



Wisconsin Department of Transportation/Wisconsin County Highway Association

Executive Committee Meeting

Monday, January 9, 2023

Time: 10am

Location: Virtual

Virtual Meeting Link:

[Click here to join the meeting](#)

Meeting ID: 230 644 230 824

Passcode: tFG4K8

Attendees:

R. Te Stroete-not attending

Agenda:

1. DOT Items
 - a. Policy Updates-Roland to send out policies
 - b. Dave not attending due to a funeral
2. Executive Director Resignation
3. Employee Handbook & New Employee Paperwork packet
4. Conference Registrations
5. Corporate and IRS filing status
 - a. Memorandum from Attolles Law
6. Impact Travel Expense proposal for Winter Road Show
7. Executive Committee Meeting on 1/23 discussion

Wisconsin County Highway Association Employee Handbook



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I. Introduction.

Welcome to Wisconsin County Highway Association (WCHA). As an employee of this organization, we welcome you and take this opportunity to share our history and philosophy with you.

Wisconsin's 72 counties play a significant role in our state's transportation system. We are responsible for the construction and maintenance of the 19,700 mile County Trunk Highway System. We are also responsible for maintenance of the 11,800 mile State Trunk Highway System and Interstate System under the oversight of the Wisconsin Department of Transportation.

The WCHA represents Wisconsin's 72 County Highway and Public Works Departments and has been established as a not-for-profit corporation.

The WCHA celebrated 100 years as an organization in 2011. The Wisconsin Highway Commission held its first "Road School" in Madison in February 1912 and was credited as being the first of its kind in the nation. In June of 2011, the WCHA held its Centennial Road School in Wisconsin Dells marking 100 years of commitment to Wisconsin's citizens and Wisconsin's transportation system.

A. Why an Employee Handbook?

It is important employees understand their responsibilities and the general working conditions they can expect as an employee. To do so, we have prepared this employee handbook for you. It is not intended to address all possible applications of or exceptions to the general policies described, nor will this handbook identify every applicable policy or procedure in the workplace. So, if you have specific questions about your employment or provisions in this handbook, contact your supervisor.

This handbook is not intended to be a contract for employment or any other sort of legal document. WCHA reserves the right to change, review and/or revise this handbook with or without notice to you.

B. At-Will Employment.

Your employment with WCHA is voluntary and is subject to termination by you or WCHA at will, with or without cause, and with or without notice, at any time. Nothing in this handbook should in any way be interpreted to conflict with, to modify or to eliminate the at-will nature of your employment with WCHA.

This policy of at-will employment cannot be modified by any person, act, statement, series or events or pattern of conduct, but only by an express written employment agreement executed by the proper and authorized parties.

C. Equal Employment Opportunity.

WCHA is committed to providing equal employment opportunities to all qualified individuals and employees. It is the policy of WCHA to prohibit unlawful discrimination and harassment, and to afford equal employment opportunities to employees and applicants without regard to applicable protected classes.

WCHA will not retaliate against individuals who assert their rights under applicable federal, state or local equal opportunity laws.

D. Accommodations.

WCHA is committed to ensuring equal opportunity in employment for qualified persons with disabilities, and complying with applicable state and federal law in providing reasonable accommodations to our employees.

If you believe you need an accommodation to perform the essential functions of your position, contact the Executive Committee to make that request.

II. General Employment Information.

A. Employment Authorization.

WCHA requires employees to complete the federal I-9 form and furnish documents to verify their eligibility for employment in accordance with the Immigration Reform and Control Act.

B. Personnel Files.

We maintain a personnel file for you. Some information contained in your personnel files may be available for your review. Contact the Executive Committee if you have any questions.

C. Change in Your Personal Information.

To ensure personnel and benefit records are accurate, it is your responsibility to promptly notify WCHA of updates regarding the following: name, address, telephone number, marital status, change in dependent information, beneficiaries, and emergency contact information. This information may require you to complete a form to ensure your personnel information is up-to-date.

D. Employment Classifications.

Each position with WCHA is classified as being either exempt or non-exempt. Employees in non-exempt positions are entitled to overtime pay when they work more than 40 hours in one work week. Exempt employees are those individuals whose positions meet specific tests established by the Fair Labor Standards Act, and are exempt from overtime pay, regardless of the number of hours worked. Exempt/non-exempt classifications are determined by us, not our employees.

