

STATE CONTROLLER POLICY

Flexible Work Arrangements Fiscal Policy

1) Scope

This policy applies to all permanent classified and non-classified employees in the State of Colorado as well as temporary employees, excluding Institutions of Higher Education, Judicial, and Legislative. This policy should be used in conjunction with the DHR Technical Guidance on Flexible Work Arrangements.

2) General Purpose

The State of Colorado recognizes the value of Flexible Work Arrangements have on employee work-life balance and overall productivity. Additionally, Flexible Work Arrangements assist the State in reducing leased office space, reducing emissions, and expanding office hour availability for customers. Flexible Work Arrangements are important for recruiting, retention, and achieving the State's goal of being an employer of choice. This policy provides fiscal guidance regarding Flexible Work Arrangements. Employees should also follow their agency's policies and procedures regarding Flexible Work Arrangements.

3) Definitions

- a. **Appointing Authority** - An individual who is the head of their division or office and is ultimately responsible for the business operations in their respective areas. Appointing authorities are responsible for establishing work schedules and work location. Decisions related to Flexible Work Arrangement may be delegated to members of an Appointing Authority's management team.
- b. **Official State Business Purposes** - Purposes that further the activities of the State and are for the benefit of the State and not personal for individual employees.
- c. **Flexible Work Arrangements** - Includes Flex Time and Flex Place such as Hoteling, Mobile Work, Remote Workplace, and Work Onsite in a State Office or Facility.
- d. **Hoteling** - Employee does not have an assigned workspace at a State office or facility, but the employee is able to reserve a workspace at the State office or facility for a period of time. Employee works both remotely and at a State office or facility.
- e. **Mobile Work** - Employee responsibilities require the employee to be away from the State office or facility for much or all of the workday due to customer or community interaction. A mobile work employee does not have an assigned workspace at a state office or facility.
- f. **Primary Work Location** - Location where employee spends the majority of their time.
- g. **Remote Workplace** - An employee is working at a remote workplace when the employee is working at a location other than the employee's assigned work location, which is usually a State office location. This category includes both in-state and out-of-state employees who work remotely 100% of the time. For information on out-of-

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state employees, see note (a) in Section 11 of this Policy. There are four types of remote workplace arrangements.

- i. Employee required to work remotely 100% of time - Employee works remotely 100% of the time at the direction of department policy or executive director's directive.
 - ii. Employee has an assigned workspace and works remotely less than 100% of time - Employee works remotely less than 100% of the time at the direction of department policy or executive director directive, which may include flexibility on the days the employee works remotely or uses assigned workspace.
 - iii. Employee works remotely temporarily - Employee works remotely at the direction of executive order, department policy, or executive director's directive. It is anticipated that the remote work is temporary, and employee will return to one of the categories in Flexible Work Arrangements.
 - iv. Department policy provides that an employee may work remotely.
- h. Work onsite in a State Office or Facility** - Employee works from a State office or Facility and may have a periodic but not established flex place arrangement.
- i. Temporary** - Not permanent; lasting for a temporary time only which may extend for several months.

4) Flexible Work Arrangements Fiscal Policy

- a. Each State Agency shall establish a policy regarding eligibility for Flexible Work Arrangements and shall follow this Fiscal Policy.
- b. Each State Agency should refer to Division of Human Resources Technical Guidance on Flexible Work Arrangements for additional information. (Note: Access to DHR Technical Guidance is restricted to Human Resources Professionals)

5) Expenses

- a. **IRS Home Office Deduction** - An employee working from home is not eligible to deduct home office expenses for tax years 2018 to 2025.
- b. **Home Office Expenses** - Items for the home office may be reimbursed or provided by the State as provided below.

- 6) **Employee Reimbursement** - The State shall reimburse employees in a Flexible Work Arrangement for out-of-pocket expenses for Official State Business Purposes as outlined in the chart "Employee Reimbursement Categories" provided an employee follows the approval and reimbursement process in Fiscal Rule 5-1 Travel and all appropriate agency and institutional authorization requirements for purchasing items for employee use. In no case shall the State reimburse the employee for personal expenses such as furniture for a home office. See notes in Section 11.

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Employee Reimbursement Categories

The following table includes expenses and Flexible Work Arrangements and indicates whether the State will reimburse the employee (Yes) or not (No) or Agency Discretion.

