

Children's Home Society of South Dakota Human Resources Policy		
Document ID HR48	Title Progressive Discipline	Date Approved 11/21/2025
Version Number 1.0	Prepared by Vice President Human Resources	

PURPOSE

At CHS/CHF, we are committed to fostering an environment where employees can thrive, grow and succeed in their roles. Our progressive discipline policy provides a clear and structured pathway to address challenges, reinforce positive behaviors, and support ongoing professional development. The goal is to work collaboratively to prevent recurrence of challenges in the workplace and to help each team member reach their fullest potential.

SCOPE

This policy applies to all employees of CHS/CHF, across every department and location. It establishes consistent standards, expectations, and procedures for the organization and is intended to ensure fairness, compliance, and clarity in the administration of human resources practices.

PROCEDURE

Outlined below are the steps in our progressive discipline policy. CHS/CHF reserves the right to combine, skip or adjust steps depending on the specific circumstances and nature of the situation. Factors that may be considered include whether the concern has persisted despite coaching, counseling, or training; the employee's overall work record; the seriousness of the issue and the impact on the organization and team.

Nothing in this policy provides any contractual rights regarding employee discipline or counseling, nor should anything in this policy be read or construed as modifying or altering the employment-at-will relationship between CHS/CHF and its employees.

Progressive Discipline Steps

1. Step 1: Counseling and Verbal Warning

This step provides an opportunity for the immediate supervisor, and other potential leadership, to bring attention to the performance, conduct or attendance issue. The supervisor will discuss the nature of the problem and/or the violation of company policies and procedures with the employee. The supervisor is expected to clearly describe expectations and next steps the employee must take to improve his or her performance or resolve the issue.

Within five (5) business days, the supervisor will summarize in writing the counseling and verbal warning conversation with a Paylocity journal entry.

2. Step 2: Formal Written Warning

During this step, the immediate supervisor, along with a program leader or Human Resources (HR) representative, will meet with the employee to discuss the nature of the problem and/or the violation of company policies and procedures. The purpose of the meeting and documentation is to clearly describe expectations and next steps the employee must take to improve performance or resolve the issue.

The supervisor will complete the Written Warning document, which will be signed by the employee, supervisor, program leader and the Vice President Human Resources (VPHR). The signed document will then be uploaded into the employee's Paylocity file.

Employees who have a written warning will not be considered for promotion or internal transfers until the 30-day (or greater) timeline for the warning has elapsed.

3. **Step 3: Performance Improvement Plan**

The next step in our progressive discipline process is a Performance Improvement Plan (PIP). In some cases, depending on the severity of the situation, a PIP may also be the first step taken.

The PIP is designed as a collaborative tool to help the employee succeed and has a minimum timeline of thirty (30) days but can be longer. It includes:

- A clear outline of ongoing concerns, and the expectations for improvement
- A specific action plan and timeline for progress (typically 30 days, but may be longer)
- Resources, guidance, and support to help meet goals
- Reference to policies and procedures that were violated
- Measurable criteria for successful completion

The supervisor will create the PIP in collaboration with leadership, a member of the Human Resources Team, and the employee. The signed document will then be uploaded into the employee's Paylocity file.

Following the creation of the PIP, weekly check-ins with the supervisor and/or other department leadership will provide opportunities to celebrate progress, address challenges, assess barriers and offer timely feedback.

While CHS is deeply committed to supporting growth and improvement, all employees must consistently meet established standards outlined in the PIP to ensure quality service and a positive work environment. If this is not met, termination may be considered. A final meeting will take place to close out the PIP.

Employees who are on a PIP will not be considered for promotion or internal transfers until the timeline for the warning has elapsed.

Leave of Absence/Suspension

In rare cases, performance, conduct, or safety concerns may require immediate action to support the well-being of employees and the organization. A leave of absence/suspension allows time for a fair and thorough investigation while maintaining a safe and respectful workplace.

A leave of absence/suspension may occur before, during, or after an investigation and requires approval and involvement from the next-level leader and the VPHR. Depending on the seriousness of the infraction, the employee may be suspended without pay in full day increments consistent with federal, state and local wage and hour employment laws. Nonexempt/hourly employees may not substitute for or use an accrued paid time off (PTO) in lieu of the unpaid

suspension. In compliance with the Fair Labor Standards Act (FLSA), unpaid suspension of salaried/exempt employees is reserved for serious workplace safety or conduct issues. HR will provide guidance to ensure that the discipline is administered without jeopardizing the FLSA exemption status.

Pay may be restored to the employee if an investigation of the incident or infraction absolves the employee of wrongdoing.

Termination

The most serious step in the progressive discipline policy process is a recommendation to end employment. While CHS/CHF strives to follow the progressive steps outlined in this policy, there may be circumstances where steps are combined or skipped based on the specifics of the situation and the nature of the concern. In some cases, CHS may terminate employment without prior notice or disciplinary action.

Certain conduct—such as illegal activity, theft, substance abuse, intoxication, fighting, other acts of violence, violations of licensing standards or regulations, or actions that do not align with CHS/CHF's core values and mission—falls outside the progressive discipline process and may result in immediate termination.

Any recommendation to end employment must be reviewed and approved by the VPHR and program leadership. Final approval may be required from the CEO or designee.

Appeals Process

Employees can share their perspective if they believe disciplinary action was based on incomplete or inaccurate information. The appeals process ensures every situation is considered fully and fairly, with the opportunity to review any extenuating circumstances that may have influenced performance or conduct. If information is not shared during the step meetings, employees will still have up to five (5) business days afterward to provide it for review and consideration. All appeals can be directed to the VPHR.

Documentation

Supervisors are required to follow all documentation requirements related to progressive discipline. Employees will receive copies of any Written Warnings and PIPs and will be asked to sign acknowledging receipt and understanding. Signed copies will be placed in the employee's official personnel file.