



# **EMPLOYEE HANDBOOK**

**Effective: January 2014**

# DKT INTERNATIONAL EMPLOYEE HANDBOOK

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## **ABOUT THIS HANDBOOK**

This Employee Handbook reflects DKT International's commitment to ensuring the success and sustainability of the company's programs and business through the loyalty and effective performance of all staff. This implies a supportive management style and expectations for a high standard of performance, capability and efficiency.

Policies and procedures shall be applied equally to all employees. A thorough knowledge of these policies and procedures is required, as ignorance of the same will not be accepted as an excuse for non-compliance.

This handbook is intended to serve as a general, informal guide to DKT International. It is informational only. Its provisions are statements of DKT's procedures which do not constitute conditions or terms of employment. This handbook is not intended to create, nor should it be construed to constitute, a contract between DKT and its employees. Every employee is employed "at will."

DKT reserves the right to review the information, procedures, and benefits it has provided herein on a regular basis. Upon such review, DKT will consider the need for, and desirability of, modifications to personnel policies. DKT may enhance, modify or delete any policy, procedure, or benefit described in this handbook at any time, without notice or obligation to those affected by any changes. Employees seeking more information on particular benefit plans offered by DKT should request the pertinent documentation from your immediate supervisor.

This Employee Handbook supersedes all prior policies, procedures, or practices of DKT.

## I. INTRODUCTION TO DKT INTERNATIONAL

Welcome to DKT International. In 1989, Philip D. Harvey founded the nonprofit organization DKT International to promote family planning and HIV/AIDS prevention through social marketing.

Today, DKT designs and implements social marketing programs in more than 20 countries around the world and is one of the world's largest private providers of family planning in the world.

DKT's contraceptive social marketing programs have been a remarkable success. While the numbers are impressive, they mask an equally important aspect of social marketing: its profound effect on people's lives.

The humanitarian impact of our social marketing programs in Latin America, Africa, and Asia has immediate and long term benefits for poor families. Every year, DKT's innovative programs are saving more lives and improving the health of more families in many of the world's developing countries.

For more on DKT, please visit our website: <http://www.dktinternational.org/>. A copy of the Board's policy statement is especially worth reading and can be found on the website in the 'Board' section.

**MISSION:** DKT provides couples with affordable and safe options for family planning and HIV/AIDS prevention through dynamic social marketing.

**VISION:** DKT is an innovative and adventurous social marketing enterprise that improves people's lives.

## **II. PERSONNEL POLICIES AND PROCEDURES**

### **A. EMPLOYMENT POLICIES**

#### **1. Personnel Objectives**

DKT is committed to the following personnel objectives:

- To promote from within when appropriate and encourage career advancement for all employees.
- To maintain a fair and consistent pay practice for all employees.
- To actively pursue a policy of open communication between management and staff.
- To maintain a clean, healthy, and safe place to work.

#### **2. Employment at Will**

Your employment is at-will for no definite period and can be terminated with or without notice or cause at any time, by DKT or you. Employment at DKT is not contracted, offered, or promised for any specific length of time, unless otherwise stated in your employment letter. Furthermore, DKT reserves the right to take whatever action is deemed necessary in our judgment to operate the workplace in an efficient and professional manner.

#### **3. Equal Opportunity**

It is DKT's policy to comply with applicable laws that provide equal opportunity in employment for all persons and to prohibit unlawful discrimination in employment.

In accordance with U.S. Federal laws, DKT will not discriminate for reasons of race, color, religion, national origin, sex, age, marital status, disability, or sexual orientation.

Any employee who believes that he/she has been harassed or discriminated against by a coworker, supervisor or agent of DKT should promptly such details along with the names of the individuals involved to their immediate supervisor. DKT will not condone or tolerate unlawful discrimination against or harassment of our employees and will initiate an investigation into the matter and proceed with any corrective action that may be appropriate.

#### **4. Disability Accommodation**

DKT is committed to complying fully with the Americans with Disabilities Act (ADA). We are also committed to ensuring equal opportunity in employment for qualified persons with disabilities. DKT will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability, or a person's diseases including life-threatening illnesses or diseases. All employees, including employees with serious or life threatening illnesses, must maintain acceptable performance standards.

An employee's medical information is confidential. Disclosure of employee medical information is restricted to limited situations where a manager or supervisor has a job-related reason to know it. Employees who disclose other employees' medical information without

proper authorization will be subject to disciplinary action, up to and including discharge. Employee medical records are kept separate from other personnel files.

Reasonable accommodation is available to an employee with a disability when the disability affects the performance of job functions. We make our employment decisions based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Employees with a life-threatening illness, such as cancer, heart disease and HIV-disease, often wish to continue their normal pursuits -- including work -- to the extent allowed by their condition. DKT will support their desire to work if they are able to meet required performance standards. As with other disabilities, DKT will make reasonable accommodations, keep medical information confidential, and treat employees with a disability consistent with others.

## **5. Sexual and Other Harassment**

It is the policy of DKT that employees work in a businesslike manner with a concern for the well being of their co-workers. We are committed to providing the best possible climate for development and goal achievement for all employees and seek to promote a spirit of teamwork. Improper behavior at work, especially any form of harassment, on account of race, sex, color, national origin, age, sexual orientation or affiliation, handicap or any other factor protected by governing law or regulation, will not be tolerated.

DKT will investigate claims of harassment and take appropriate corrective actions if harassment has occurred. DKT strives to ensure that employees have a work environment free of harassment and are not subject to intimidating, hostile or offensive behavior that may interfere with their work performance.