In addition to an exempt or non-exempt status, employees also fall under one or more of the following categories:

- **Full-time Employee.** These employees are regularly scheduled to work 30 hours or more per week and are not in a limited-term or temporary position.
- **Part-time Employee.** These employees are regularly scheduled to work 20-29 hours per week and are not in a limited-term position.
- **Occasional Employee.** These employees are regularly scheduled to work less than 19 hours per week and are not in a limited-term position.
- **Limited-term Employee.** These employees are typically employed on a project basis for a fixed period of time (an intern may be an example).

E. Performance Reviews.

At WCHA, we believe it is important to regularly review employees' performance to ensure our quality work standards are being met and exceeded. That review will come in the form of a formal annual performance review. We believe compensation should be tied to performance. For that reason, the Executive Committee will conduct your performance review and if any wage increase occurs, it will be based on performance. A copy of any written reviews will be contained in your personnel file.

F. Background Checks.

We may perform formal or informal background checks on you or have a third-party perform such check(s) prior to your hire or during your employment. We will ensure that all background checks are held in compliance with all federal and state statutes, including the Fair Credit Reporting Act.

G. Confidentiality.

In your position, you may come into contact with information WCHA considers confidential. Regardless of whether you sign a confidentiality agreement, you are expected to maintain strict confidentiality with such information. If you have questions about whether information is confidential, ask your supervisor or company management.

Be aware that all information received, reviewed or monitored belongs to WCHA, not you. Upon your departure of employment with WCHA, for any reason, all such information must be returned to WCHA immediately. You are not permitted to retain any copies, whether paper or electronic, of any such information.

If you fail to maintain the confidential nature of this information, you may be disciplined, which may include termination.

H. Conflict of Interest.

It is your responsibility to avoid any situation that involves or may involve a conflict between your personal interest and the interest of WCHA. As in all other facets of your duties, when dealing with customers, clients, suppliers, contractors, competitors or any other person or entity doing or seeking business with WCHA, you must act in the best interest of WCHA at all times. Where a potential conflict arises, it is your responsibility to promptly and fully disclose that possibility to the Executive Committee.

Examples of such conflicts include:

Add as needed:

- Consulting with membership or those affiliated.
- Lobbying for any person or business other than WCHA.

I. Outside Employment.

We allow our employees to have outside employment, so long as it does not interfere with your job performance, create a conflict of interest, or produce work for a competitor. It is prohibited to work for any associate members or independently in any way that competes with associate members. You are required to notify the Executive Committee of any outside employment you may have. If your job performance or quality of work suffers as a result of your outside employment, you may be asked to choose between jobs. We do not allow our employees to work for another employer while on a leave of absence or while absent for illness from our company. WCHA workspace, equipment, and materials are not to be used for outside employment.

J. Work Created for WCHA.

Any work related to WCHA's business that you made or created during your employment with WCHA is considered the property of WCHA, not yours.

K. Gifts, Favors, Entertainment and Payments.

You may not seek out or accept gifts, favors, entertainment or payments for yourself without a legitimate purpose, nor shall you seek out or accept a personal loan (other than conventional loans from lending institutions) from any person or business organization that seeks to do business with or who is a competitor of WCHA.

You may accept common courtesies usually associated with customary business practices, such as gifts of small value (fiscal cap of \$100.00). Gifts over fiscal cap must be reported to the Executive Committee.

L. Vehicle Use.

You may be required to use your personal vehicle for business-related travel from time to time.

If your position requires work-related driving, you must possess a valid driver's license and proof of personal auto liability insurance meeting the state's minimum requirement. In addition, you may be required on an annual basis to produce this documentation as a term and condition of your continued employment for that position. If your position requires work-related driving, you are required to inform WCHA if you lose driving privileges or insurance coverage at any time. If your job requires driving, and you lose driving privileges or insurance coverage, or fail to produce the required documentation when requested, it may result in disciplinary action up to and including termination.

When driving a vehicle for business purposes, you are responsible for your own actions and should determine whether satisfactory conditions for travel exist. You must follow all rules of the road, including prohibitions on using your cell phone while driving. You are also solely responsible for any traffic violations and parking tickets incurred while on company business. If you get into an accident while on company business, regardless of who owns the vehicle, it is your responsibility to report the accident to your supervisor immediately, as well as to the authorities.

M. Personal Property.

If possible, try to avoid having personal valuables at the workplace and/or safeguard your personal belongings like purses, electronic equipment, etc. WCHA is not responsible for their loss or damage, nor are we responsible for damage or theft caused to your vehicle, or the contents inside your vehicle, while it is parked on company property. If a personal valuable is missing, report it to your manager immediately.

