HR Compliance Checklist

A yearly check of the HR basics most likely to create legal exposure for small employers. Requirements vary by state, city, and headcount; confirm specifics for your locations.

POSTINGS AND POLICIES

	YES	PARTLY	NO	N/A
Required federal, state, and local posters are current (physical and electronic for remote staff).	☐	☐	☐	☐
The handbook was reviewed in the last 12 months and employees signed acknowledgments.	☐	☐	☐	☐
Anti-harassment policy names more than one reporting channel.	☐	☐	☐	☐

PAY AND TIME

	YES	PARTLY	NO	N/A
Each role is correctly classified as exempt or non-exempt.	☐	☐	☐	☐
Contractors meet the applicable test (California uses the ABC test).	☐	☐	☐	☐
Non-exempt time records include all hours worked; overtime is paid correctly.	☐	☐	☐	☐
Paid leave policies meet state and local law (for example, Illinois Paid Leave for All Workers Act, California paid sick leave).	☐	☐	☐	☐

HIRING AND RECORDS

	YES	PARTLY	NO	N/A
Form I-9 is completed for every employee and stored separately from personnel files.	☐	☐	☐	☐
Medical information is kept in a separate, confidential file.	☐	☐	☐	☐
Background checks follow FCRA disclosure and fair-chance rules.	☐	☐	☐	☐

TRAINING

	YES	PARTLY	NO	N/A
Required harassment prevention training is complete and documented (Illinois: annual; California: 2 hours for supervisors, 1 hour for others, every 2 years).	☐	☐	☐	☐
Managers know how to escalate complaints and avoid retaliation.	☐	☐	☐	☐

RED FLAGS TO WATCH

- Salaried employees who aren't exempt
- Complaints handled informally with no record
- Personnel files that hold medical notes or I-9s
- Expired posters or a handbook last updated years ago

BEST PRACTICES

- Pick a compliance topic each month and review it with leaders
- Keep a dated log of policy updates and trainings
- Have counsel review the handbook when laws change

Need a hand putting this into action?

IAG's HR retainers include a monthly IL/CA compliance calendar, policy reviews, and manager coaching.

Talk with an advisor: integrityadvisorygroup.org/contact

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