my retirement account?**

If you are signed up to have money deducted from your check for retirement, the amount deducted from each check will be recalculated automatically by the Payroll system.

**What will happen to my automatic withdrawals, like for my mortgage?**

You will need to contact your lender to make adjustments for the new pay days.

**Will I need to make any changes to my direct deposit?**

It is not necessary to make changes to your direct deposit. If you have automatic bill payments deducted from your account, you should make arrangements with your financial institution due to the change in pay cycles.
Will the change in pay frequency affect my sick and vacation accruals?

Your overall sick and vacation accrual rate remains the same. However, the time will be accrued with each bi-weekly pay period, instead of once a month.

How will the transition to bi-weekly pay affect the amount deducted for my garnishment?

If the garnishment deduction is calculated as a percentage of your earnings, a deduction will occur each pay period, up to the maximum deduction allowed based on federal and state regulations.

Will I need to make changes to my tax withholding?

You should review your particular tax situation and update your W-4 accordingly.

Compensatory Time Questions

What is compensatory time (or “comp time”)?

The DOL allows public sector employees to offer compensatory time (or “comp time”) to employees in lieu of overtime payment. Comp time is also calculated at 1.5 times your rate of accrual, but it is held for employees to use as leave time. For example, 4 hours of overtime equates to 6 hours of comp time.

How is comp time different from Flex time or Flexwork?

Comp time refers to how an employee is paid for overtime. By contrast, flex time or a flexwork arrangement is concerned with when you work.

At the discretion of an employee’s department, a flexible work arrangement (or “flexwork arrangement”) allows an employee to work a schedule with variable arrival, departure and/or lunch times (see Policy 8.65).

A manager can also require a non-exempt employee to “flex” their time to meet department needs without incurring overtime. For example, if an employee needs to work several additional hours to cover travel or a particular project and works 12 hours on a given day, the employee may be requested on a later day that same workweek to leave a few hours early so overtime is not incurred.

Can receipt of comp time instead of overtime pay be required?

No. The employee and manager must mutually agree to the non-exempt employee’s receipt of comp time in lieu of overtime. Ask your HR Representative or consult the Institute’s FLSA policy. The acknowledgement form is available here.

Can a department decline to issue comp time?

Yes. Some departments are unable to offer comp time based on government contracts or other business circumstances.

Are there limits to comp time accrual? What happens if an employee reaches the maximum limit for accumulated comp time?
Yes. The current maximum is 60 hours per fiscal quarter. We expect this maximum to be increased to 240 hours per fiscal year. Employees who have reached the compensatory time maximum must receive a cash payment for any additional overtime.

When can an employee use their comp time?

Supervisors should make accommodation where possible to allow employees to use comp time as requested by the next fiscal quarter during which it was accrued. Requests to use comp time should be made in the same manner as vacation time requests.

Does comp time need to be used prior to the employee’s accrued vacation time?

Yes.

Will an employee lose comp time if it is not used by a certain date? What happens if the employee moves departments or leaves the Institute?

Comp time must currently be used by the next fiscal quarter during which it was accrued. If it is not used by that time, it is paid out. Such payment shall be at the employee’s regular earnings rate at the time the payment is made.

Employees terminating from the Institution or transferring to a new department will receive a compensatory time payoff from the department in which they earned the compensatory time. The payoff will be calculated based on the employee's current rate of pay.

Are changes anticipated with how the USG and the Institute handle comp time given that a larger employee population is now classified as non-exempt?

Yes. Given that the non-exempt population is expanding, the Institute is clarifying and expanding its FLSA guidelines around comp time and other topics. Both the Institute and the USG have drafted revised comp time guidelines that allow comp time to be accrued up to a maximum of 240 hours per fiscal year. Comp time not taken during the fiscal year when it was accrued is paid out at the employee’s regular rate at the end of the fiscal year.

Manager Frequently Asked Questions

My job title is “manager.” Am I exempt from overtime pay?

You must meet the standards of the exemption tests no matter the job title. For exemption to apply, an employee’s specific job duties and salary must meet all of the applicable requirements provided in the DOL's regulations. Accordingly, the duties test must be met even if the employee's salary exceeds the standard salary level.

What are my responsibilities related to timekeeping?

In order to plan work, manage budgets and track time off, Georgia Tech requires all managers maintain accurate records of time and attendance for employees in their areas. Employees in non-exempt jobs are required to maintain daily time records. Managers must review and sign the timesheets prior to submission to HR.
Supervisors/managers are prohibited from instructing or permitting non-exempt employees to work "off the clock" and are subject to disciplinary action, up to and including termination of employment, for violating this policy.

