

Overtime Regulations - Will They Affect Your Charity?

Will your nonprofit be impacted by the new federal final regulations on overtime?

The answer is a definitive maybe!

New York is one of a handful of states that automatically adopts this type of regulation, so when the new federal regulations go into effect December 1st they will be in effect in New York.

Charities aren't exempt from these rules, but not all charities will be subject to them. Certain "industries" are automatically subject. They include:

- ✓ schools and preschools
- ✓ government agencies
- ✓ hospitals, and
- ✓ businesses providing medical or nursing care for residents

Other nonprofits are only covered if they have revenues of at least \$500,000 (excluding contributions, gifts or grants) from activities performed for a business purpose such as gift shop revenue or fees for veterinary services, or other Unrelated Business Income.

Even if your organization isn't covered, any employees involved in interstate commerce are required to be covered. The US Department of Labor explains that interstate commerce can include calling out-of-state vendors and making purchases with a credit card.

The rules won't impact your organization if everyone is paid on an hourly basis, or if no one works more than 40 hours per week, because the overtime rules already apply to you.

If you don't meet one of the exceptions, you need to know the impact of these new rules. Basically, employees who aren't required to be paid overtime because they perform executive, administrative or professional duties and because their salary level exceeded \$35,100 annually-\$675 weekly (that's the New York State level which is higher than the old federal level) now will be required to be paid overtime unless their salary exceeds \$47,500.

The New York Council on Nonprofits NYCON has an online guide on the topic for charities. [Google Overtime Compensation Compliance Guide](#).