POLICY STATEMENT

When the need presents itself, the University of North Dakota (UND) may allow flexibility in a location where work is performed by staff and faculty in exempt and nonexempt positions. The decision to allow or require a remote site or flexplace work location is at the discretion of the supervisor with approval from the respective division’s vice president. For flexplaces located outside the states of North Dakota, Minnesota, and Wyoming, additional review of the agreement by the vice president for finance and operations is required.

This policy does not apply to occasional work from non-UND property, but rather for establishing a regular place of work not on UND property for a period of time greater than 30 consecutive calendar days. This policy applies to all current and future employees working primarily at remote non-UND worksites including faculty working off campus on research or while on developmental leave.

REASON FOR POLICY

Flexplace work location is sometimes necessary to meet university goals, meet customer needs, and balance personal and professional responsibilities. However, flexplace solutions create an additional set of complexities that must be discussed and resolved prior to agreement, such as: work oversight, insurance and liability issues, tax compliance, payroll issues, state registration, safety, and security.

SCOPE OF POLICY

This policy applies to:

- President
- Vice Presidents
- Deans, Directors & Department Heads
- Area Managers & Supervisors
- Faculty
- Staff
- Students
- Others

WEB SITE REFERENCES

This policy: http://UND.edu/finance-operations/_files/docs/3-12-flexplace.pdf
Vice President for Finance & Operations: http://UND.edu/finance-operations/
CONTENTS

Policy Statement ................................................................................................................................. 1
Reason for Policy ............................................................................................................................... 1
Scope of Policy .................................................................................................................................... 1
Web Site References ............................................................................................................................ 1
Related Information ............................................................................................................................. 3
Contacts .............................................................................................................................................. 3
Definitions .......................................................................................................................................... 3
Principles ............................................................................................................................................ 4
Procedures ......................................................................................................................................... 4
  Flexplace Considerations .................................................................................................................. 4
  Establishing Remote Worksite (Flexplace) ....................................................................................... 6
  Establishing Flexplace Outside of North Dakota, Minnesota, or Wyoming ................................. 6
  Discontinuing Flexplace .................................................................................................................... 7
Responsibilities .................................................................................................................................. 7
Forms .................................................................................................................................................. 7
Appendices ......................................................................................................................................... 8
Revision Record .................................................................................................................................. 8
RELATED INFORMATION

|--------------------------------------------------------------------------|-----------------------------------------------------------------|

CONTACTS

Specific questions should be directed to the following:

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Telephone</th>
<th>Office or Department E-Mail / Web Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Clarification</td>
<td>Human Resources</td>
<td>(701) 777-4126</td>
<td><a href="http://UND.edu/finance-operations/human-resources-payroll">http://UND.edu/finance-operations/human-resources-payroll</a></td>
</tr>
<tr>
<td>Technology Safety &amp; Security</td>
<td>UND Tech Support</td>
<td>(701) 777-6305</td>
<td><a href="http://UND.edu/tech-support/">http://UND.edu/tech-support/</a></td>
</tr>
<tr>
<td>Working Outside of North Dakota</td>
<td>Payroll Services</td>
<td>(701) 777-4226</td>
<td><a href="http://UND.edu/finance-operations/human-resources-payroll/">http://UND.edu/finance-operations/human-resources-payroll/</a></td>
</tr>
</tbody>
</table>

DEFINITIONS

<table>
<thead>
<tr>
<th>Communication</th>
<th>The ways of sending information to people (e.g., Internet, intranet, e-mail, phone, fax, electronic devices, etc.).</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Term includes faculty, staff, medical residents, graduate assistants, and student employees.</td>
</tr>
</tbody>
</table>
**Fair Labor Standards Act (FLSA)**

Established minimum wage, overtime pay, recordkeeping, and youth employment standards for employees in the private sector and in federal, state, and local governments.

**Flexplace**

A work arrangement in which a majority or all of the work is performed at non-UND property.

**NDUS**

North Dakota University System

**Occasional Work**

Infrequent, irregular, or occurring in scattered instances.

**Out of State Workers’ Compensation Coverage**

Coverage required for employees working outside of the state of North Dakota for more than 30 consecutive calendar days. This coverage must be in place at the time the employee begins his/her duties.

**Primary Worksite**

Worksite in which an employee spends more than 50 percent of his/her time.

**Supervisor**

Encompassing term used in this policy document that includes manager, director, department head, and supervisor.

**UND Property**

Any property owned or leased by the University of North Dakota.

---

**PRINCIPLES**

**OVERVIEW** – UND recognizes that with expanding technology options, growing demands on staff and faculty, and increasing challenges of finding new and better ways to support the needs of the institution, flexibility in a workplace location can provide a way to manage people, time, space, and workload more effectively, efficiently, and responsively.

