

BUSINESS TECHNICAL BRIEF

EMPLOYEE ONBOARDING CHECKLIST

As of May 26, 2021

HIGHLIGHTS

- Performing human resource management yourself requires specific record keeping, procedures and timelines.
- The Montana Department of Labor and Industry's Job Service locations as well as accountants and attorneys are all professionals to help navigate the pitfalls.
- Hiring and maintaining employees is hard work. But if done well, can be a highly rewarding part of entrepreneurship.

Whether you're buying a business and transitioning employees to a new entity or hiring your first employee, you have two basic options.

The first option is to do all this stuff yourself. The second option is to outsource some or all of your human resource management to a [professional employer organization](#).

To do it yourself, you'll want to have a standard onboarding package for all employees to complete and submit to you. Record keeping procedures and timelines, as well as tax credit programs will come into play. Plus, it's important to know you cannot ask certain questions.

It may also be important to work with an accountant or attorney through this process to ensure you're doing it correctly.

The following are some of the basics when onboarding an employee.

- Job Application Package
 - [Application](#)
 - [Work Opportunity Tax Credit \(WOTC\) form](#)
 - This is a year-end tax credit for hiring certain employees of certain socio-economic backgrounds. It should be included in the application packet, but also know some of this information cannot be asked about during an interview. It must be volunteered.
 - [I-9 Form \(residency verification\)](#)
- Procedure for New Hire
 - [Here is the link to a guide](#) on the basic registration procedure for the new hire.
 - Set up withholding
 - New hire reporting
 - [Here is the link to the Online New Hire Reporting System.](#)
 - Workers' Compensation Insurance
 - State Unemployment Insurance
 - State Unemployment Insurance can be done online. [Here is the link.](#)
 - You'll need to know your [industry classification code](#) to ensure the accurate rate. Inaccurate or unclassified rates can be twice as high.

Employee Onboarding Checklist

- [Labor Law Posters](#)
 - These need to be posted in a “conspicuous” location. In other words, they need to be easily seen by applicants and employees.
- Employee Handbook
 - I’ve attached the Montana Department of Labor’s model employee handbook for you to customize.
- Montana Wage and Hour Law
 - We want you to be informed on the topic of probationary periods and ‘at-will’ employment. [Here is an FAQ.](#)
 - There are three ways for an employee to “separate” from employment. It’s crucial to know which is which and how to decrease your chances of needing to pay unemployment.
 - Layoff
 - Discharge
 - Corrective action and documentation are critical.
 - Quit
 - Again – documentation is critical.
 - [Wrongful Discharge and Presumptive Probationary Period](#)
 - A written personnel policy can explicitly state employment can be terminated during the probationary period for any or no reason.
 - I would still recommend a definition of excellence (as presented in the attached Human Resources – Progressive Discipline Policy Outline).
 - If you are clear, in writing, with your expectations, then measure against those expectations, and document using the three strikes rule variances from your expectations, you should be good to avoid unemployment claims if you let someone go after probation.
 - The burden of proof will always be on you. Documentation is key.
 - Will your employees receive tips?
 - Here is the [Montana Wage and Hour rule on Tips.](#)
- Mitigate Employee Theft
 - If you have concerns about employee theft, the [Federal Bonding Program](#) could help mitigate your risk.
- Record Keeping
 - Use the No HR Staff slide deck to create files and maintain files.

When working through the process of onboarding an employee, it will be important to know you are doing it correctly. The Montana Department of Labor and Industry’s Job Service locations as well as accountants and attorneys are all professionals to help navigate the pitfalls.

Hiring and maintaining employees is hard work. But if done well, can be a highly rewarding part of entrepreneurship.

The Great Falls Development Authority (GFDA) is a regional public/private Economic Development Organization which focuses its efforts on the 13-county Great Falls Montana trade area, also known as Montana's Golden Triangle. We are a certified Community Development Financial Institution (CDFI) that provides gap and bridge financing to businesses, start-up entrepreneurs, real estate developers, and non-profits.

We provide service to support existing businesses, startup entrepreneurs, real estate developers, nonprofits, site selection consultants, and businesses looking to relocate or expand in the Golden Triangle region.

Economic Development Services

- Get the debt/equity capital you need
- Grow sales, expand markets and increase profitability
- Find sites/properties for startup and expansion
- Assess the market and workforce with our proprietary databases
- Secure project approvals, grants and other incentives
- Develop Business plans and assess your current operations
- Grow into government contracting or exports
- Connect with a wide array of experts
- We provide SBA 504 loans statewide



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Funded in part through a cooperative agreement with the U.S. Small Business Administration (SBA) and the Montana Department of Commerce (MDOC). All opinions, conclusions or recommendations expressed are those of the author(s) and do not necessarily reflect the views of the SBA or MDOC.