



OTA SPOTLIGHT: PAY SCALE and PAYROLL

1. Pay Scale

- School Year
- Summer Session
- OTHER

2. Wage Investigation

- Minimum Wage Requirements
- Market Factors
- Training Pay / Overtime Pay - Regulations
- Seasonal Employee - Distinctions
- Compensation Classifications for Employees/Interns/Volunteers/Etc.

3. Calculating Hours

- Processing Payroll – The Hub and OTA APP
- Payroll Details

As we have communicated in the past, there are two things that Franchisors cannot tell Franchisees to do based on federal franchising regulations:

1. How much to charge customers
2. How much to pay employees

These are both decisions that all Owners in the franchise space have total autonomy over.

However, as a Franchisor, we will always provide recommendations and data to assist our Franchise Network in making these decisions.

PAY SCALE:

Historically, for OTA Corporate Territories, we have always looked at the pay scale for our Staff/Employees based on five criteria:

1. Season (school year vs summer session)
2. Service (type of programming)
3. Role (Job Description)
4. Tenure (length of employment with OTA)
5. Experience (either with OTA or outside of OTA in a related role)

Though that seems like a lot of factors to consider, our formula over the years really has been quite simple:

- **After School Instructor Hourly Payrate - \$20/hr**
 - With this payrate, instructors typically make \$30 per after school program.
 - If a typical after school program is 1 hour, and we require instructors to be at the location 15min prior to the start of a class, and 15min after the class has ended, then they would have clocked 1.5 hours. 1.5 hours at \$20/hr = \$30
 - Every single instructor working an after-school program should be allotted a minimum of 1.5 hours (even if they didn't have to stay all 15min for dismissal following the end of their class).
 - If an instructor is required to stay with a student following the 15min window we account for once a class has concluded, we compensate that instructor for whatever time they had to stay on site till the last student has been picked up.
 - *Note – for SPARK Programs, even if they run less than 1 hour (for example, 45min) we still compensate Instructors for 1.5 hours of work. If there are back-to-back classes at the same location, we still build in 15min before the class starts and 15min after the final class ends.*

- **Summer Camp Counselor Hourly Payrate - \$10 - \$16 / hr**
- **Summer Camp Director Hourly Payrate - \$20 - \$25 / hr**

*Range depends on State we are operating in and what minimum wage requirements exist in that programming area.

- Unlike compensation for School Year after-school instructors, there is a pay scale as it relates to Summer Staff that takes into consideration a few factors for each employee.
- Here is an example of the OTA Corporate Territory Summer Staff Pay Scale:

Camp Director:

- \$20.00 - \$25.00/hr
- *Must meet all Job Description Requirements

Assistant Camp Director:

- \$17.00 - \$18.00/hr
- Criteria Includes
 - Must be 21
 - Must be CPR/First Aid Certified
 - Must be Trained as a Camp Director

Instructors/Counselor/Coaches:

- High School Student - \$10.00/hr
- Under 21 (but graduated from HS) - \$12.00/hr
- 21 and over - \$14.00/hr
- Anyone with CPR and First Aid Certification - \$16.00/hr
 - *Note - We like to incentivize staff to be CPR and First Aid Certified (even after we have met the requirements for number of staff that MUST be onsite with certification)*

We always leave ourselves room to negotiate with an individual employee when it comes to our summer staff. There are a number of cases where we would compensate someone with a higher hourly rate than the “category” they fall into above. Some of the factors that we would consider include:

- Are they just really good? – better than other members of our team when it comes to skill set
- Experience in Youth Programming? – perhaps outside of OTA, the employee has a tremendous track record working in the space. This would be a factor that might dictate our willingness to increase someone’s pay beyond the category they fall into above.
- How long have they worked for OTA?
 - For example, we’ve hired a 16-year-old, and by the time they are 20 they are making higher than what our pay scale would dictate because of their loyalty, ability, familiarity with OTA, etc.

*Special Note – Camp Director Compensation

- The type of camp – The location of the camp – The resume of the Camp Director – all play a role in determining a Camp Directors Compensation.
- Couple of Scenarios:
 1. Sports Specific Camp – there may be situations where we run sports specific camps where we hire area coaches who have a “name in the community” to run camps. In these situations, we acknowledge that these coaches may “bring campers” to our programs AND come to the positions with higher-than-normal credentials. This may often dictate a higher pay rate for that Camp Director.
 2. Location (Traditional Day Camp) – there may be situations where we run camps in partnership with Elementary Schools (public and private) and the principal requests that we bring on a member of their faculty to be Camp Director. This is good for several reasons, including familiarity with Parents, Students, and Building/Campus. This may often dictate a higher pay rate for that Camp Director.
 3. Experience (and Tenure) – there may be situations where a Camp Director has worked for us for a long time. We’ve had some Camp Directors with us for over 10 years. This may often dictate a higher pay rate for that Camp Director. If they continue to do a good job, if the feedback from parents and participants remains high, if they manage the team of counselors well, then we will continue to increase their pay to recognize their contributions and loyalty to OTA.

PAY SCALE – “OTHER”

One of the criteria we noted above when developing our pay scale is SERVICE. What we are referring to here is that what our team of instructors are coaching may dictate their hourly rate. We have addressed the basic services of After School Programs, SPARK Programs, and Summer Camps, but of course OTA also runs a variety of “OTHER” programs (or services). It’s important to consider the budget factors of these services when developing your pay scale.

