



# Guide: Top 5 Costly HR Mistakes Kansas Restaurants Make (and How to Avoid Them)

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As a restaurant owner, you're balancing countless responsibilities—from managing employees to satisfying customers. But ignoring HR compliance could cost you more than you think. Labor law violations aren't just inconvenient—they're expensive.

This guide highlights the top HR mistakes restaurants make, real-life examples, and practical steps you can take to avoid them. Protect your business and your employees with these essential tips.

## 1. Misclassifying Employees

**The Mistake:** Incorrectly labeling employees as independent contractors or exempt can lead to massive penalties.

- A [Kansas-based restaurant chain](#) faced fines exceeding **\$1.75 million** for misclassifying staff to avoid overtime and benefits.

### How to Avoid It:

- Understand the **difference** between employees and independent contractors.
- Regularly review employee classifications against Fair Labor Standards Act (FLSA) guidelines.

*Tool: Use our free [Employee Classification Checklist](#) to ensure compliance.*

## 2. Failing to Pay Overtime Properly

**The Mistake:** Skipping overtime pay or miscalculating hours worked.

- El Toro Loco in Kansas City incurred **\$771,000 in fines** for overtime and wage violations.

### How to Avoid It:

- Pay employees **1.5 times their regular rate** for hours worked beyond 40 in a week.
- Implement a time tracking system to log hours accurately.

*Quick Tip: Audit payroll processes quarterly to catch errors before they become costly.*

Call us today – 785-289-9009 for your free consultation



### 3. Mishandling Tip Pools

**The Mistake:** Improperly managing tips or pooling them unfairly.

Los Cocos Mexican Restaurant in Wichita owed nearly **\$957,000** for misusing tips meant for servers.

#### How to Avoid It:

- Ensure that tip pooling follows FLSA guidelines—only employees who regularly receive tips can participate.
- Maintain **transparent records** of all tip distribution.

*Action Step:* Download our [Tip Pooling Compliance Checklist](#) for guidance.

### 4. Inaccurate Record-Keeping

**The Mistake:** Failing to maintain accurate records of hours worked, wages paid, or compliance processes.

**Impact:** Without proper records, you're vulnerable to audits and penalties.

#### How to Avoid It:

- Use a digital system for tracking hours, wages, and compliance documentation.
- Regularly back up employee files and payroll records.

*Tool:* Try our [Record-Keeping Template](#) to stay organized and compliant.

### 5. Neglecting Employee Training on Compliance

**The Mistake:** Assuming employees and managers understand labor laws without formal training.

**Impact:** Untrained staff may unintentionally violate laws, leading to legal exposure.

#### How to Avoid It:

- Provide annual compliance training for all staff, focusing on wage laws, tip handling, and safety protocols.
- Offer onboarding sessions for new hires that include compliance basics.

*Resource:* Use our [HR Training Agenda Template](#) to structure your sessions.

### How to Take Action Today

**Start Small:** Conduct a self-audit using the checklists and templates in this guide.

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**Get Expert Help:** Schedule a free consultation to assess your current practices.

### **Bonus: Free Compliance Checklist and Audit**

Included is a downloadable [HR Compliance Checklist](#) to help you evaluate your restaurant's current practices. Quickly spot potential issues and take proactive steps to fix them.

 [\[Download the Checklist Now\]](#)

### **Need More Help?**

Schedule a **Free Consultation** to discuss your compliance concerns and learn how our HR Compliance Audit can protect your business. During the consultation, we'll:

- Review your current practices at a high level.
- Identify potential risks and areas of concern.
- Outline how our in-depth audit process can help ensure compliance and reduce liability.

Take the first step toward safeguarding your business and employees—contact us today to schedule your consultation.

 [\[Book a Free Consultation\]](#)

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