**Who is a Primary Approver of time?**

The Primary Approver is typically the direct line supervisor/manager with authority to approve or deny leave. The primary approver is responsible for ensuring that all time and leave records are current and accurate for their areas of responsibility. Managers with timesheet approval responsibilities are required to approve timesheets for their direct reports in accordance with established payroll deadlines. Primary Approvers who do not review, correct and approve timesheets by the deadlines may be subject to disciplinary action.

If an employee’s time changes and the manager has been notified in writing of the change, the manager is responsible for ensuring the employee’s time and/or leave is updated, approved and submitted to the appropriate institutional office for processing time.

**Can someone serve as a Delegate to review and approve time?**

Yes, if Primary Approvers are not available to approve timesheets in accordance with the established approval dates, their responsibility must be delegated to an authorized and approved proxy. A manager may delegate their tasks of approving time and entering employee time to another person due to workload or their own absence from the office. Delegated authority can be upward, lateral or downward within the reporting hierarchy.

Once the delegation framework passes delegated authority over a transaction to a proxy, the proxy cannot delegate authority over that transaction to another person. Both Primary Approver and Delegated Authority maintain the responsibility to ensure compliance with policies and procedures.

**If an employee holds more than one job, can the employee have more than one FLSA status designation?**

No. Regardless of how many concurrent jobs an employee holds, the employee’s status must be either exempt or non-exempt. For example: Employee X, whose total salary is below the minimum salary threshold, holds a part-time instructional academic staff position as a lecturer. The employee also holds a part-time position as a recreational specialist. If Employee X’s primary duty is teaching as a lecturer, then the employee’s designation is exempt because teaching is the employee’s primary duty, and the employee qualifies for the “teacher” exemption regardless of salary. But if the primary duty is determined to be work as a recreational specialist, the FLSA designation will be non-exempt because total salary is under the minimum salary threshold.

**As a Manager, what should I do if I suspect my employee may be working unapproved overtime or if the employee submits for overtime not pre-approved by me?**

If you observe an employee appears to be working frequently outside of the regularly scheduled workday (e.g., sending e-mails late at night) or working without breaks (e.g., frequently eating at their desk while working) you should be proactive and have a conversation with that employee to ensure they understand they should not be working overtime without prior approval and failure by an employee to receive pre-approval of overtime worked may result in disciplinary action. You may also want to strategize with the employees on how to accomplish work demands within a 40-hour workweek and discuss any concerns the employee has with their ability to meet expectations without working overtime.
Employees who submit for overtime without approval should be addressed with coaching or other discipline up to, and including, termination. Employees should understand that time records should be accurate and submitting false records is subject to discipline. Likewise, managers have an obligation to ensure employees feel comfortable providing accurate records of time worked and understand they will be paid for those hours. Keeping the door open for communication with direct report(s) is one strategy for ensuring work is timely completed and budgets are met.

As a Manager, may I allow my employee to work through lunch?

Managers are strongly encouraged to facilitate meal and/or rest break for their employees. Asking your employee to work through lunch is permissible provided it is the exception, not the norm, and there is a valid business reason.

Can a manager require non-exempt employees to take a 30-minute lunch?

While allowing your employees time to take at least a 30-minute meal break is strongly recommended, it is not required by Georgia or federal law or Institute policy. An employee is required, however, to request overtime prior to working such. If a meal break allows an employee to structure their day so that unnecessary overtime is not required and work obligations are covered, then this should be a practice they are highly encouraged to follow and a manager may provide this coaching.

Can a non-exempt employee still work early and late? Can a non-exempt employee check messages from home after work hours?

Occasionally, an adjustment in an employee’s work schedule may be required on a short-term basis and such adjustments would not be a part of the Flexible Working Agreement. Non-exempt employees can still make arrangements with their supervisors to work from home occasionally, to check messages at night, or to completely change their daily schedules to different hours than were previously expected, but all time worked must be recorded as “time worked.”

As a Manager, may I adjust the schedule so that my employee works more than 40 hours during the busy months without paying overtime and a reduced number of hours in the less busy months so that he/she receives full salary at end of the year?

No. Employees who are scheduled to work 40 hours per workweek should be scheduled a minimum of those hours each workweek. Also overtime must be paid by the workweek, which is Thursday through Wednesday. It is not possible to adjust the schedule outside the workweek so over time is not incurred.

Does the value of meals and lodging that employees receive as part of the position held count toward the FLSA minimum salary requirement?

No. An employee is required to be compensated on a salary basis at a rate of not less than a specified level “...exclusive of board, lodging or other facilities.” Therefore, any costs incurred by an employer in providing employees with meals or lodging cannot count toward the minimum salary requirement.

My grant doesn’t allow for overtime. Do I still have to pay it?
Yes. The Institute is required to comply with the FLSA and must pay overtime regardless of the source of funding.