N. Professional Development, Memberships and Dues.

We encourage our employees to increase their job-related skills and knowledge through participation in professional conferences, meetings or continuing education presentations. If you

are interested in attending such a conference or meeting, submit a request to the Executive Committee for approval. Your request must identify the subject matter of the presentation, how it is job-related and an estimate of the expenses. The Executive Committee will let you know if your request is approved and will be reimbursed.

III. Compensation.

A. Getting Paid.

You will be paid on a bi-weekly basis on _____ (day of the week).

You are required to enroll in the direct deposit of your paychecks. Direct deposit ensures your earnings are available by 11:59 p.m. of your scheduled pay date. Your bank account election can be changed at any time. You will receive your earnings statements by secure file distribution to view, copy, and print as needed.

Certain deductions will be made from your paycheck, as required by federal, state and/or local law. In addition, your paycheck may also be reduced in order to comply with certain court orders, liens or wage assignments. Other deductions may be made from your paycheck pursuant to your consent, including deductions for your contributions to certain benefits.

If you have questions about your paycheck or other payroll questions, please contact the Treasurer or President.

B. Overtime Pay.

Your position may require that you work overtime. If your position is classified as non-exempt, you may be entitled to compensation for that overtime, consistent with applicable state and/or federal law.

Non-exempt employees may not work overtime without approval from their supervisor and may be disciplined for doing so. Examples of working overtime without approval include, without limitation:

- Working at your desk during unpaid lunch hours.
- Checking and responding to email during unpaid hours, including during evenings and weekends.
- Sending text messages to customers and/or co-workers about work-related matters during unpaid hours.
- Responding to co-workers, clients, customers or vendors during unpaid hours.
- Going into the office to “clean up” or “get organized” or “get ahead” for the coming week, during unpaid hours.

Similarly, employees not eligible for overtime should not reach out to employees who are entitled to overtime during unpaid hours, without approval, since doing so can result in overtime compensation to that employee. Doing so may result in discipline.

FLSA regulations state if your position is classified as exempt, you are not entitled to receive overtime compensation.

C. Mileage Reimbursement.

If you use your personal vehicle for business purposes, you may be reimbursed at the standard mileage rate set by the Internal Revenue Service. Our mileage reimbursement rate is subject to change at our discretion. In order to submit a mileage reimbursement request, complete an Expense Report form and submit it to the Executive Committee. Mileage reimbursement is paid monthly.

In lieu of IRS Standard per-mile reimbursement, employees can negotiate fixed yearly mileage reimbursement amount.

You are not reimbursed for mileage to and from the office for your regular commute. All mileage reimbursement requests must be submitted to the Executive Committee within 30 days of incurring the mileage.

D. Expense Reimbursement.

We will reimburse reasonable business expenses related to your job with WCHA. Examples of reasonable expenses include food and lodging expenses incurred while traveling for business, the purchase of work-related equipment or supplies pre-approved by the Executive Committee or client entertainment expenses. All expense reimbursement requests must be submitted to the Executive Committee within 30 days of incurring the expense and must include a receipt.

E. Business Credit Card Use.

In your position with WCHA, you may be provided with a company credit card to use for business expenses, in conjunction with your job duties. Keep in mind that use of a company credit card is a privilege, not a right. Therefore, WCHA may retract this privilege at any time, for any number of reasons, including an employee's abuse of the card.

You may not use the company credit card for personal use. Doing so may result in discipline, which can include termination. All receipts are required and should be turned into the Executive Committee within 30 days.

IV. Attendance and Time Off Work.

A. Attendance.

It is your responsibility to report to work promptly. It is also your responsibility to timely notify the Executive Committee of circumstances that may prevent you from reporting to and/or remaining at work as scheduled. Regular attendance and punctuality to work is critical to our business and is an essential function of your job.

No call/ no shows will not be tolerated. Two or more consecutive instances of an employee not following call-in procedures and/or not coming to work “no call/no show” is considered a voluntary resignation by the employee.

WCHA has the right to request a note from your medical provider for absences due to illness or injury where we believe verification of an injury or illness is necessary. In addition, WCHA may require a “Return to Work” form before you are allowed to return to work following an injury or illness.

B. Meal and Break Periods.

Check with your client supervisor in order to determine any applicable meal and/or break schedules for your position. If you are provided meal and/or lunch breaks, you are expected to adhere to the schedule for those breaks.