	Employee required to work remotely 100%	Employee works remotely other than required to work remotely at 100% (b)	Mobile Work	Hoteling	Work onsite in a State facility or office
Traveling between home and assigned state facility or office (c)	Yes	No	Yes	No	No
Travel to temporary work location (c)	Yes	Yes	Yes	Yes	Yes
Travel to conferences (c)	Yes	Yes	Yes	Yes	Yes
Home internet - upgrade	No	No	No	No	No
Home internet - ongoing	No	No	No	No	No
Home utilities	No	No	No	No	No
Home mortgage interest, rent, insurance, repairs, and depreciation	No	No	No	No	No
Equipment - computers (d)	No	No	No	No	No

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Equipment - computer peripheral and other office equipment (e)	No	No	No	No	No
Telephone - home land line	No	No	No	No	No
Cellphone (f)	No	No	No	No	No
Toner cartridges	No	No	No	No	No
Sit/stand workstation, chairs	No	No	No	No	No
Desk, table, office furniture	No	No	No	No	No
Paper, pens, pencils (g)	Agency Discretion	No	No	No	No

- 7) **State Agency Purchases for Employees** - The State shall provide an employee in a Flexible Work Arrangement with the tools necessary for an employee to perform their duties. For most office workers, this would include one computer, one keyboard, and one mouse, and one monitor if required for the position. For all employees other than those working remotely temporarily, the State shall not provide the employee with duplicates of these items for home and office locations. For employees who are working remotely temporarily, a State Agency may provide additional items depending on need and availability and provided employee returns these items to the State when the employee is no longer working remotely temporarily. See the chart “**State Agency Purchases for Employees.**” See Notes in Section 11.

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State Agency Purchases for Employees

The following table includes items used in Flexible Work Arrangements and indicates whether a State Agency will provide the employee with these items (Yes), not (No), or depends on need, availability, and agency policy and procedure (Agency Discretion).

	Employee required to work remotely 100%	Employee works remotely other than required to work remotely at 100% (b)	Mobile Work	Hoteling	Work onsite in a State facility or office
Equipment - computers (d)	Yes	Yes	Yes	Yes	Yes
Equipment - peripheral and other office equipment (e)	Agency Discretion	Agency Discretion	Agency Discretion	Agency Discretion	Agency Discretion
Cellphone (f)	Agency Discretion	Agency Discretion	Agency Discretion	Agency Discretion	Agency Discretion
Toner cartridges	No	No	No	Yes	Yes
Sit/stand workstation, chairs	Agency Discretion	Agency Discretion	Agency Discretion	Agency Discretion	Yes
Desk, table, office furniture	No	No	No	Yes	Yes
Paper, pens, pencils (g)	Yes	Yes	Yes	Yes	Yes

8) **Employee Payroll Deductions** - A State Agency shall deduct local tax depending on employee's work and home location, parking at employee's option, and RTD or Public Transportation at employee's option. See Notes in Section 11.

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Employee Payroll Deductions

The following table includes deductions and Flexible Work Arrangements and indicates whether the State will deduct from an employee pay (Yes) or not (No).

	Employee required to work remotely 100%	Employee works remotely other than required to work remotely at 100% (b)	Mobile Work	Hoteling	Work onsite in a State facility or office
Local Tax - Live outside of Local Tax area; Primary Work Location has local tax	No	Yes (h)	Yes (i)	Yes (i)	Yes
Local Tax - Live outside of Local Tax area; Primary Work Location no local tax	No	No (h)	No	No	No
Local Tax - Live inside Local Tax area; Primary Work Location has local tax	Yes	Yes (h)	Yes (i)	Yes (i)	Yes
Local Tax - Live inside Local Tax area; Primary Work Location no local tax	Yes	Yes (h)	Yes (i)	Yes (i)	No
Parking	No (j)	Yes (k)	No	Yes	Yes
RTD and Public Transportation	No (j)	Yes	No	Yes	Yes

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9) Employee Wages and Salaries - Payment of employee wages and salaries depends on the employee's job duties, Fair Labor Standards Act (FLSA) classification as exempt (not overtime eligible) or non-exempt (overtime eligible), and Flexible Work Arrangements. See Notes in Section 11.

Employee Wages and Salaries

The following table explains whether the travel time is considered hours worked for FLSA non-exempt (hourly) employees.