The Equal Employment Opportunity Commission (EEOC) defines sexual harassment as follows:

**Quid Pro Quo** - Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute quid pro quo when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment and, or (2) submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting an individual.

**Hostile Environment** - Is one in which unwelcome sexual advances, requests for sexual favors and verbal or other conduct of a physical nature occur when such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.

**General harassment** is defined as any unwelcome or unsolicited verbal, physical, or sexual conduct which interferes with an employee's job performance or which creates an intimidating, offensive, or hostile work environment.

Any employee who believes he/she has experienced harassment by anyone, including a supervisor, client, co-worker or by persons doing business with or for DKT should tell the

offender that such conduct is unwelcome and unacceptable. If the offensive behavior does not stop, or if the employee is uncomfortable confronting the offender, the employee should immediately report such conduct to an appropriate individual at DKT headquarters (Finance Controller or President).

In accordance with guidelines of the Equal Employment Opportunity Commission, all reports of unlawful harassment will be thoroughly investigated. DKT prohibits retaliation against any employee who complains of harassment or who participates in an investigation. All aspects of the complaint-handling procedure will be handled discreetly. However, it may be necessary to include others on a need to know basis to complete a thorough investigation.

1. Once a complaint is reported, DKT must investigate all harassment complaints with or without consent of the employee. The investigation can include interviewing witnesses, the alleged harasser and others as necessary.
2. Once as much information as possible is obtained, the facts will be thoroughly reviewed and a written finding will be made within ten (10) working days unless otherwise impracticable. If the determination is that unlawful harassment has occurred, prompt action will be taken using appropriate disciplinary action up to and including termination of employment for the offender(s).

Regardless of the means selected for resolving the problem, the initiation of a complaint of sexual harassment will not cause any reflection on the complaining employee, nor will it affect the employee's employment, evaluation, wages, advancement, assigned duties, shifts, or any other condition of employment or career development.

If it is determined that sexual harassment has occurred, appropriate disciplinary action up to and including termination will be taken. Likewise, if allegations of sexual harassment have been found to be made frivolously and/or with intent to discredit another employee, disciplinary action will be taken against the complaining employee.

## **6. Substance Abuse**

We are committed to providing safe and healthy work environment. Therefore being under the influence of alcohol or a controlled substance that interferes with job performance is prohibited in the workplace and renders the individual subject to discipline.

## **B. EMPLOYMENT PROCEDURES**

### **1. Compensation and Performance Review**

When you are hired, you will be informed what the salary level is for your position. Although jobs that are similar within DKT may have the same salary range, employees within that range may be earning different amounts. Your salary depends on a number of factors, including your experience, your training, and your development in mastering the requirements of your position.



A performance review will be conducted annually. Recommendations for salary adjustment are normally initiated by your immediate supervisor and implemented based on factors including, but not limited to, the following:

- Job performance and the achievement of individual objectives;
- The employee's general attitude, work habits, efficiency, attendance, and punctuality;
- The salary range for the position;
- Marketplace data; and
- Available funds.

## **2. Definition of Employee Status**

Full-time: An employee who is employed in a position requiring a 40-hour work week.

Part-time: Part-time employees are those who regularly work less than forty hours per week. At the discretion of DKT, paid holidays, vacation, and/or sick leave may be applied proportionately to the part-time schedule for employees who work 20 hours or more per week on a continuing basis.

Exempt & Non-Exempt Employees: Federal and State laws affect pay in terms of minimum wages, equal pay and payment of overtime wages for hours worked over 40 in any given work week. Under a federal law called the Fair Labor Standards Act (FLSA), employees are classified as exempt or non-exempt for purposes of establishing eligibility for overtime pay. Such classification is based on an evaluation of the responsibilities and authority of each individual.

Exempt employees are legally exempt from the overtime provisions of the FLSA because of the nature of the work they perform and the level of authority and independent action their positions exhibit. Exempt employees are generally those working in an executive, administrative or professional capacity.

For all non-exempt employees, pay for work performed up to 40 hours in a workweek is paid at the individual employee's regular hourly rate. Hours worked over 40 hours in the same workweek are considered to be overtime and must be paid at a rate of 1 and 1/2 times the employee's regular hourly rate. Vacation, sick, and holiday hours do not count toward hours worked in a work week. All overtime hours must be approved in advance by the employee's manager.

Anniversary Date: The first day you report to work will be recorded in company records as your anniversary date. This date may be used to calculate many different company benefits.

## **3. Categories of Employees**

DKT has the following categories of employees:

- 1) Headquarters Staff (HQ Staff)
- 2) International Country Directors (ICDs)
- 3) Other International Staff

- HQ Staff are those full and part time employees whose permanent employment place is DKT's head office in Washington, DC.
- ICDs work in DKT offices worldwide and have been hired by DKT's head office.
- Other International Staff are individuals employed by the International Country Directors or the head office.

Various DKT offices additionally employ local staff; however, they are the employees of those DKT entities and their salary and benefits are determined by the laws, rules and regulations of the country of the local office's registration.

#### **4. Personnel Information**

When you apply for a position with DKT, you may be asked to submit a resume, a list of references, and to complete an employment application. All information must be true and may be verified by the DKT.

After you are hired, additional information will be requested and various forms will be given to you for completion. Among other things, these forms are necessary for benefits enrollment, tax information, and other data needed for our records. Without properly filled out forms we may be unable to enroll you in the company benefits plans. Therefore, it is important that you return all these forms promptly to Finance Department.

