

# 2010 Affirmative Action Plans Due ... Are You Prepared?

by Gene Caudle, Sr. Vice President, Flex HR

Does your company have government contracts of over \$50,000? The Stimulus Funds tied to The American Recovery and Reinvestment Act of 2009 are bringing many new, first-time Service or Supplier Contractors and Construction Contractors into “doing business with the Government.” These contracts can add significant income to the company, especially during these difficult economic times.

Contractors or soon to be contractors should ask themselves the following key questions...

But, government contracts also require numerous contract compliance requirements that come along with a contract award. If your organization has or is applying for non-exempt government contracts you need to understand these complex, compliance requirements. Foremost among these requirements includes the need for covered contractors to establish and maintain annual Affirmative Action Plans.

Under Executive Order 11246 and Section 503 of the Rehabilitation Act of 1973, employers are required to establish written affirmative action plans for females and minorities and for individuals with disabilities for each of their establishments.

Does your Company have a total of 50 or more employees and meet one of the following four criteria?

1. Entered into at least one single government contract for \$50,000 or more in any 12-month period; or
2. Have government bills of lading which in any 12-month period total, or can reasonably be expected to total, \$50,000 or more; or
3. Serve as a depository of Government funds in any amount; or
4. Are a financial institution that is an issuing and payment agent for United States savings bonds and savings notes in any amount?

If you answered yes to any of the above, then you may need a written Affirmative Action Plan.

The 50/50 threshold easily encompasses most companies doing any business with the Government. This automatically imposes key contract compliance requirements. The Office of Federal Contract Compliance Programs (OFCCP) is the Department of Labor (DOL) Agency charged with overseeing Affirmative Action Compliance.

Contractors meeting this minimum threshold are required, as a condition of obtaining and maintaining a contract, to take affirmative action to ensure that all individuals have an equal opportunity for employment without regard to race, color, religion, sex, national origin, disability, or status as a protected veteran.

**Executive Order 11246**, as amended, prohibits discrimination and requires affirmative action to ensure equal employment opportunity without regard to race, color, sex, religion and/or national origin; and the implementing regulations at 41 CFR Parts 60-1 through 60-50. Generally, all contractors and subcontractors holding non-exempt Federal and federally assisted construction contracts and subcontracts exceeding \$10,000 must comply with Executive Order 11246. The regulations implementing the Executive Order establish different affirmative action requirements for construction and non-construction (supply and service) contractors. While all covered Government contractors and subcontractors, both construction and non-construction, are required to take affirmative action, non-construction contractors that meet the 50 employee/\$50,000 contract thresholds are required to develop and maintain a written Executive Order 11246 affirmative action program.

Often, the perfect solution is to outsource the development and maintenance of the required Affirmative Action Program(s) to those with the expertise who can help establish a strong compliance partner relationship with the Contractor so that all of the complex, statistical analysis, proper policies and procedures and training can be focused on helping the Contractor successfully meet all of the various requirements of EEO/AAP Compliance. Please contact us today to set up your appointment by calling **770.814.4225**.

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