When the need presents itself, UND may allow flexibility in a location where work is performed by staff and faculty in exempt and nonexempt positions. The decision to allow or require a remote site or flexplace work location is at the discretion of the supervisor with approval from the respective division’s vice president. For flexplaces located outside the states of North Dakota, Minnesota, and Wyoming, additional review of the agreement by the vice president for finance and operations is required.

This policy does not apply to occasional work from non-UND property, but rather for establishing a regular place of work not on UND property for a period of time greater than 30 consecutive calendar days. This policy applies to all current and future employees working primarily at remote non-UND worksites including faculty working off campus on research or while on developmental leave.

**PROCEDURES**

**Flexplace Considerations**

Either an employee or a supervisor may recognize the need for a flexplace arrangement. To assess whether a particular flexplace arrangement can be an effective tool, it is useful to consider the position, the employee, and the supervisor. Not all positions are suited for flexplace and not all employees can work productively off-site, as flexplace requires a certain level of skills.

**CONSIDER THE POSITION** – If the specific job duties require that an employee work at a remote primary worksite for more than 30 consecutive calendar days, the employee’s position description must reflect that requirement and written notification must be provided to the division’s respective vice president. The division’s respective vice president will consult with the vice president of finance and operations for positions located outside the states of North Dakota, Minnesota, or Wyoming.

If job duties do not require an employee to work from a remote primary worksite, the employee’s supervisor should ask the following questions regarding the position. If the answers indicate so, then flexplace arrangements may provide a viable work option:
1. Does the position have clearly defined tasks? If yes, what are the tasks that can be accomplished off-site?
2. For position requirements that cannot be met from an off-site location, can they be assigned easily and fairly to others?
3. Can results/productivity be measured effectively without frequent and regular supervision?
4. Can the present level of customer service be maintained without undue hardship on customers, where customers may be internal or external to the department/unit?
5. Can technology (e.g., computers, fax, voicemail, etc.) be applied to help facilitate successful outcomes?
6. How are assignments to be communicated to the employee?
7. Are there sufficient resources available from the employee’s unit to support requests by employees to participate in flexplace?
8. How and when does the employee need to be on-site to meet with the supervisor, co-workers, and customers?
9. How will the flexplace arrangement affect cross-training initiatives, team-based approaches, and other such strategies?
10. Will this flexplace arrangement have a positive effect on the unit’s morale?

CONSIDER THE EMPLOYEE – Certain attributes will help ensure a successful flexplace arrangement. To be eligible to initiate a request for flexplace, the individual should have excellent time-management skills, and a demonstrated history of satisfactory, independent work performance.

CONSIDER SUPERVISOR RESPONSIBILITIES – Individuals entering into flexplace arrangements with people under their supervision are responsible to review work and progress with participants regularly, and provide effective and supportive feedback (such reviews should include communicating with on-site co-workers of the flexplace employee).

In addition, all flexplace arrangements must conform to the overtime, record keeping, and meal break provisions of the Fair Labor Standards Act (FLSA) and, where relevant, applicable state law, respective to employees covered by those provisions. Therefore, although nonexempt employees may be managed by results, supervisors must ensure an accurate recording of hours worked.

CONSIDER THE ADDITIONAL COST AND EFFORT – When employing an individual in a state other than North Dakota, Minnesota, or Wyoming, there is an additional cost and administrative effort involved in maintaining compliance with state laws and federal regulations. Departments, and those approving the flexplace location, must consider the additional cost and effort when reviewing a current and/or new flexplace location.

1. If UND is not already registered to conduct business in the proposed state, state registration fees and PeopleSoft software setup are required: approximately $3,000.
   a. Cost paid by the department requesting the first remote site employee in the state.
2. In states in which flexplace locations exist, there are ongoing costs associated with the preparation of quarterly/annual reports and state tax payments: estimated cost of labor approximately $550 per year per state, plus cost of state taxes/fees.
   a. Labor cost incurred by Human Resources.
   b. Any difference in taxes or fees due to state requirements are charged to the department.
3. To stay current on each state’s employment laws and to ensure compliance by the department with all aspects of those state laws, ongoing research must be conducted: approximately $100 per month per state.
   a. Cost incurred by Human Resources.
4. To employ an individual that would require a third party payroll service, costs are on-going and vary greatly depending on the country: start-up cost approximately $5,000 and on-going costs of 20 percent of salary plus any fees.
   a. Cost paid by the department employing the individual.
Establishing Remote Worksite (Flexplace)

1. The employee or supervisor identifies the need or opportunity for flexplace (see Establishing Flexplace Outside of North Dakota, Minnesota, or Wyoming for additional procedures), and assesses whether work can be performed via flexplace (see Flexplace Considerations for assessment information). The supervisor then determines whether flexplace is appropriate and will be pursued.

2. If endorsed by the supervisor, an initial draft of the flexplace arrangement agreement form is completed by the employee or supervisor. Details and implications, such as for department/unit resources, direct customer contacts, etc., are discussed with the department head and/or the unit’s human resources manager.