#### **5. Outside Employment**

No work other than that related to company business may be performed on company premises or with company facilities and equipment, unless specifically authorized by management. No outside work may be privately performed for any client of the firm or any other employer that could represent a conflict of interest. In all your business dealings you must conduct yourself in a manner that will reflect well on DKT. Breach of these conditions may be cause for termination of employment.

#### **6. Employee Discipline Procedures**

This policy describes the procedures for administering fair and consistent discipline for unsatisfactory conduct or performance at DKT. We believe it is important to ensure that all employees are treated fairly and that disciplinary actions are prompt, consistent, and impartial. The major purpose of a disciplinary action is to correct the problem, prevent it from happening again, and prepare the employee for satisfactory performance in the future.

Although your employment is based on mutual consent and both you and DKT have the right to terminate employment at will, with or without cause, DKT may use progressive discipline at its discretion.

Disciplinary action may be any of the following four steps: (1) verbal warning, (2) written warning/performance improvement plan, (3) suspension with or without pay, or (4) termination of employment. DKT will examine the severity of the problem and how often it has happened when deciding which step to take. There may be circumstances when one or more steps are bypassed. In most cases, progressive discipline means that DKT will normally take these steps in the following order: (1) a first offense or shortcoming may call for

a verbal warning; (2) there may be a written warning and possibly a performance improvement plan; (3) another offense may lead to a suspension; and, (4) still another offense may then lead to termination of employment.

In very serious situations, some types of employee problems may justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps. DKT reserves the right to bypass disciplinary steps any time it is deemed necessary by management. By using progressive discipline, DKT hopes that most employee problems can be corrected at an early stage, benefiting both the employee and DKT.

## **7. Termination of Employment**

### **a. Discharge**

Employment at DKT is at-will. As such, DKT may discharge any employee with or without notice or cause. DKT will pay three (3) days worth of salary for each year worked prorated for partial years in lieu of notice at its sole discretion for discharged employees who have been with DKT for over six (6) months. However, an employee will be discharged without any additional consideration for breach of trust or conduct detrimental to the interest of DKT.

Such actions include, but are not limited to: unauthorized disclosure of employee or project information; neglect of duty; insubordination; being under the influence of alcohol or narcotics while on company business or on company premises; dishonesty; willful destruction of company property; engagement in criminal activities; or any activity having an adverse effect on the work and the reputation of the firm.

### **b. Layoffs**

On an individual basis, DKT will assess the appropriateness of severance pay for affected employees who have been with DKT for over six (6) months. Personnel who are laid off will be paid for any unused vacation time accumulated.

Employees who are reinstated within one year of their termination will not suffer loss of seniority and eligibility for the current benefits and privileges pertaining to their seniority.

### **c. Resignation**

As an at-will employee, you may resign at any time. As a matter of professional courtesy, however, headquarter employees are expected to provide at least 4 weeks' notice and international employees are expected to provide 2-3 months notice, unless otherwise stated in your employee letter. All employees who resign will be paid for all earned, but unused, vacation time. If you resign, you will be paid through the last day worked.

### **d. Retirement**

DKT conforms to federal regulations providing for no mandatory retirement age. DKT offers a Retirement Plan for its employees. Any full-time DKT International employee may join DKT's plan. Please see the summary plan description for detailed benefit provisions.

### **e. Exit Procedures**

When leaving DKT's employment, whether by resignation, layoff, discharge, or retirement, an employee must return all DKT property to his/her immediate supervisor by the last day of employment. Staff are required to return all items of company property and office equipment including keys, key cards, credit cards, cellular phone/PDA, laptop computer, other company-issued equipment, telephone calling cards, etc.

Under the District of Columbia Continuation of Coverage Act of 2001, U.S. employees may be entitled to continued health care coverage at their own expense for themselves and/or their dependents upon loss of that coverage. An ex-employee may elect to continue coverage under the DC Continuation Act for up to three (3) months beyond the date coverage terminates (due to termination of employment, reduction in hours, etc.).

Employees will be provided with information about their retirement plan and possible continuation of health insurance upon exiting. Employees must contact Finance Department as soon as possible following termination to extend the group insurance under DC Continuation and/or to commence withdrawal procedures from the retirement plan. Exiting employees must provide a forwarding address so that W-2s and any personal mail can be forwarded.

#### **f. References**

In responding to requests for references for employees, DKT will confirm only employment dates, position, and salary.

### III. EMPLOYEE BENEFITS

Employee benefits refer to those benefits that you receive from DKT in addition to your regular salary. The following disclosure is for general information.

#### A. EMPLOYEE LEAVE

##### 1. Leave for Headquarters (U.S.) Employees

**a. Annual Leave:** New employees will be eligible for 10 days of paid vacation leave and 7 paid personal days each year. For each 12 month period of work, an employee will receive an additional 1 day of paid vacation (up to a maximum of 18 vacation days per year). Total combined paid vacation leave and personal days will not exceed 25 days per year. Employees will be eligible to carry over 10 days of paid vacation leave per year. Employees must report all leave days (including personal and sick) taken each month to the Financial Controller for record keeping.

**b. Sick Leave:** Sick leave has been reduced to 3 paid days per year. If an employee requires more than 3 sick days in a year, they must use a personal leave day.

#### **DKT Holidays:**

**Holiday schedule for DKT Washington office is as follows:**

New Year's Day

Martin Luther King's Birthday

President's Day

Memorial Day

Independence Day

Labor Day

Thanksgiving Day

Day after Thanksgiving

Christmas Day

And a choice of one of the following: Easter Monday, Good Friday, Columbus Day, or Veterans Day

**c. Jury Duty:** First five days of Jury duty will be paid and will not count toward the annual leave.

##### 2. Leave for International Employees

**a. Annual Leave:** Annual leave will accrue at the rate of 20 working days per year beginning with the first year of employment. For each additional year employed by DKT one (1) additional day will accrue per year up to a maximum of 25 working days (five weeks) per calendar year. This includes bereavement leave; however, it is in addition to the holidays of the country in which DKT office is located and sick leave.