If your meal periods are unpaid, you are expected to refrain from performing any work during that time.

C. Leaves of Absence.

You may request a leave of absence, without pay, for personal, medical, family or other reasons. We reserve the right to approve or deny any requests for leave. All employees requesting a leave of absence must notify WCHA as soon as the need for the leave is foreseeable, or in the case of emergency, as soon as practicable. Any employee who is granted a leave of absence may be required to furnish written documentation from a medical provider to return to work, if applicable. An employee’s benefits may be affected by taking a Leave of Absence longer than 30 days. Please contact the Executive Committee for more information before requesting a Leave.

If you do not return to work at the end of an approved leave of absence, we will treat your employment as if you have voluntarily resigned and your employment will be terminated.

D. Military Leave.

WCHA supports members of the United States Military, Reserves, National Guard and other defense services for the United States. We understand that as part of those services, there may be times where an absence from work is required. At WCHA, we comply with all applicable laws regarding military leave, including providing the entitled leave and adhering to regulations related to your return to work after you return.

It is your responsibility to inform your supervisor once you receive orders related to military leave and to provide copies of those orders to WCHA. We will work with you to ensure both you and WCHA understand the proper procedures related to your leave and your return, consistent with the applicable laws.

E. Returning to Work After Illness or Injury.

At WCHA, our goal is to return an employee to work at the earliest possible date following an illness or injury.

Where possible and appropriate, we may offer transitional positions to you in order to minimize or eliminate time off work due to illness or injury. We define “transitional positions” as temporary and/or modified work assignments within your skills, abilities and knowledge. However, WCHA expressly reserves the right to alter transitory positions, based on our business need to do so. In addition, WCHA does not guarantee a transitional position to you, nor are we under any obligation to create a position, hinder another position or modify a current position.

As necessary, the physical requirements of the transitional position may be provided to your medical provider, and we may refuse to allow you to return to work without authorization from your medical provider.

If you return to work into a transitional position, you may not exceed the duties of the position or work beyond the limitations identified by your medical provider. If your medical restrictions change, it is your responsibility to notify your supervisor and provide a copy of the documentation of the change.

F. Paid Time Off.

WCHA recognizes the need for you to be absent from work, from time-to-time, for vacation or other personal reasons such as illness, emergencies, funerals, personal appointments, etc., and offers a Paid Time Off (PTO) plan for absences from work. PTO should be requested 4 weeks in advance of taking the PTO, understanding that circumstances may require flexibility on the timing of requests.

PTO is negotiated at initial employment and will be reviewed annually. Upon the start of employment, you will begin to accrue PTO at the rate indicated above each pay period. PTO is used in four-hour increments.

For purposes of PTO, the year starts and ends on the last day of the calendar year. You are allowed to carry over unused PTO from one year to the next, up to a maximum of 40 hours. Any hours over 40 will be forfeited.

We recognize that employees may have opportunities for time off that may exceed their current PTO balance. WCHA generally does not allow an employee to “borrow” from future PTO balances. Contact the Executive Committee if you are seeking additional time off. Any time off allowed by the Executive Committee after your PTO balance is depleted will be unpaid time off.

Upon separation of employment, you will be paid your total unused earned PTO balance capped at one year of PTO.

G. Holidays.

Our full-time employees are eligible for paid holidays for the following:

- New Year’s Day
- Memorial Day
- Fourth of July
- Labor Day
- Veteran’s Day
- Thanksgiving Day
- Friday after Thanksgiving
- Christmas Eve
- Christmas Day
- New Year’s Eve

Generally, if a holiday falls on a Saturday, the Friday before will be a paid holiday and the office will be closed. If the holiday falls on a Sunday, the following Monday will be a paid holiday and the office will be closed.

For overtime purposes, paid holidays do not count as time worked. If you are out on a leave of absence, you are not eligible for holiday pay.

H. Funeral/Bereavement Leave.

At WCHA, we allow our employees to take time off for funerals and to grieve the death of a loved one on workdays they are regularly scheduled. Let the Executive Committee know immediately if you need to take time off for a funeral and/or bereavement. Work with the Executive Committee

to determine the appropriate amount of time off required and what will be considered bereavement pay.

I. Jury Duty.

If you are called for jury duty, contact the Executive Committee who will coordinate scheduling for the time off to which you are entitled by law. You will be paid for that time away from work.