3. The flexplace safety checklist (part of the agreement) must be reviewed by the employee to ensure the proposed off-site work setting is conducive and appropriate to work requirements, and meets accepted health and safety standards. The Office of Safety is available to assist employees and departments with safety questions or concerns.

4. The flexplace arrangement agreement is finalized by the supervisor and/or the unit’s human resource manager. If appropriate, the completed agreement is sent to the department’s respective dean for approval. Final review and approval is provided by the division’s respective vice president.

5. After implementation, the employee and supervisor review flexplace execution and performance on an annual basis as a part of the employee’s performance evaluation. As needed, either individual may introduce modifications to the agreement to ensure the arrangement continues to support both institution and employee objectives. The supervisor informs co-workers regularly of the flexplace employee’s status and issues as they pertain to the flexplace arrangement. Regular lines of communication must be kept open with the on-site co-workers of the flexplace employee. All parties must work continuously to resolve conflicts that may arise.

6. The employee and supervisor discuss the continuation or discontinuation of flexplace near the end of the agreement’s term. An extension of the agreement must be approved and documented by all involved parties. The supervisor and/or the unit’s human resource manager finalize the review of the continuation of the flexplace agreement, or confirm its discontinuation. Final approval of the continuation is required by the division’s respective vice president.

Establishing Flexplace Outside of North Dakota, Minnesota, or Wyoming

When flexplace arrangements involve working outside the states of North Dakota, Minnesota, or Wyoming, there are additional requirements that must be met prior to hiring or employing anyone in a location outside of these locations:

1. The supervisor identifies the potential need for an employee to work outside the states of North Dakota, Minnesota, or Wyoming.

2. The supervisor must contact the tax specialist in the Payroll Office to determine what legal issues, paperwork, and additional cost will be involved to employ an individual at the requested location. Potential issues include, but are not limited to, state tax registration, withholding tax, unemployment insurance, workers’ compensation insurance, employment laws, availability of a payroll provider in that state/country, visas, etc. This information, along with cost estimates, will be provided in writing to the supervisor, and must be included with the agreement, if a flexplace is established.

3. After these discussions, if the supervisor still feels that it is necessary to employ someone to work outside of the states of North Dakota, Minnesota, or Wyoming, the supervisor will complete the flexplace arrangement agreement and attach the information provided by the Payroll Office.
4. The flexplace safety checklist (part of the agreement) must be reviewed by the employee to ensure the proposed off-site work setting is conducive and appropriate to work requirements, and meets accepted health and safety standards. The Office of Safety is available to assist employees and departments with safety questions or concerns.

5. The division’s vice president, in consultation with the vice president for finance and operations, will consider the business justification, the details of the application and, if the remote site is outside of North Dakota, Minnesota, or Wyoming, whether or not the justification is worth the additional cost and on-going administrative effort to do business in another state. Final flexplace approval is granted after the agreement is signed by the division’s vice president.

6. Upon approval, the department must work with the Payroll Office to complete any necessary paperwork for employment in the state and complete the out of state workers’ compensation coverage form and submit it to the Office of Safety prior to the beginning of employment.

Discontinuing Flexplace

With reasonable notice, discontinuation may be elected by the employee or supervisor at any time during the arrangement. Written notification of discontinuation or termination must be submitted immediately to the employee, division’s respective vice president, Human Resources, and Office of Safety.

RESPONSIBILITIES

<table>
<thead>
<tr>
<th>Division Vice Presidents</th>
<th>▪ Approve flexplace arrangements that impact his/her respective division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>▪ Comply with the flexplace arrangement agreement</td>
</tr>
<tr>
<td>Human Resources</td>
<td>▪ Advise departments regarding the flexplace policy and requirements for working out-of-state</td>
</tr>
<tr>
<td>Supervisor</td>
<td>▪ Establish flexplace arrangements when it is in the best interest of the division</td>
</tr>
<tr>
<td></td>
<td>▪ Maintain compliance with the flexplace arrangement agreement, and ensure constant communication and review of the employees with flexplace agreement</td>
</tr>
<tr>
<td>Vice President for Finance &amp; Operations</td>
<td>▪ Review agreement and consult with vice presidents for flexplace arrangements that occur outside the states of North Dakota, Minnesota, and Wyoming</td>
</tr>
</tbody>
</table>

FORMS

| Flexplace Arrangement Agreement | ▪ http://UND.und.edu/finance-operations/human-resources-payroll/_files/docs/flexplace-agreement-word-doc-2016.docx |
APPENDICES

There are no appendices associated with this policy.

REVISION RECORD

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Signatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/27/2014</td>
<td>Impact Statement Endorsed</td>
<td>President’s Cabinet</td>
</tr>
<tr>
<td>02/12/2016</td>
<td>Policy Implementation</td>
<td>Signed by President Ed Schafer</td>
</tr>
</tbody>
</table>