For all international employees: Any accrued leave in excess of 20 days will not be carried forward at the end of the year. DKT will not credit any annual leave balance to the next calendar year unless the employee requests so by January 31<sup>st</sup> of the next year. DKT assumes that all allocated annual leave days have been used. DKT will carry forward only the qualified balance from prior years, zeroing out the year just past. Accrued but unused annual leave up to 30 days will be paid out upon termination of employment during the next scheduled payday. Any leave accrued above 30 days will be foregone upon the termination of employment.

**b. Sick Leave:** Employees are entitled to ten (10) sick days per calendar year. Employees may use the accrued sick leave for:

- The employee's own illness, injury, or medical condition
- The employee's medical appointments
- A family member's illness, injury, medical condition, and/or medical appointments (family member includes any individual related by blood, legal custody, or marriage)

Employees who have used all accrued sick leave may use Annual Leave in lieu of sick leave upon approval of management. Extended medical leave should be preapproved by DKT HQ, and an employee may be eligible for reimbursement of some costs incurred in a different country due to inadequate medical facilities at post.

Employees may carry over a maximum of three (3) unused sick days at the end of each calendar year. Sick leave will not be paid out upon termination of employment.

**c. Home leave:** Home leave is in addition to annual leave and is allowed after 24 months (2 years) of employment and each two years thereafter for international employees only. Those employees who serve in the country of which they are citizens are not entitled to home leave. Home leave is 15 working days and may not be carried forward or accumulated. Employees should request authorization prior to taking a home leave.

Every two years DKT will provide roundtrip coach airfare for the employee and members of his/her immediate family to the home leave destination of the employee's choice. There is no cash remuneration provided in lieu of taking home leave.

**d. Travel to Home of Record or Country of Choice:** A pregnant employee or a pregnant spouse may be authorized by DKT to travel to the employee's home of record or country of choice for delivery. The employee must request such authorization in writing. Each such request is subject to the approval of the immediate supervisor. A request to travel for this purpose should be made at least three (3) months prior to the expected delivery date. If travel for childbirth is authorized, DKT may reimburse the pregnant employee or the employee whose spouse is pregnant of the cost of one round trip economy fare ticket for such purpose. DKT may reimburse 50% of the daily per diem, up to a maximum of eight (8) weeks, for the employee or one family member traveling to their home of record for the delivery of a child. The hotel portion will be reimbursed based on receipts.

**e. Inadequate Medical Facilities at Post:** If medical facilities in the country to which an employee is posted are inadequate, the employee may seek authorization from DKT to travel to the closest adequate medical facility for childbirth.

**f. Adoption:** Eligible DKT employees serving overseas may take up to 90 days of leave to make adoption arrangements and provide primary care for a newly-adopted child. A DKT employee who will not be the primary care provider for a newly-adopted child may take up to 30 work days of leave to assist his or her spouse in making adoption arrangements and providing care for a newly-adopted child. In both cases, sick leave, annual leave and/or leave without pay may be taken for these purposes. Such cases should be discussed with your immediate supervisor.

### **3. For *all* employees: Leave for both Headquarter and International Employees:**

**a. Emergency Leave:** DKT will be reasonable about granting leave for emergency purposes. The employee or a family member should contact DKT as soon as practicable in an emergency situation. In case an extended leave may be necessary, employees should first utilize paid leave before any additional leave is contemplated.

**b. Parental Leave:** DKT will provide the following benefits and allowances in connection with childbirth and adoption to eligible employees. Eligible employees are those who have worked for DKT for at least one (1) year and have worked a minimum of 1,250 hours in the previous 12 months. An eligible employee is entitled to 2 weeks of paid Parental Leave once during any 24-month period without loss of seniority or benefits.

A DKT employee who will be the primary care giver is eligible for an extra two weeks of paid leave at the time of birth or adoption. The employee may take up to 90 days of leave in connection with the birth and care of a newborn child; however, only two weeks will be paid. Employees are encouraged to take all other kinds of leave to receive salary and continue to accrue annual and sick leave. Parental leave may cover both the pre- and post-delivery periods. An employee serving overseas whose spouse will be the primary care giver may take up to 30 workdays of leave to assist in caring for a pregnant spouse or a newborn child. Sick leave, annual leave, and/or leave without pay may be taken for these purposes. While on leave without pay, an employee will not accrue annual or sick leave, but will maintain all other benefits. If Parental Leave does not coincide with Annual or Home Leave, the employee will not be eligible for Annual Leave for a period of six (6) months after the period of Parental Leave. If more than 30 days have been taken for Parental Leave, the employee will not be eligible for any other leave for the rest of that calendar year.

If parental leave is not taken at the time of childbirth or adoption, it cannot be accrued or carried forward.

## **B. INSURANCE**

### **1. Life Insurance, Accidental Death and Dismemberment (AD&D), Short Term Disability (STD) and Long Term Disability (LTD) Insurance**



All overseas employees receive DKT-paid life insurance at a rate of two times salary to a maximum of \$200,000. All overseas employees also receive DKT-paid AD&D insurance in the same amount as the life insurance. All overseas employees are also insured for LTD. Please see the summary plan description for detailed benefit provisions on the staff portal of DKT's website. Go to <http://www.dktinternational.org/employeelogin/memos/>.

