



Back to Basics: FLSA Coverage Quick Quiz

Insights

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It's that time of year when families (yes, already) are making back-to-school preparations for the upcoming school year, and employers (ideally, already) are evaluating potential pay and policy changes for the upcoming calendar year. For a student who is a little rusty, this is the time to cram with one of those summer workbooks. For an employer that is a little rusty, cramming the FLSA's numerous nuances is just not possible. Nonetheless, when tackling a complex FLSA issue, oftentimes the best approach is to get back to the basics.

To that end, over the next few months we will spend some time highlighting the general FLSA principles in this *Back to Basics* series. Each installment will include a quiz post, and a subsequent discussion post. Have fun, and do well!

FLSA Coverage Quick Quiz

John opens a small store selling artwork and eclectic items, many of which he has ordered during his worldwide travels. After a few months, John hires Don as a store clerk, but limits him to ringing up customers and answering the phone. John still does almost everything else himself (from making sales to changing the light bulbs). In the first year, the store's annual-gross-dollar-volume in sales is just over \$250,000.

John realizes his hands-on-approach is interfering with his ability to travel and acquire unique pieces for the store. Determined to grow the business, he allows Don to take on a more significant role and hires Tom to come in at night to unpack shipments, keep the inventory organized, and stock the shelves. John is confident that these changes, combined with more expansive marketing, will more than double the store's annual-gross-dollar-volume in sales in the second year.

Does the federal Fair Labor Standards Act apply in this scenario?

Stay tuned for the discussion post.

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