J. Voting.

We believe you should be able to find time to vote either before or after regularly-scheduled work hours. However, an employee will be allowed up to 3 hours of unpaid time to vote during the workday, at a time chosen by the Executive Committee if you are unable to vote before or after the workday. Employees must provide advanced notice of their intent to vote during working hours.

V. Benefits.

A. General Information.

At WCHA, we provide a variety of benefit programs. Please know that we reserve the right to modify any of the benefits, programs or benefit-related procedures or guidelines or to increase employment premium contributions, at any time within our discretion, with or without advance notice. Benefits are summarized in the offer letter.

B. Other Special Employee Benefits.

Additional benefits may be negotiated upon hire.

VI. Standards of Conduct.

A. Open Door Policy.

We believe communication is the key to a positive working environment. If you have questions about this handbook, other policies or procedures at WCHA, or concerns about aspects of your job, we want to hear from you. We encourage you to speak to the Executive Committee.

B. Sexual and Other Harassment, Discrimination and Retaliation.

WCHA is firmly committed to providing a work environment free from illegal discrimination and harassment. Illegal harassment and discrimination (both overt and subtle) can demean another person and undermines the integrity of the employment relationship with the potential to create an intimidating, hostile and offensive working environment.

Actions, words, jokes or comments based on a person's protected characteristic(s) will not be tolerated. Likewise, sexually-harassing conduct is strictly prohibited. Sexual harassment can include unwelcome propositions, suggestive comments, physical advances or display of offensive materials. **We want to stress that WCHA does not tolerate any form of illegal harassment, discrimination or retaliation in the workplace.**

If you believe you are being subjected to inappropriate harassment, discrimination or retaliation, it is your responsibility to report the conduct to the Executive Committee. We will take appropriate measures to investigate the conduct and if appropriate, issue discipline as a result.

We will not retaliate against any employee who presents a complaint of harassment, discrimination or retaliation.

C. Safety.

Each employee is responsible for ensuring a safe work environment. We need your help in promoting safety and preventing accidents in the workplace. In the case of an accident or work-related injury, it is your responsibility to report it immediately to your supervisor. Failure to timely report an accident may affect your future rights for workers' compensation, so any injury, no matter how minor, must be reported.

D. Workplace Violence.

WCHA strives to provide a safe workplace for all of our employees. We will not tolerate workplace violence committed by or against our employees. Employees are prohibited from making threats or engaging in violent activities in the workplace.

You are expected to exercise good judgment and immediately report potentially dangerous situations to the Executive Committee.

This list of behaviors provides examples of prohibited conduct:

- Causing physical injury to another person.
- Making threatening remarks.
- Displaying aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another individual to emotional distress.
- Intentionally damaging employer property or property of another employee.
- Committing acts motivated by, or related to, sexual harassment or domestic violence.

Any employee determined to have engaged in workplace violence will be subject to disciplinary action, up to and including termination.

E. Alcohol and Controlled Substances.

At WCHA, we are firmly committed to a safe, healthy and lawful workplace. We expect you to report to work free of drugs (except those legally prescribed to you), intoxicants, alcohol, narcotics or other controlled substances. Unless part of a company-sponsored event where alcohol has been approved, the use of alcohol is prohibited. If you violate this policy, you may be disciplined, which may include termination.

An employee taking legal prescription drugs may be required to present the Executive Committee a note from a doctor indicating that they have been given the drugs on prescription and under medical supervision, and that the prescription drugs will not interfere with performance on the job.

F. Professionalism in the Workplace.

We expect our employees to be professional, honest, and act in a trustworthy manner. Gossiping about other employees' personal lives or other employees' work performance, wasting time or resources, providing confidential information to unauthorized parties, falsifying or destroying company records and acting deceptively are some, but not all, examples of a lack of professionalism that may result in disciplinary action.
Appearance and Dress Code.

At WCHA, we believe appropriate personal appearance contributes to a positive impression and work environment. For that reason, we expect our employees to ensure a professional appearance and proper personal hygiene to reflect a positive and professional company image.

The standard dress code is casual. When representing WCHA at community events or at a client site, business casual attire is required. We reserve the right to send you home if your personal appearance is not acceptable.

G. Office Technology.

We expect our employees to exercise reasonable care in maintaining the security of our office technology and information systems.

Information Technology, Internet, Email Usage and Monitoring.

Be aware that all email and Internet use on company-owned property may be monitored, audited and/or retained. Employees should have no expectation of privacy in this regard. Do not disclose or share computer accounts or passwords with others.