All HQ employees receive DKT-paid life insurance at a rate of \$50,000 a year. HQ employees also receive DKT-paid AD&D insurance in the same amount as life insurance as well as STD and LTD insurances. For a summary plan description for detailed benefit provisions, please visit the above website or contact DKT's Financial Controller.

### **Life Insurance, Accidental Death and Dismemberment (AD&D), Short Term Disability (STD) and Long Term Disability (LTD) Insurance for Non-US Citizens Working in Their Home Country**

The international insurance policy available to most overseas staff does not cover employees of DKT who are working in their own country of citizenship. DKT will cover Life, AD&D and LTD expenses for these individuals as if they were covered by the group policy. To get reimbursed for the medical expenses, the staff should submit the original invoices and/or receipts to HQ Finance for reimbursement.

## **2. Health and Dental Insurance**

All full-time employees are eligible for health and dental insurance coverage. Health and dental insurance benefits are outlined in each policy, a copy of which is available from the Financial Controller. You should read this information carefully so that you understand your benefit options.

## **3. HIPAA Special Enrollment Rights (US-Based Staff)**

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) limits exclusions for preexisting conditions; prohibits discrimination against employees and their dependents based on their health status; guarantees renew-ability and availability of health coverage to certain employees and individuals; and protects many workers who lose health coverage by providing better access to individual health insurance.

The special enrollment rights apply without regard to the dates on which an individual would otherwise be able to enroll under the plan. Special Enrollment periods apply to employees and/or their dependent(s), if he/she has a new dependent as a result of marriage, birth, adoption or the placement for adoption (qualifying event). Under these rules, a group health plan is required to provide the opportunity for special enrollment for these individuals should they make the request within **30 days** of the date the qualifying event occurred.

If an employee declines enrollment under DKT's health plans for himself/herself or any dependents (including a spouse) and states in writing that the employee and his/her dependents have coverage under another group health plan or health insurance coverage as the reason for declining to enroll, the employee may also have special enrollment rights.



Special enrollment rights may apply to the employee and any dependents in the event that the employee and/or dependents are no longer eligible for this other coverage.

DKT's plans also offer an Annual Open Enrollment giving employees the opportunity to enroll themselves and/or their dependents if they have previously declined/waived coverage.

#### **4. Workers' Compensation Insurance**

DKT carries Workers' Compensation Insurance to protect you in case of injury during, arising out of, or as a result of employment with the DKT. If you are injured on the job you *must notify DKT in order to file a claim as soon as possible*. Under these circumstances your regular medical insurance benefits may not apply.

#### **5. COBRA**

Employees and covered dependents have the opportunity to continue medical benefits for a period of up to 36 months under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) when group medical coverage for employee and the dependents would otherwise end due to death or following reasons:

- Employee's employment with DKT is terminated, for a reason other than gross misconduct; or
- Employee's employment status changes due to a reduction in hours; or
- Employee's child ceases to be a "dependent child" under the terms of the medical plan; or
- Employee becomes divorced or legally separated; or
- Employee becomes entitled to Medicare.

In the event of divorce, legal separation, or a child's loss of a dependent status, employee or a family member must notify the plan administrator within 60 days of the occurrence of the event.

The employee will be notified of his/her COBRA rights upon termination or departure from DKT. DKT will provide the employee with following COBRA coverage free of charge upon termination:

Years Worked	Health Insurance Coverage
3-5	1 months premium
5-10	2 months premium
>10	3 months premium

The terminated employee is responsible for covering health insurance premiums for any additional months of coverage they elect to have. Employees with less than three (3) years of tenure are not eligible for this benefit.

#### **C. RETIREMENT PLAN**

DKT International provides a Retirement Plan for all full-time HQ and ICD staff. For U.S. citizens, this plan allows employees to invest into a variety of investment vehicles at optional pre-taxed levels. As a fringe benefit to the employees of DKT International, DKT will contribute a maximum of 10% of each employee's gross base salary annually. Every month DKT will contribute equivalent of a maximum of 6% of employee's gross base salary for the

month to their plan. Additionally, DKT will contribute a maximum 4% of each employee's gross salary, directly to the plan in December or alternatively DKT will pay out this amount in cash to the employee via payroll in December. All employees should notify HQ Finance about their preference. Unless notified, DKT will contribute 4% of the employee's salary to the plan.

For employees who are not US citizens, the 10% retirement payment will be made at the end of each year to an account of the employee's choice. The 10% retirement calculation is based on the employee's base salary and does not include bonuses, commissions, or payments of other kinds.

Part-time employees and consultants are not eligible for this plan. For employees who work for less than a full year, payments will be prorated.

DKT will enroll new full time employees into the Retirement Plan once they submit the filled out application form to DKT Finance (forms are available from the Financial Controller).

## **IV. OFFICE OPERATING PROCEDURES**

### **A. GENERAL**

#### **1. Immigration Reform and Control Act**

In compliance with the Federal Immigration and Reform Control Act of 1986 (IRCA), as amended, and any state law requirements, if applicable, DKT is committed to employing only individuals who are authorized to work in the United States for the positions at the Head Office.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility.

If an employee is authorized to work in this country for a limited time period, the individual will be required to submit the proof of renewed employment eligibility prior to expiration of that period to remain employed by DKT.

#### **2. New Employee Orientation**

Upon joining DKT, the new employee is given the copy of this Employee Handbook along with personnel, payroll and benefit forms. The new employee is required to return these forms promptly to DKT for timely processing of payroll and benefits.

New employee orientation will be conducted by the new employee's immediate supervisor for the length of time determined by them.

