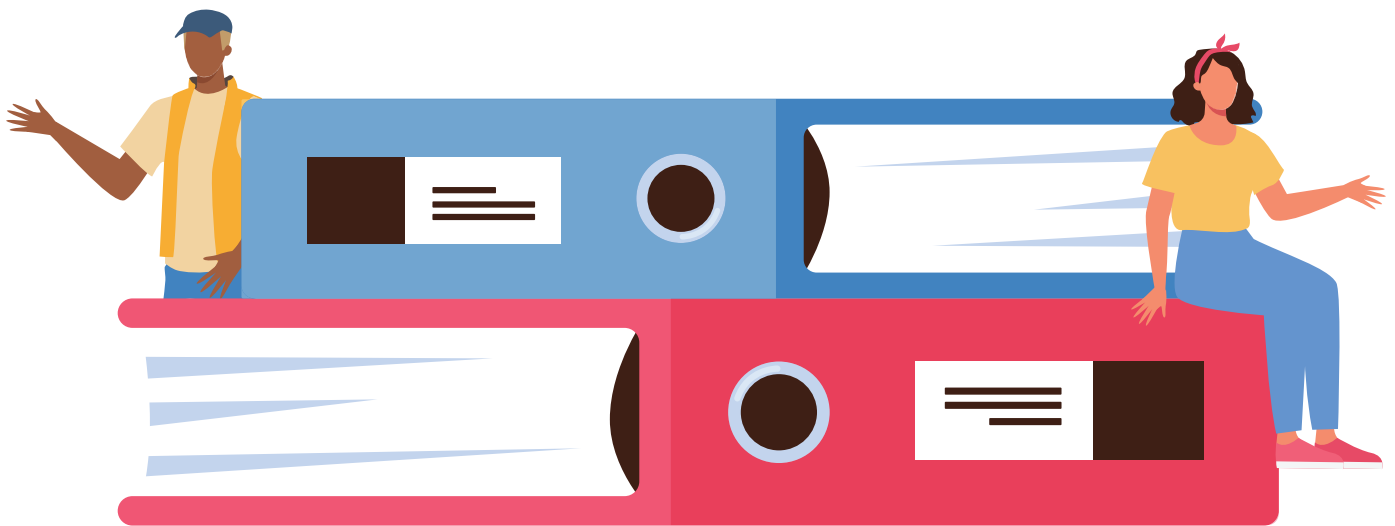




# Developing Your Employee Handbook

Learn what to include in an effective employee handbook for your small business. This guide covers essential policies and instructions that not only help protect your business, but more importantly, set clear expectations for your team.



When you hire your first few employees, you'll quickly realize they have questions: What time should I be here? Can I work from home? What happens if I'm sick? What can I wear to work? An employee handbook answers these questions before they're asked—and helps employees start their new job with confidence.

Your handbook is a roadmap that helps employees understand how your business works, what is expected of them, and what they can expect in return—from company policies and workplace culture to benefits, support resources, and procedures for handling concerns. While it's not a legal contract, it creates the foundation for a healthy workplace and a good job.

**NOTE:** *Employee handbooks themselves are not required by federal law but may be required in certain states.*

**TIP:** Check your state's Department of Labor (or equivalent) that publishes employer requirements. Check their website for:

- Required notices or policies
- Distribution methods (e.g., posted vs. written)
- Recordkeeping requirements