Our information technology (including computers, other company-owned devices, faxes, printers, copiers, software email, Internet access and voicemail) is provided to you to conduct WCHA's business, not for your personal use. Unauthorized or inappropriate use poses a risk of computer viruses that can threaten the integrity of the entire system. For this reason, this policy is strict and must be followed. Your use of email should be for business purposes. Any personal use should be limited, reasonable and with your supervisor's permission. Be aware that all email and Internet use on company-owned property may be monitored, audited and retained. You should have no expectation of privacy in this regard.

You are not allowed to install any software or other applications, or modify company hardware, without express prior approval from your supervisor.

If you receive an email that was not intended for you, you should immediately stop reading it and notify the sender. Likewise, if an email is marked as "Confidential", do not forward the communication to anyone who is not authorized to receive it.

Use of Company Equipment and Property.

It is your responsibility to use company property and equipment with care and to report any damages to your supervisor. If you damage company property or equipment, you may be held financially responsible for the repair or replacement of that item (within state regulations).

Do not remove company equipment, property or supplies from the company without prior authorization.

H. Social Media.

We understand social media is a part of the way you communicate with friends, family and often, co-workers, and may even be how you perform your work. However, social media communications should be approached with responsibility and accountability. "Social media" includes all means of communicating or posting information or content on the Internet, including personal and professional social networking sites, blogs (including your own), websites, web board or chat rooms.

We expect our employees to be respectful, honest and accurate when using social media. If you have questions about whether certain conduct on social media is appropriate, ask the Executive Committee for guidance. Nothing in this policy violates or intends to violate any protections provided by the National Labor Relations Act.

I. Performance Expectations.

WCHA recognizes that performance management is an ongoing process involving coaching, mentoring, and motivating, and that effective performance management leads to enhanced performance and job satisfaction. WCHA will provide new employee orientation, job training, manager support and the resources required to do the job well. In return, WCHA expects employees to satisfactorily perform their job duties as outlined in their job descriptions and/or by supervisor communication. If you are unaware of what is expected of you, talk to your supervisor. Failing to meet company performance expectations or interfering with another employee's ability to meet performance expectations will be addressed, and may lead up to and including termination.

J. Discipline.

Generally, disciplinary action will conform to the severity of the action. Examples of discipline include counseling, verbal warnings, written warnings, suspensions (with or without pay) and ultimately, termination.

K. Misconduct.

We expect our employees to adhere to a standard of conduct appropriate for a workplace setting. While we believe you know the type of behavior that is not appropriate in the workplace, below is a non-exclusive list of actions that constitute misconduct.

- Reporting to work under the influence of intoxicants, including illegal drugs or alcohol.
- Bringing illegal drugs, drug paraphernalia or alcohol to work.
- Using illegal drugs or alcohol while on duty.
- Falsifying company records, including but not limited to, timesheets.
- Making false claims of injury.
- Sleeping on the job.
- Fighting, threatening, intimidating, coercing or harassing employees, customers/clients, vendors or other third parties.
- Tampering with, damaging or destroying company records, property, or equipment.
- Refusing to follow your supervisor's directions or instructions or being insubordinate.
- Violating safety rules or practices, or engaging in conduct that creates a safety hazard.
- Disclosing confidential company information without authorization to do so.
- Competing against the company.
- Behaving in a manner disloyal or dishonest to the company.

L. Resignation and Termination.

Because your employment is at-will, either you or WCHA may opt to terminate your employment at any time. If you resign your employment, we ask that you provide a 30 day notice. Any company property must be returned at the time your employment ends with WCHA.

VII. Grievance Procedure.

If you have a work-related problem, we ask that you first address the concern with the Executive Committee. If that is not feasible or did not solve the problem, you are welcome to reach out to the Board of Directors.

At any time, employees can make a request to the Executive Committee or Board of Directors for assistance in attempting to resolve a work-related problem.

The Executive Committee and/or Board of Directors may ask you to complete Employee Grievance Form, which must be submitted to them within 14 days of the date the problem first occurred. All details of the problem should be outlined on the Form and the Form should be signed.

Upon receipt of the Form, the Executive Committee and/or Board of Directors will look into the concern and may investigate, as appropriate. They will endeavor to follow up with you within 14 days, with a written response. They will make a determination and recommendation about what action, if any, should be taken.

**VIII. Wisconsin County Highway Association Handbook
Acknowledgement.**

I acknowledge receipt of this Employee Handbook. I understand that the policies described in this handbook are for general reference and do not constitute a guarantee of any rights or continuation of employment. The policies described in this handbook may be changed, altered, modified or eliminated by WCHA at any time, with or without prior notice. I understand that my employment is at-will, which means it is not guaranteed for any definite period of time and that I, WCHA may end my employment at any time and for any reason.