### **B. WORK HOURS**

#### **1. Office Staff in the USA**

Regular work hours are 8:30 a.m. to 5:30 p.m. Monday through Friday, with one hour for lunch.

Work hours at DKT country offices will be established by the Country Director.

#### **2. Tardiness and Absenteeism**

You are expected to be at work during normal office hours. Whenever you have to be unexpectedly absent from work for illness, you are required to telephone the office or your supervisor in the morning of the day of your absence. You should notify your supervisor in advance for any other absences. Arriving late, departing early, absencing yourself during office hours for personal reasons without approval, and frequent absences are not allowed and may result in discharge or other disciplinary action.

Absences for partial or whole work days (only whole work days for exempt staff) which do not qualify as authorized time off or leave of absence without pay will be noted as leave taken or result in a deduction from salary (which may not be charged against accrued vacation).

Repeated and/or unexcused failure to call the office or your supervisor promptly to advise of any absence, whether sick leave or unauthorized time off, may result in termination. Similarly,

an absence resulting from a spur-of-the-moment decision to take a vacation day, without advance approval, will be treated as unauthorized time off.

## **C. WORK ENVIRONMENT AND FACILITIES**

### **1. Individual Work Area**

Every member of the staff is expected to maintain order in his or her own workspace or office. Individual work areas may be decorated, within the bounds of professional appearance.

### **2. Safety and Health**

DKT will provide a safe and healthy work environment. You are responsible for complying with all safety and health standards, rules, and codes that are applicable to your activities on the job. The following are some of the guidelines:

- Guard against the use of unsafe equipment and unsafe work methods in the office and out in the field.
- Report immediately to your supervisor any indications that the environment is not being maintained in a safe and healthful fashion.
- Familiarize yourself with the locations of fire extinguishers. In the event of a fire drill or fire emergency use the stairs to exit a building in a calm and orderly fashion. *Do Not Use the Elevators in a Fire Emergency.*
- Report all accidents immediately to your supervisor. This is critical in the event secondary effects appear later for accurate and timely reporting to our insurance company, and filing for Workers' Compensation.
- In D.C. first-aid supplies are available in the kitchen/workroom area.

## **D. SERVICES AND EQUIPMENT**

### **1. DKT Property**

DKT property may not be removed from the building or other work sites except on company business and with prior approval from management. Such property is only insured against loss if it is out of the office on authorized company business.

In the event that you terminate employment with DKT, you may take from the premises only those materials that are your personal property. Any computer information, books, equipment, or materials purchased for your assignments by the organization and all company records, computer files, etc., that are in your possession, belong to DKT and must be returned upon termination of your employment.

If an ICD is changing posts, he or she may move appropriate DKT property such as a laptop, etc. to the new post. The ICD must provide DKT HQ Finance Department with the information on the items being relocated. If an ICD terminates employment, all equipment, including computers, must be returned to DKT.

### **2. Personal Property**

DKT cannot be responsible for personal property that is lost, damaged or stolen. If you bring

personal property/items/belongings on to company premises or work sites, you are responsible for keeping track of them. If you do bring personal property, you need to understand that it will not be covered under the Company's insurance and because of limitations on personal homeowners' policies with business property away from the home premises, it may not be covered under your homeowner's coverage either.

DKT prohibits firearms or other weapons on the premises.

## **E. OFFICE PRACTICES**

### **1. Confidentiality**

You will be expected to maintain the confidentiality of all property, information, and documents belonging to DKT or otherwise prepared or obtained in the course of your employment with DKT ("Confidential Information").

Confidential Information includes, but is not limited to, information received from third parties under confidential conditions, and other personal, technical, business, or financial information whether or not deemed valuable, important, or secret by you. Under no circumstances shall such Confidential Information be used for your own purposes or shown or made accessible to any unauthorized persons inside or outside of DKT, either during your employment or after the termination of your employment.

## **F. SALARY AND PAYROLL DEDUCTIONS**

### **1. Salary**

Certain payroll deductions are required by law. In the U.S., these are Federal Income Tax, State Income Tax, and Social Security Taxes. The law also requires garnishment deductions when ordered by a court or pursuant to child support enforcement orders.

There may be other deductions such as voluntary retirement plan contributions. These voluntary deductions must be authorized by you in writing. Each paycheck has a stub or statement which itemizes all deductions made. These stubs serve as a record of your earnings throughout the year.

Within 30 days after the end of the calendar year, you will receive a W-2 form which will summarize how much salary you were paid and the total amount of taxes withheld.

Upon termination of your employment, you will be paid all wages or salaries due to you for work performed, less normal withholding. You will receive such payment on or before the date on which you would have been paid for such work had your employment not been terminated.

HQ employees are paid on the 15<sup>th</sup> and last day of the month. When payday is a holiday or falls on the weekend, the payroll is paid on the business day immediately preceding the payday (for example, if 15<sup>th</sup> is Saturday, the payroll payment is made on Friday, 14<sup>th</sup>).

ICDs are paid monthly on the last day of each month for the period of the month starting on the first day and ending on the last day of the month. When payday is a holiday or falls on the weekend, the payroll is paid on the business day immediately preceding the payday.

Salary payments are directly deposited to staff's bank accounts by the payroll service. The employees can choose up to 7 accounts into which their salaries are deposited. If the bank account is an overseas account, DKT will transfer the funds from DKT to the overseas bank account.

## **2. ICD Commissions**

ICDs can be eligible for various types of commissions: sales commissions (based on annual CYPs), fundraising commissions and commissions on cash collections of sales (revenues), and others.

Please reference the memo from HQ regarding the content and calculation methods of these commissions.