# How an Employee Handbook Helps Your Business

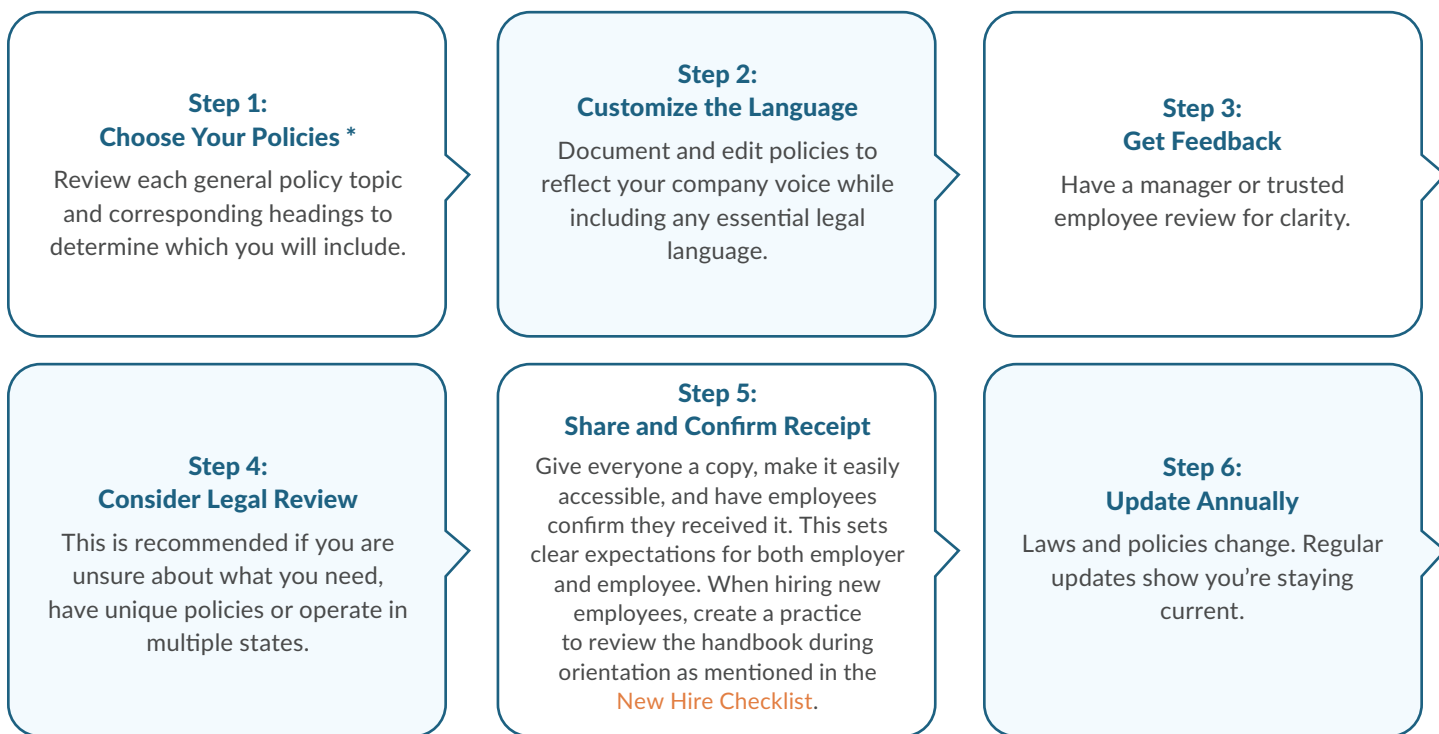
As noted above, a handbook has many benefits to your business and employees. A thorough employee handbook also:

- » **Strengthens Communication** - Employees can find answers efficiently, allowing you to focus on strategic priorities.
- » **Builds Trust and Confidence** - Clear guidelines help employees feel valued and perform better.
- » **Creates Consistency** - Standardized policies ensure everyone gets treated fairly.
- » **Supports Growth** - New hires understand their role and get up to speed faster.
- » **Maintains Legal Compliance** - As your business grows, a handbook keeps you aligned with employment laws.

**NOTE:** An employee handbook is different from a procedures manual, which gives step-by-step job instructions.

## Creating Your Handbook

The table of contents provided below documents each policy topic in an intentional order—your job is to identify which policies apply to and need to be documented for your business. To get started, follow these steps.

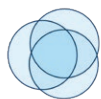


*\* This tool is not intended to and does not constitute legal advice, and the provision of this tool does not create an attorney-client relationship. Some policy requirements may vary based on the size of your business or the state within which you operate. You should not act upon any such information without first seeking qualified professional counsel on your specific matter. Seek legal or professional support if unsure.*

### Best Practices:

- » Keep the handbook as brief as possible - A good target is 10-15 pages.
- » Focus on clarity over complexity - It is important that employees can read and understand what is written.

[View Handbook Table of Contents](#)



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# Employee Handbook Table of Contents

## 00 STATEMENT OF PURPOSE

This explains why the handbook exists and what it is meant to do.