	Employee required to work remotely 100%	Employee works remotely other than required to work remotely at 100% (b)	Mobile Work	Hoteling	Work onsite in a State facility or office
Travel between home and worksite at the beginning or end of the workday (commute time)	No	No	No	No	No
Travel between home and worksite or between worksites during the workday	Yes	Yes	Yes	Yes	Yes
Travel to conferences	(l)	(l)	(l)	(l)	(l)

For additional information, please refer to Division of Human Resources Wages, Hours Worked, and Overtime Technical Guidance, Flexible Work Arrangements Technical Guidance, and/or the Fair Labor Standards Act (Note: Access to DHR Technical Guidance is restricted to Human Resources Professionals).

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10) Other Considerations

- a. Departments shall determine the consequences for violations of this policy.
- b. If an employee separates and is working remotely, the State Agency shall request that the employee come into the office and return any State property that the employee used while working remotely. If the State Agency determines that coming into the office is not feasible, the State Agency shall require the employee to make alternate arrangements for the return of the State Property before the employee's separation. If the employee refuses, the State Agency may pursue any applicable legal remedies to recover the value of the equipment not returned.

11) Notes

- a) **Remote work from Outside of Colorado:** Authority lies with the department's appointing authority under Rule 1-9 in determining work location. However, work outside of the State of Colorado should only be on a temporary not permanent basis. The Colorado Constitution requires that state employees reside in Colorado. An employee must, at a minimum, meet (1) and (2) below. An appointing authority should only grant a request if (1) and (2) are met and only after taking into account the remaining considerations listed.

1. The employee maintains their permanent residence in Colorado, as defined by IRS guidelines and Colorado Department of Revenue guidelines for principal home residence; AND

2. The employee confirms in writing the temporary nature of their request to work remotely outside of Colorado.

Flexplace guidance applies to the employee and supervisor having a documented flexible work agreement in place that aligns with the department's policy.

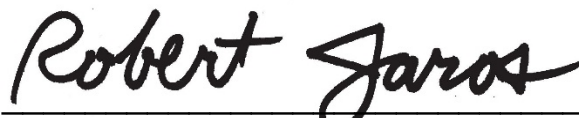
This information does not apply to positions that are permanently allowed to be out of state, or have met the Colorado Constitutional definition of within 30 miles of the Colorado border. Additionally, unlike work from anywhere in Colorado, there are multiple additional considerations to allowing an employee to work out of state. The decision will need to be coordinated in the department with leadership, payroll and HR before an appointing authority approves remote work from outside of Colorado. The considerations include, the other state's employment laws, taxation, timekeeping, workers' compensation, unemployment, any travel reimbursement, and job duties.

- b) Includes employees who work remotely: a) less than 100% and have assigned workspace, b) temporarily, or c) Department policy provides that employees may work remotely.
- c) See State Controller "Mileage Reimbursement" Policy and State Controller Technical Guidance, "Taxability of State Travel Reimbursements"
- d) For agencies under OIT's authority, OIT purchases this equipment. See OIT Policy "Acquisition of Information Technology Goods and/or Services," Items Requiring OIT's Prior Approval. Link below:

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<https://docs.google.com/document/d/1oAwsYwCoBNcHLn6d2dKMyxLSuGQc0inu0h1bqxZiTHI/edit> Agencies outside OIT's Authority, should consult their agency's policy regarding IT purchases.

- e) Departments under OIT's authority may purchase these items without OIT approval see OIT Policy "Acquisition of Information Technology Goods and/or Services," Items Not Requiring OIT's Prior Approval. Link below:
<https://docs.google.com/document/d/1oAwsYwCoBNcHLn6d2dKMyxLSuGQc0inu0h1bqxZiTHI/edit> Agencies outside OIT's Authority, should consult their agency's policy regarding IT purchases. All of these purchases must be exclusively for State business purposes.
- f) See State Controller Policy, "Cell Phones".
- g) Departments shall determine how to provide supplies to their employees. Purchases are subject to department budget availability.
- h) Departments will continue to enter the local tax code in the Colorado Personnel and Payroll System (CPPS). For employees working remotely temporarily, Departments should not change the local tax code until the employee is no longer working remotely temporarily.
- i) Employees who either live or work in a local tax area are subject to the local tax. These localities include Denver, Aurora, Glendale, and Greenwood Village.
- j) Employee may elect to pay for parking or RTD or Public Transportation even though employee is working at remote workplace 100%. If an employee declines parking, then the employee will no longer hold their assigned State parking space. If an employee declines RTD or Public Transportation, then the employee will not receive an RTD bus pass.
- k) Employees should follow the policy of the managing parking division regarding sharing a parking space.
- l) Agencies should consult their HR Office for guidance on the specific situation.



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