In terms of OTA Corporate Territories, we do our best to try and keep our pay scale simple for our staff and if the budget allows us to compensate Instructors/Coaches \$20/hr, we try and do that (outside of summer session). However, here is a sample of pay rates for “OTHER” services we provide:

- **Birthday Party Coach:** Flat Rate - \$50 (90min Party)
- **Clinic Coach:** \$15 - \$20 / Hr (depends on volume of hours for the program – how many back-to-back hourly sessions are in a row)
- **League Coach:** \$15 - \$20 / Hr (depends on league schedule of practices and games)

It is vital in the management of your staff to communicate clearly and in a timely manner the compensation employees will earn based on the roles you are asking them to do.

WAGE INVESTIGATION:

None of the information above matters until Franchise Owners become informed about the laws, rules, regulations, and requirements regarding wages for the locations they are operating in.

The investigation into employee compensation for where OTA territories are operating is simple:

Step 1 – What are the minimum wage requirements for the state you are operating in?

- Are there further minimum wage requirements based on the city or local municipality?
- Are there special minimum wage requirements based on the size of the company?

Step 2 – What are the wage standards for our competition?

- How is the market driving employee wages?
- Are OTA pay rates competitive and attractive to job applicants?

Step 3 – What are the “outlier factors” to be considered when it comes to establishing pay rates?

- Are there “Training Pay” requirements?
- Are there “Overtime Pay” requirements?
- Are there “Seasonal Employee Distinction” requirements?

Step 4 – What are the rules around potential employee classifications?

- Are there different standards based on employees vs interns vs volunteers?
- Are there different standards based on minors vs adults?

One of the advantages of using a payroll company (like ADP) is that your contact will be able to answer many of the questions we have listed above. They are a vital resource in making sure your information is current and that you are operating your business appropriately when it comes to wages and employment law.

CALCULATING HOURS and PROCESSING PAYROLL

The responsibility of a company managing the payroll process properly is essential to the two-way relationship of Employer and Employee. There may be no other aspect of the business that should be taken more seriously or executed more perfectly than processing payroll. Detail, communication, and organization are the foundation for this process going smoothly. Workers, especially part time workers, have very little patience and understanding when payroll does not get processed properly. To be sure, it can often be the employees' fault, but even in this case, the effort to correct the problem must be made and noticed to gain the trust and support of the employee moving forward. Using a payroll company is key to making sure all goes well.

Tax documents and taxes are two areas that payroll companies provide total assistance with. Franchisees do not want to get into a situation where they are responsible for these calculations and mailers.

FOR OTA CORPORATE TERRITORIES – here are the steps we follow for processing payroll:

1. Add New Hire to HUB Roster
2. New Hire receives invite to join OTA APP
3. New Hire creates OTA APP Membership
4. Instructor uses "CLOCK IN/CLOCK OUT" Feature in OTA APP every time they work OTA Programs
 - CLOCK IN at arrival (15min before class starts – for School Year Programs)
 - CLOCK OUT at departure (compensated for 15min after class ends – for School Year Programs)
 - If the Instructor is required to stay later than 15min after class ends due to a late pick-up, they are compensated for however long they had to stay.

Processing Payroll –

5. HQ runs PAYROLL FEATURE in HUB Software to calculate employee hours for the pay period.
6. Management sends a confirmation email to each employee confirming the hours that have been recorded for that pay period. (email includes dates of pay period)
 - This is a checks and balances so that management and employee are in agreement regarding how many hours they worked.
 - There is plenty of time to execute this confirmation between the end of a pay period and the deadline for submitting payroll report to payroll company.
7. Payroll Report is then entered into Payroll Company Portal.
8. Direct Deposit is activated OR pay checks are sent out in the mail.

OTA HQ PAYROLL DETAILS:

1. Overtime Athletics HQ does not process payroll in our office, like most companies we use a payroll company to process employee paychecks.
2. The company we use is ADP.
3. OTA scheduling software (The HUB) generates the proper payroll amount for each employee based on our Master Schedule by using the PAYROLL FEATURE.
4. We DO NOT use timesheets or require instructors to submit timesheets anymore.
5. Employees Signing up for Direct Deposit is mandatory.
6. Employees are instructed during training that they must keep track of their hours even though the APP captures their work schedules with the Clock In – Clock Out feature.
7. Employees are paid twice per month – OTA HQ operates on a “semi-monthly” payroll schedule.
8. Pay day is always the 15th and Last Day of the Month.
 - With Direct Deposit, the pay is immediately distributed into the employees’ account on these days.
9. The pay periods always range from the 25th – 9th OR the 10th – 24th.
10. The confirmation email sent to each instructor always includes the pay period dates for clarification purposes.

*SPECIAL NOTE – Summer Calendar Pay Periods

- It is very easy when using a payroll company to adjust your pay periods.
- Depending on how the calendar unfolds to kickoff Summer Camps, we often adjust the pay periods to be more frequent (sometimes weekly, sometimes processed on a specific day of our choosing) so that there isn't a stretch of 3-4 weeks before summer staff would receive their first paycheck.
 - This can happen depending on when your first week of summer camp is and it is possible if you stick with the semi-monthly pay periods for an employee to start working and between the schedule of the pay period and the delay from that pay period to processing a paycheck, that several weeks go by before they receive any compensation.
- We make this adjustment to keep staff morale high and to make sure that we start the summer session with a positive vibe.