

# **Boyne City Housing Commission (BCHC)**

## **Resident Employment and Work Compensation Policy**

Adopted by BCHC Board of Commissioners 10/22/2025

### **1. Purpose**

This policy establishes guidelines for compensating residents who perform operational, maintenance, administrative, or other work for BCHC. It ensures compliance with the Fair Labor Standards Act (FLSA), HUD regulations, and applicable Michigan labor laws.

### **2. Policy Statement**

Residents who perform tasks that benefit BCHC operations shall be treated as employees or contractors, not volunteers. All such work must be compensated through standard payroll or contractual arrangements.

### **3. Definition of Work**

Work includes office assistance (filing, shredding, rolling quarters), cleaning, custodial, groundskeeping, security duties, moving furniture, trash removal, or any function that replaces or supplements staff duties.

### **4. Compensation Requirements**

Residents performing work shall be hired as temporary employees or independent contractors. Compensation must meet state and federal minimum wage requirements. All applicable tax, withholding, and insurance requirements apply. Rent reductions, non-cash gifts, or stipends shall not substitute for wages.

### **5. Funding Source**

Wages shall be paid from Operating Fund line item 1410 (Administration) or another appropriate HUD-approved category. Tenant Participation Funds (line item 1408) may not be used for employment compensation.

### **6. Conflict of Interest**

No resident employee may approve, supervise, or audit their own work. Resident commissioners must recuse themselves from decisions related to employment of residents.

### **7. Documentation**

All work must have a written job description, time sheet, and authorization. Payments must be processed through payroll or accounts payable. Records shall be maintained for HUD and labor compliance audits.

### **8. Rent and Income Treatment**

Wages paid for work are considered earned income and must be reported for rent calculation purposes under 24 CFR 5.609. Failure to report income may result in rent adjustment or repayment.

### **9. Enforcement**

Violations of this policy or misuse of funds may result in disciplinary action, HUD audit findings, or repayment obligations. The Executive Director is responsible for implementing and enforcing this policy.