## **3. HQ Staff Commissions**

DKT will pay HQ staff commissions on annual CYPs based on 5% of the total CYP Commissions paid to ICDs. The sales commissions are allocated proportionately among staff based on the annual salary earnings of each employee.

## **4. HQ Staff Education/Tuition**

HQ Staff may be reimbursed for a portion of their tuition if approved by the immediate supervisor and if their education will benefit DKT international. Employees are eligible for this benefit after one year of full time employment with DKT.

## **G. TRAVEL POLICIES**

Travel is defined as short-term travel (less than 90 days) and long-term travel (90 days and over) – long-term assignment to a project.

For short-term travel, the employees are entitled to full 90 days per diem including meals, incidentals and lodging as defined below. For long-term travel, DKT will pay per diem based on following criteria:

- a. Individuals should seek permanent housing as soon as possible upon arrival to their country. DKT will pay for temporary housing such as hotel/guest house, and the like for up to 60 days. The ICD will be responsible for the costs thereafter unless the permanent housing can be found for which DKT will cover the costs fully.
- b. DKT will cover ICDs meals and incidentals as defined below for up to 60 days only at the rate of \$40 per day. Thereafter, ICDs are strongly encouraged to find permanent housing with cooking facilities.

## 1. Meals/Per Diem

DKT provides a flat meal per diem rate of \$40 or as specified by the State Department. The rates can be found at

[http://aoprals.state.gov/web920/per\\_diem.asp](http://aoprals.state.gov/web920/per_diem.asp)

Partial travel days should be taken at 75% of the allowable rates.

## 2. Business Entertainment Expenses Other Than Meals

Entertainment expense forms must show the business relationship of the individual entertained, the nature of the business discussed, the place of entertainment, and the cost. A meal purchased for another individual is considered entertainment. Under no circumstances should an employee submit any expenses for alcoholic beverages to a federal or state grant or contract. The individual should use their daily per diem for all meals.

## H. LIFE OVERSEAS

### 1. Shipment of Personal Effects

When an employee is assigned to a post away from home, the employee's personal effects will be shipped to and from the post. Employees should obtain approval from headquarters before authorizing payment for shipping. Shipping costs are generally paid directly from Washington, DC unless other arrangements are made and agreed to.

For efficient use of DKT funds employees must obtain competitive bids (3, if possible) for the shipment of personal effects. DKT HQ will provide the final approval for the shipment option. The DC Financial Controller can be contacted for the name of an international moving and shipping company when relocating from the United States. A moving company can also be contacted within the country from which you are departing.

Below are the allowable gross weights for shipment of personal effects each way:

<b>By Air</b>	<b>Up to LBS:</b>
Employee	250
First Dependent	200
Each Additional Dependent	100
 <b>By Sea</b>	
One Person	3,500 or a container of 20 cubic feet
Two or more persons	7,200 or a container of 40 cubic feet

### **Storage**

DKT generally will not cover storage costs.

DKT will also cover reasonable insurance costs for the shipment.

## 2. Education/Tuition Benefits

ICDs are entitled to education/tuition reimbursement or DKT will pay directly to the school of ICDs' choice for their children's and their own education based on following criteria:

- a. Children's education fees/tuition should be pre-approved by their immediate supervisor in writing and should be reasonable considering the country of assignment
- b. Children's education tuition can only be paid for elementary to high school or equivalent education. No college tuition will be paid.
- c. ICDs are eligible for reimbursement for language courses and courses directly related to DKT's line of work.
- d. All education fee reimbursements or payments should be preapproved by immediate supervisors.

DKT will pay the regular 90% for the education/schooling of children who are five years old and older, including preschool. If a child is four years old for part of the school year and five years old for part, we will reimburse, in proportion, for only that part of the school year that the child is 5, ie, if a child is 4 for half the school/preschool year and 5 for half, we will reimburse 90% of 50% of that child's tuition. Copies of the invoice should be submitted to DC headquarters. Generally, DKT prefers to make these payments directly to the school unless other arrangements have been agreed to in advance.

ICDs who serve in the country of which they are citizens are not entitled to the above enumerated education and tuition benefits.

### **3. Housing**

ICDs are encouraged to find suitable and reasonably priced housing upon their arrival to the country of their destination. Please refer to the above description of the general policies under Travel Policy. DKT will pay for the following fringe benefits on behalf of ICDs:

- Residence rental
- Residence utilities
- Basic phone line monthly fee (please note, DKT will not cover ICDs' personal calls)
- Any maintenance fees for the residence including necessary repairs and ground maintenance (DKT will not cover costs of house help or maid)

These costs should be considered reasonable relative to the prevalent market values for accommodations in the country. Copies of signed lease must be provided to the Financial Controller. Payment to landlords should generally be made from Washington, DC.

DKT will ship ICDs' personal items and/or provide for furnished housing. If the most reasonable housing available lacks basic amenities such as a refrigerator, DKT will pay for such items on the understanding that the ICD will sell them upon moving to another post or different housing and credit the proceeds to DKT. These items will be depreciated on DKT's fixed asset list for the country.



ICDs who serve in the country of which they are citizens are not entitled to the above stated housing benefits.

#### **4. Use of DKT Vehicle**

ICDs are entitled to the use of 1 (one) company vehicle for business and personal purposes. Business demands always take precedence, including provision of transportation for any visiting DKT staff. Use of any second vehicle for personal purposes is not authorized. Additionally, compensation of local staff's time spent servicing ICD's personal needs above and beyond their normal business hours along with paying for vehicle expenses such as gas, etc. when vehicle is in use for personal need is the responsibility of ICDs.