I further understand that where I have a question regarding my employment or the policies or procedures that govern my conduct, it is my responsibility to seek out the answers to those questions.

(Employee Signature)

Employee's Name (print): _____

Date: _____

CONFIDENTIAL LEGAL MEMORDANDUM
Attorney-Client Privileged / Work Product

TO: Wisconsin County Highway Association

FROM: Attolles Law, s.c.

RE: Organization as Wisconsin Chapter 184 Unincorporated Association

DATE: December 18, 2022

QUESTION PRESENTED AND EXECUTIVE SUMMARY

The Wisconsin County Highway Association (“WCHA”) has sought clarification regarding the benefits of converting from a non-stock corporation to an unincorporated association and how the latter can qualify as either a 501(c)(3) or (c)(6) tax exempt organization.

In short, our analysis concludes that converting from a non-stock corporation to an unincorporated association can result in a simplified organizational model and fewer filing requirements. Whichever corporate structure it chooses, WCHA must nevertheless determine whether it wishes to maintain its (c)(3) status or consider a (c)(6) status. Both designations have unique benefits. While the former provides a tax-deduction to donors, the latter allows for increased lobbying and political activity. Our analysis follows.

BACKGROUND

WCHA is a Wisconsin corporation organized under Chapter 181 of the Wisconsin Statutes. According to Wisconsin Department of Financial Institutions (“DFI”) records, the registration was effective January 13, 2003 and is a non-stock corporation. Annual reports required under Wis. Stat. § 181.1622 have been filed annually since 2004.

According to the January 21, 2003 Articles of Incorporation, the purposes of the corporation must be limited to “those allowed under IRC § 501(c)(3) including communicating among and coordinating the activities of the various County Highway Departments in the State of Wisconsin.” The WCHA Constitution, as restated and adopted (most recently January 16, 2019), identifies the organization as a not for profit corporation, affiliated with the Wisconsin Counties Association, whose purposes as a not for profit, non-partisan corporation is to protect and further the common interests of county governments in performing the governmental function of constructing and maintaining highways. *See* Article I, sects. 1 and 2; Article II, sect. 1.

ANALYSIS

First, it is important to understand the framework for filing IRS designations. According to communications provided to counsel, during WCHA's onboarding with IMPACT (an association management company), it was discovered WCHA had not been filing annual IRS forms. It is true, organizations with gross receipts above \$50,000 must file a Form 990 (or Form 990-EZ). Organizations with gross receipts less than or equal to \$50,000 must file a Form 990-N (also known as an e-Postcard). Gross receipts are defined by the IRS as the total amounts an organization received from all sources during its annual accounting period, without subtracting any costs or expenses. Failing to file in a timely manner can result in penalties.¹

Upon information and belief, WCHA has worked with the IRS to address the filing of prior year Form 990s. However, going forward, WCHA may still consider converting from a nonstock corporation to an unincorporated association and can then choose to remain a 501(c)(3) for IRS tax exempt purposes or can instead seek a 501(c)(6) tax exempt designation.

As noted above, WCHA is organized as a nonstock corporation under Wisconsin Chapter 181. Among other requirements, a Chapter 181 nonstock corporation must file articles of incorporation with DFI (Wis. Stat. § 181.0202), an annual report with DFI (Wis. Stat. § 181.0214), and must hold annual meetings of members at a time stated in or fixed in accordance with the bylaws (Wis. Stat. § 181.0701). An alternative option would be to organize as a Chapter 184 unincorporated association. Chapter 184 of the Wisconsin Statutes allows an organization to avoid corporate filings and to be tax-exempt at both the federal and state level without the added administrative burden and expense, provides for liability protection in tort and contract (Wis. Stat. § 184.06), and provides for the standing to institute, defend, intervene or participate in a judicial or administrative proceeding (Wis. Stat. § 184.07). The only filing required for a Chapter 184 unincorporated association is a Form 113-C with DFI, Appointment of Agent pursuant to Wis. Stat. § 184.10.

