





Category: Operations			
	Policy Title: Furlough Policy	Policy #: 5.1.2.4	
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	Preparer: Human Resources	 Suana Watson (Feb 9, 2021 14:04 EST)	Approved Date: February 5, 2021
	Executive Owner: Human Resources Director	 Faye Giles (Feb 9, 2021 17:40 EST)	Revision Date: February 5, 2024
Chief Executive Approval: President & CEO 			

1.0 Purpose and Scope

In the presence of factors negatively impacting the short-term continuation of business and operations, AUI may impose a mandatory (non-voluntary), unpaid time off work for employees, known as a furlough. This is typically a planned event which may occur as a result of hardship to the organization due to uncontrollable circumstances as described in this policy.

2.0 Policy Statement

AUI will take steps to ensure that a furlough is implemented in a manner that is in compliance with the company’s policies and promotes fairness and consistency for employees; determines which employees are placed on furlough based on established criteria; notifies employees in advance (to the extent possible and in accordance with the WARN Act, state and federal regulations); and recalls furloughed employees if funding and/or conditions allow a recall. Furloughed employees are prohibited from engaging in any activities, to include checking and responding to emails, for AUI. During a furlough of less than 90 days, the employee remains on an active, unpaid status. If the furlough extends beyond 90 days, impacted employees will be laid off. Terminated employees may be provided job placement assistance, if available, and/or may be administratively eligible for the AUI Severance Policy.

A furlough may be initiated by AUI and/or an AUI Research Center for several reasons including, but not limited to:

- a temporary reduction in force due to lack of work
- extraordinary budget constraints
- a shut-down of operations
- a lapse in appropriations, which can occur at the beginning of a fiscal year, if no funds have been appropriated for that year; or upon expiration of a continuing resolution, if a new continuing resolution or appropriations law is not passed.

2.1 Implementation of Furloughs

When preparing for a furlough, AUI and/or Research Center leadership will evaluate the functions and responsibilities of the department and identify positions that are affected. The department head will provide a recommendation of which employees will



be furloughed. Determining which employees are selected for furlough will depend on the reason for the furlough. The department head will take into consideration a potential loss of critical skills where a loss of skills would negatively impact AUI and/or the likelihood of continued funding based on the employee's assigned base labor distribution. If circumstances allow, all temporary employees will be furloughed first. Human Resources and AUI leadership determine whether an employee designated for furlough is qualified to fill an available open position.

2.2 Benefits Continuation

During a furlough, the employee will be placed on an active non-paid status. Employees currently enrolled in health insurance coverage will be eligible to continue coverage for the 90-day period. The employee premium portion will be paid by AUI and may be subject to income tax.

Health insurance elections will run through the last day of the month in which they reach the 90-day furlough period. If the furlough continues past the 90-day period, employees will be terminated and medical, dental, and/or vision benefits may be continued under provisions of COBRA.

All other benefits, including contributions to the Retirement Plan and vacation accruals will be halted for employees on furlough.

2.3 Use of Accrued Time Off

Employees may opt to have their accrued vacation paid out at the start of the furlough period up to the employee's pay out limit based on their FTE status. An employee who has any amount in excess of the maximum accrual and elects payment of the maximum accrual, will not be eligible for the remaining balance if laid off as the maximum accrual will have already been issued.

Sick leave cannot be used during furloughs unless the employee was otherwise off or scheduled to be off during this period due to a serious health condition (such as surgery) and use of Family Medical Leave (FML). FML notice must be approved prior to notice of furlough.

2.4 Outside Employment

Employees may engage in outside employment while on furlough. Employees considering an outside consulting arrangement or comparable employment service that may have a relationship to the Observatory's program of work shall adhere to the current Outside Employment policy (2.16) and submit their request for consent to engage in outside professional activity.



3.0 Regulatory References

The Worker Adjustment and Retraining Notification Act of 1988
Family Medical Leave Act (FMLA)

4.0 Responsibilities

The following individuals and department have specific responsibilities regarding the furlough policy:

- AUI Fiscal Representative and/or Center Director in consultation with Human Resources, Budget and Department Heads (or designees) to determine the need for a furlough and which positions are affected.
- Human Resources will work with management to ensure that the procedures set forth in this policy are being administered consistently and that any risk associated with these decisions are legally sound.
- Human Resources reviews, audits, and monitors the process to ensure that departments are applying this policy fairly and consistently throughout according to established criteria.
- Management is responsible for addressing performance issues as they arise. A furlough is not an appropriate management action for responding to employee performance issues.

5.0 Revision History












Furlough Policy

Final Audit Report

2021-02-09

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