

Policy Number: 29	Southern Indiana Skilled Trade Employee Tool Buying Program	REV. 3 Approved:
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1.0 PURPOSE: Southern Indiana Skilled Trade Employee Tool Buying Program /Guidelines. This program permits the purchase of tools related to actual tasks performed by **Southern Indiana Skilled Trade Employees with Cummins, INC.**

2.0 REFERENCE DOCUMENTS:

- 2.1 Tool Sales Ticket, #2664-0584R
- 2.2 Repayment Agreement
- 2.3 Cummins (Supplier) Master Service Agreement
- 2.4 Exempt Repay Process

3.0 DEFINITION:

- 3.1 Southern Indiana Skilled Trade Employee – A skilled trade employee for purposes of this policy are limited to:
 - OCU Mechanical Apprentices, TSS, Technician, Associate
 - OCU Instrumentation Apprentices, TSS, Technician, Associate
 - OCU Facilities Maintenance & Electrical Apprentices, TSS, Technician, Associate
 - OCU Experimental Machinist Apprentices, Technicians, Associates
 - OCU Electronic Engineering Apprentices, TSS, Technicians, Associates
 - OCU Aviation Apprentices, Technicians, Associates
 - OCU Materials Engineering Apprentice, Technicians, Associates
- 3.2 Required Tools – Tools purchased to perform work on current position.
- 3.3 Tool Purchase – The Company pays the vendor for the tools when delivered; employee repays the company through payroll deduction.
- 3.4 Legacy User – User of program with more than four years of Cummins seniority.

4.0 GUIDELINES:

- 4.1 Repayment for tools purchased under this program will be made through payroll deduction.
- 4.2 Employee with less than 4 years or less seniority maximum Tool Balance will be \$4000 or less.

Legacy Users’ maximum Tool Balance will be \$2,000 or less.

The minimum repayment rate will be the following, based on an employee’s balance on a weekly basis.
 - 4.2.1 \$0.00 to \$2500.00 = \$50.00
 - 4.2.2 \$2501.00 to \$4000.00 = \$75.00
- 4.3 Employees exceeding the tool balance limit will not be able to utilize the program in the future . Employees are expected to track spending and are accountable for their own purchases. In addition, the company will collect any balance over \$4000.00 at a minimum repayment rate of \$150.00 per week until the tool balance is zero.

- 4.4 Tools will be purchased only from on-site suppliers when form #2664-0584R is completed and signed by the employee making the purchase.
- 4.5 Descriptions of purchased tools (catalog number and item description) are required on form #2664-0584R.
- 4.6 Suppliers must have the employee sign the tool sales Ticket (Form#2664-0584R) for tools.
- 4.7 Tool Sales Ticket, #2664-0584R, will be completed and given to the Program Administrator for review of description and ensure form is complete and signed by the employee. The orange copy will be given to the employee. The white, yellow and pink copies will be mailed by the vendor or delivered to Program Administrator.
- 4.8 Unauthorized purchases (including purchases over the limit) will be subject to progressive disciplinary action and the employee will be permanently barred from the program.
- 4.9 The Company and or the supplier may decide not to fill part or all of a tool order if they believe the tools are not directly related to employee's position. No personal tools for home use including but not limited to, Mills, Band Saws, Jacks, Cloths, Drill Presses, Air Compressors, Bead Blasters, Water Pumps, Wheel Borrows and ETC. may be purchased through the program.
- 4.10 Suppliers found not in compliance with policy/guidelines and / or Master Service Agreement will be removed from the list of suppliers used for the Employee Tool Buying Program.
- 4.11 All tool warranty problems will be handled directly by the supplier representative and the employee who purchased the tools.
- 4.12 Tools not picked up by employees within fifteen workdays after notice has been given will be returned to the supplier and the invoice copy returned to finance for credit.
- 4.13 Employees leaving the company for reasons other than layoff will be required to pay their tool balance in full at separation before removing tools from the property. Unpaid tool balances may be deducted from unpaid earnings, vacation payout, profit sharing, or repayment agreements upon separation. Legal action could be pursued if debt is not satisfied. Employees leaving the company due to layoff will be required to sign a repayment agreement before they are issued a gate pass to take their tools off the property.
- 4.14 Temporary, School to Work, Salaried / Exempt, or Contractor employees are not permitted to participate in this program.
 - 4.15.1 If an OCU represented employee transfers to an exempt role with a balance in the program, arrangements must be made per the Exempt Repay Process.
- 4.15 All Skilled Trades Employees will be required to have a minimum tool kit as determined by the functional area.
- 4.16 Any employee using the Tool Purchasing Program agrees to the terms and conditions of this policy.

EXCEPTIONS:

If an employee moves to a different position with substantially different needs; any purchase for employees with over four years of company seniority must be approved in advance by the Manager, and balance may not exceed program limit of \$4000.00. This should be a one-time purchase and will be repaid per 4.2.1, 4.2.2, and 4.3.

5.0 RESPONSIBILITY:

5.1 Employees, Tool Program Administrator, Suppliers

AUTHOR: Labor Relations

Revision Date: 04-16-2021

Approvals:

Labor Relations Specialist _____

OCU President _____