The issue of corporate status is different from tax exemption designation. Organizations that may qualify for exemption under section 501(c)(3) include corporations, limited liability companies (LLCs), unincorporated associations and trusts. Therefore, whether WCHA decides to continue its status under Chapter 181 or converts to Chapter 184, it nevertheless must determine whether it wishes to maintain its (c)(3) status or consider another status, such as a (c)(6).² Below is a table

¹ Failing to file a required return by the due date may result in a penalty of \$20 a day for each day the return is late. In general, the maximum penalty for any return is the lesser of \$10,500 or 5 percent of the organization's gross receipts for the year. According to the IRS, automatic revocation of an organization's tax exempt status occurs when an exempt organization that is required to file an annual return (e.g., Form 990, 990-EZ or 990-PF) or submit an annual electronic notice (Form 990-N, or e-Postcard) does not do so for three consecutive years. Under the law, the organization automatically loses its federal tax exemption. The IRS does provide that "[p]enalties for failure to file may be abated if the organization has reasonable cause for the failure to file timely, completely, or accurately."

² Filing Articles of Incorporation with the State of Wisconsin DFI does not confer 501(c)(3) status. That is a separate filing with the federal IRS. More specifically, an organization must first complete a Form 1023-EZ Eligibility Worksheet to determine if the organization is eligible to file the Form 1023-EZ. If an organization is not eligible to file the Form 1023-EZ, it simply files a Form 1023. Organizations must electronically file this form to apply for

that illustrates the key differences. Generally, 501(c)(3) organizations must serve the public while 501(c)(6) organizations are formed to serve their members or those with common business interests.

	(c)(3)	(c)(6)
Purpose and Activity	Charitable and Educational. Services like housing, food distribution, education, religion, or other publicly beneficial actions.	Not charitable. Promotes interest and improves business conditions. For example, business leagues, chambers of commerce, and boards of trade.
Tax-Exempt Status	Exempt from federal, state, and local taxes.	Exempt from federal taxes, but may not be from state and local taxes.
Lobbying	Can advocate for causes within reason. More restrictions – cannot influence legislation or support a candidate.	Can participate in unlimited lobbying if related to purpose. Fewer restrictions – IRS will assess proxy tax penalty.
Political Involvement	<i>Cannot</i> participate in political campaigning or electioneering.	<i>Can</i> actively take part in political and election campaign activities. Must report percentage dues used on these activities to members.
Fundraising and Donations	Donations <i>are</i> considered charitable and tax-deductible.	Donations are <i>not</i> tax-deductible.
Donor disclosure on IRS Form 990	Must report donor information for gifts of \$5,000 or more.	Not required to report donor information to the IRS.
Donor disclosure to the public	Private foundations must disclose donors to the public. Public charities don't have to disclose donors.	Not required to report donor information the public.
Grants	Can give and receive grants.	Can receive grants if the members allow them to.

As summarized above, both tax exempt designations have benefits. The key benefits of a 501(c)(3) designation include tax exemption from federal, state, and local taxes and the tax-deductible nature of donations. Such a deduction can provide a large benefit to donors and therefore drive increased contributions to the organization. The key benefits of a 501(c)(6) designation include the ability for the organization to engage in unlimited lobbying and to actively participate in political and election campaign activities. Unlike a 501(c)(3), contributions to a 501(c)(6) are *not* tax deductible.

recognition of exemption from federal income tax under section 501(c)(3). A Form 1024 is used for seeking a 501(c)(6) designation.

CONCLUSION

As stated in the Executive Summary section above, our analysis concludes that converting from a non-stock corporation to an unincorporated association can result in a simplified organizational model and fewer filing requirements. Whichever corporate structure it chooses, WCHA must nevertheless determine whether it wishes to maintain its (c)(3) status or consider a (c)(6) status.

If you have any questions surrounding this memorandum, please do not hesitate to contact us. We appreciate the opportunity to be of service to the Wisconsin County Highway Association.

DRAFT

Travel Expense Proposal



Event Overview

EVENT NAME	WCHA Winter Road School
DATE AND TIME	January 23-25, 2023
VENUE	Chula Vista Resort
NUMBER OF ATTENDEES	2
AMOUNT REQUIRED	What's the estimated cost for holding this event?
PREPARED BY	April Corrao

Proposed Expenses

Person	Expense	Cost
April	Meal per diem	\$60/day x 2
	Travel-mileage	\$115.28
Rich	Meal per diem	\$60/day
	Travel-mileage	\$165.06
	Lodging	\$194.89-this will only be needed if the weather is and issue

Notes

- April will attend on 1/23 and will take minutes for Board of Directors Meeting and 1/25 to present New Member Communications Plan
- Rich will attend on 1/23 to observe and attend Board of Directors Meeting