**POLICY HEADINGS TO CONSIDER INCLUDING:**

Revisions of the Handbook

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## 01 GENERAL EMPLOYMENT POLICIES

This first section sets the tone for the rest of the handbook. It should include foundational topics that explain your basic employment practices, legal compliance, and overall approach to managing your workforce.

**POLICY HEADINGS TO CONSIDER INCLUDING:**

Mission Statement	Reasonable Accommodation	Accurate Records	Ownership of Materials
Business Values	Employment at Will	Confidentiality	Employment Authorization Check
Open Door Policy	Conflict of Interest		

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## 02 EMPLOYMENT STATUS

This section clearly defines the different types of employment in your business - full-time/part-time, exempt/non-exempt, etc.. It helps employees understand how their status affects things like pay, benefits, eligibility for leave, and expectations for hours worked.

**POLICY HEADINGS TO CONSIDER INCLUDING:**

Introductory Period                  Employment Categories

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## 03 RECRUITING AND HIRING

This section outlines your company's approach to finding, evaluating, and onboarding new employees. It helps ensure transparency, consistency, and fairness in the hiring process while reinforcing legal compliance.

**POLICY HEADINGS TO CONSIDER INCLUDING:**

Background Checks                  Promotion

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## 04 COMPENSATION AND SALARY ADMINISTRATION

This section summarizes how your company handles employee pay, raises, bonuses, and any payroll-related policies. It helps employees understand how their compensation is determined and managed.

**POLICY HEADINGS TO CONSIDER INCLUDING:**

Direct Deposit	Change in Payroll Processing	Pay Advance and Employee	Loans
Garnishment of Wages	Payroll Deductions		

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## 05 GENERAL WORKPLACE POLICIES

This section covers the day-to-day expectations for behavior, conduct, and workplace operations. It sets the standards for professionalism, safety, and how employees interact with each other and the business as a whole.

### POLICY HEADINGS TO CONSIDER INCLUDING:

Statement of Philosophy	Weapons	Personal Relationships within the Workplace	Use of Personal Auto
Safe Working Environment	External Emergencies/Inclement Weather	Dress and Jewelry Policy	Personal visitors and Pets in the Workplace
Reasonable Safety Accommodations	Workplace Behavior	Change of Personal Status	Right of Privacy
Safety	Political Activity	Facilities	Professional Integrity
Drugs and Alcohol Policy	Public Statements	Miscellaneous Expenses Incurred	Professional Certification

## 06 EMPLOYEE BENEFIT PROGRAMS

This section provides employees with an overview of the benefits your business offers beyond wages—these are often key to employee satisfaction and retention. This section should clearly explain eligibility, enrollment, and what's included in each benefit offering.

### POLICY HEADINGS TO CONSIDER INCLUDING:

Medical Insurance	Medical/Parental Leave	Bereavement Leave	PTO Carry Overs and Cash Out
Paid Holidays	Military Leave (USERRA)	Jury Duty	Educational Assistance
Paid Time off	Personal/Administrative Leave	Unschedule Absences	
Vacation Leave	COBRA		

## 07 ORGANIZATIONAL PROPERTY AND TECHNOLOGY

This section outlines how employees are expected to use, maintain, and protect the business' physical and digital assets. It helps protect equipment, systems, and data, while setting clear expectations for responsible use.

### POLICY HEADINGS TO CONSIDER INCLUDING:

Non-Solicitation/Non-Distribution Policy	Email, Instant Messenger	Internet	Monitoring
	Personal Phone Calls	Social Media	

## 08 EMPLOYEE WORK PERFORMANCE

This section sets expectations for how employee performance is evaluated, managed, and supported. It also outlines how feedback, discipline, and development are handled to promote accountability and growth.

### POLICY HEADINGS TO CONSIDER INCLUDING:

Work Performance Reviews	Career Development
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## 09 PERFORMANCE IMPROVEMENT AND SEPARATION FROM EMPLOYMENT

This section covers the processes for helping employees improve performance as well as the procedures for ending employment, whether voluntarily or involuntarily. This section is important for clarity, fairness, and legal protection.

### POLICY HEADINGS TO CONSIDER INCLUDING:

Statement of Philosophy	Progressive Discipline	Return of Property	Lay Offs
Resignation	Termination	Condition of Property	