#### **I. TELEPHONE, COMPUTER & INTERNET USAGE POLICY**

DKT provides computer and internet access for business purposes only. All equipment, applications, and information on the computer system are the sole property of the Company and should be treated accordingly. The policies listed below are to guide and help all personnel working for the company to determine proper Internet usage. If a questionable situation arises, please contact your supervisor for clarification.

- E-mail and filed transfers are to be for business use only by authorized users.
- Use of another employee's account or access to his or her personal files without his or her consent is prohibited. Passwords should not be shared.
- Antivirus software should be run on all workstations at all times and all files from outside the system should be scanned for viruses.
- Anyone accessing the Company's systems and files from home must run antivirus software on their home system and it must be current with the proper signature files.
- Transmission of harassing, discriminatory or otherwise objectionable emails or files is prohibited.
- Any personal use of the network for commercial or illegal activity is strictly prohibited.

#### **J. CONFLICT OF INTEREST/CODE OF ETHICS**

DKT's reputation for integrity is its most valuable asset and is directly related to the conduct of its officers and employees. Therefore, employees should never use their positions with DKT for private gain, to advance personal interests or to obtain favors or benefits for themselves, members of their families or any other individuals, corporations or business entities.

DKT adheres to the highest legal and ethical standards . DKT's business is conducted in strict observance of both the letter and spirit of all applicable laws and the integrity of each employee is of utmost importance.

Employees of the company shall conduct their personal affairs so that their duties and responsibilities to the company are not jeopardized and/or legal questions do not arise with respect to their association or work with the company.

DKT employees will not provide bribes to anyone for any purpose.

On May 4, 2012, HQ issued the following policy guideline:

1. DKT's ethical standards and reputation depend, first and foremost, on the integrity and ethics of our country directors and their senior staffs. Honest and ethical leadership is crucial to our success as an organization.
2. Nepotism/Appearances. Relatives of senior management employees should not normally be hired by DKT, and suppliers of goods and services to DKT should not be controlled by relatives of senior managers. Any exceptions should be completely transparent and based on a disinterested assessment of the employee/supplier concerned to avoid even the appearance of favoritism.
3. On procurement, DKT policies are very clear. Any instance of procurement that involves kickbacks, under-the-table money or significant goods-in-kind in return for expected or actual sales contracts to a DKT employee is not acceptable. Procurement of DKT goods and services from suppliers who are relatives of DKT employees should generally be avoided. I understand that suppliers occasionally give gifts and take DKT employees out for meals. This may be acceptable if it passes the DKT Board of Directors 'litmus test' (see below).

Country Directors should oversee all major procurements. Procurements of significant value should include regular competitive bidding. DKT has exceptionally strong procurement systems in a number of programs; these programs will be happy to share their systems for maintaining good supplier relationships. (See also the supplier policy memo on this topic)

4. As a general matter DKT Country Directors and senior managers should not allow anything to be happening that they would not be comfortable sharing with or having known by the DKT Board of Directors. If you are comfortable with actions related to hiring, procurement, or related activities that meet this litmus test, they probably are OK. If you have a shadow of a doubt on this, best to stay away.

## **K. EMPLOYEE PROTECTION (WHISTLEBLOWER) POLICY**

If any employee reasonably believes that some policy, practice, or activity of DKT is in violation of law, a written complaint can be filed by that employee with the President or the Board.

It is the intent of DKT to adhere to all laws and regulations that apply to the organization. The support of all employees is necessary to achieving compliance with various laws and regulations. An employee is protected from retaliation only if the employee brings the alleged unlawful activity, policy, or practice to the attention of DKT and provides DKT with a

reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to employees that comply with this requirement.

DKT will not retaliate against an employee who in good faith, has made a protest or raised a complaint against some practice of DKT, or of another individual or entity with whom DKT has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

DKT will not retaliate against employees who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of DKT that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

A full copy of this policy can be accessed at the DKT website:

<http://www.dktinternational.org/wp-content/uploads/2012/01/Whistleblower-Policy-Oct-2012.doc>

#### **L. AMENDMENTS TO THE HANDBOOK**

This handbook may be amended periodically to include new policies and procedures, to make changes in existing ones, or to delete provisions without notice or obligation to those affected by these changes.

If you have any questions or require any clarification, we will be happy to assist.

## RECEIPT OF EMPLOYEE HANDBOOK

This is to acknowledge that I have received a copy of the DKT International, Inc. Employee Handbook and understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities and obligations of employment with the organization. I understand and agree that it is my responsibility to read the Employee Handbook and to abide by the rules, policies and standards set forth in the Employee Handbook.

I also acknowledge that my employment with DKT is not for a specified period of time and can be terminated at any time for any reason, with or without cause or notice, by me or by the organization.

**I also acknowledge that, except for the policy of at-will employment, the organization reserves the right to revise, delete and add to the provisions of this Employee Handbook. All such revisions, deletions or additions must be in writing and must be signed by the president of the organization. No oral statements or representations can change the provisions of this Employee Handbook. I also acknowledge that, except for the policy of at-will employment, terms and conditions of employment with the organization may be modified at the sole discretion of the organization, with or without cause or notice, at any time. No implied contract concerning any employment-related decision, term of employment or condition of employment can be established by any other statement, conduct, policy or practice.**

If I have questions regarding the content or interpretation of this Employee Handbook or the policies in this document, I will bring them to the attention of my supervisor.

NAME \_\_\_\_\_

DATE \_\_\_\_\_

EMPLOYEE  
SIGNATURE \_\_\_\_\_

Return this form to the DKT Financial Controller.