Flexible work arrangements in CPA firms

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American Institute of Certified Public Accountants. Women and Family Issues Executive Committee

American Institute of Certified Public Accountants. Management of an Accounting Practice Committee

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Issued by the
AICPA Women and Family Issues Executive Committee and
the AICPA Management of an Accounting Practice Committee
in collaboration with Barney Olmsted
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Flexible Work Arrangements in CPA Firms

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Preface

When the Conference Board of New York established its Work-Family Research and Advisory Panel, it noted, “According to the 200 members of the Panel, flexibility is the number one work-family issue in their organizations.” Because of this growing interest in flexible work arrangements, many public and private organizations, including public accounting firms, have had some experience with one or more of the new scheduling arrangements that are described in detail in this publication. A report from the Women and Family Issues Executive Committee (WFIEC) of the American Institute of Certified Public Accountants (AICPA) indicates that 65 percent of the responding firms offer part-time opportunities, 57 percent have flextime, 44 percent have summer or holiday hours, 24 percent have work-at-home options and 7 percent offer job sharing. Until recently, most firms have generally used these arrangements on an ad hoc basis as a way to oblige valued personnel. But changes in the workplace are making flexibility a more strategic issue. In some CPA firms, flexible work arrangements are being used to make the accounting environment more appealing to talented CPAs with family and other personal responsibilities.

This book is intended as a resource for those in public accounting firms who want to know more about flexible work arrangements and how they are used to attract the best applicants, retain and motivate personnel, improve the management of the seasonal compression of workloads, and serve clients better. In this book, the bottom-line ramifications of flexible work arrangements are examined and a broad overview is given, the pros and cons of specific arrangements are described in detail, and a checklist of management issues (including those related to compensation) is provided. This book also contains three appendixes (including a checklist for an office at home, sample policies, and sample request forms) and a bibliography.

Specific flexible work arrangements are discussed in chapters 3-9. In these sections, issues related to particular flexible work options are examined; individuals should think about these issues before they approach their supervisor to request a flexible work arrangement. When a member of the staff is considering a nonstandard work arrangement, the supervisor should weigh both personal and work-related issues, including the staff member’s work style, what works best for the other members of the team and the rest of the firm, and which option would best help the staff member to balance work and personal life, would enhance his or her effectiveness at work, and would allow the firm to maintain and improve its services to clients.

Developing a successful flexible work arrangement requires thoughtful planning and interaction between the individual staff member, the supervisor, and other members of the firm. When considering the issue of workplace flexibility and how it might help your firm, keep in mind the admonitions of James A. Smith of Smith, Sibley & Co., P.C. When speaking to the participants of the National Small Firms Conference, he
challenged his audience to “unlearn the truisms you have spent a lifetime accumulating” and went on to note:

Everyone who works in a CPA firm does not have to keep the same hours or even always come into the office. It is possible for your clients to receive good service and be perfectly satisfied without ever seeing or talking to you. You can take a vacation in the middle of tax season and still get everything filed on time.

Managers who are faced with these new ways of working need guidance.
**Acknowledgments**

**Barney Olmsted**, the primary author of this book, is co-director and co-founder of New Ways to Work (NWW), a San Francisco-based resource development and research organization that has been a leading pioneer of flexible work arrangements both nationally and internationally.

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How Flexible Work Arrangements Can Improve the Bottom Line
A great deal of economic and social change — both in and out of the workplace — is responsible for the current widespread interest in workplace flexibility. No matter the size (small, medium, or large) or type (public or private) of the organization, the notion that a company must be flexible to survive in today’s fast-paced environment has taken hold. The increasing numbers of women in the work force who have small children, the emergence of a global economy (which requires conducting business over more time zones), developments in technology (which have altered work processes), organizational restructuring (which has transformed work patterns and relationships), and the stresses of longer work hours have all made flexibility a priority for more and more workers, as well as a necessary business strategy in most companies today.

Flexible work arrangements have become increasingly relevant to the management of public accounting firms as well. The Executive Summary of the 1996 Deloitte & Touche Survey of American Business Leaders indicates that the human resources function has become a key component in the strategic management of most of the surveyed firms and that flexible work arrangements are offered by nearly three in five of the companies — with another one in five planning to do so in the near future.

As public accounting firms begin to think strategically of flexible work arrangements, it becomes apparent that firms can use them in a variety of ways to manage work flow better, increase profitability, and achieve professional objectives. A discussion of several ways in which flexible work arrangements can help a firm improve its bottom line follows.

### Managing Diversity

Work forces are becoming more diverse. In 1995, 53 percent of the new graduates hired by CPA firms were female. According to the small and medium-sized company work groups that were part of the AICPA Survey on Women’s Status and Work/Family Issues in Public Accounting, this increase in diversity is often driven by client services: “Female clients sometimes ask for a female professional on the engagement, and/or clients with their own Equal Employment Opportunity (EEO) initiatives expect the firm to have women in visible professional roles.” Clients want the personnel on professional service teams to reflect the demographics of their own work forces or their clientele.
Flexible Work Arrangements in CPA Firms

The “one size fits all,” “up or out” way of structuring work and careers isn’t appropriate anymore; it has been one of the major reasons that women leave the accounting profession before they have reached higher levels. Valuing differences — and putting options in place that let employees live out their individuality — is key to recognizing diversity. Because it allows people to respond differently to the same situation, flexibility in the workplace can be an important underpinning to a diverse work force.

The support of women and of diversity initiatives enhances the quality of professional services and minimizes costs. As James J. Schiro of Price Waterhouse, LLP noted, “Six people with different perspectives have a better shot at solving a complex problem than sixty people who all think alike.”

Enhancing the Work-Family-Life Balance

Not only is the gender balance changing in accounting firms, but also as the AICPA/State CPA Society Under-35 Symposium found, the attitudes and lifestyles of the younger members of both sexes differ in the following ways from those of their older counterparts:

- There are now more dual-career families, in which the traditional support of an at-home spouse is lacking and each family member feels the need for more time for a personal life.
- Younger CPAs tend to focus on a better “quality of life.” Even some older partners express regret about their lack of a work-life balance earlier in their careers.
- The new employer/employee relationship which has emerged as a result of downsizing and restructuring has changed employee and employer loyalty nationally. This change is evidenced in the career expectations of CPAs who are under age 35. Flexibility in the workplace, the balance of career and family, long hours, and the compression of workloads were all cited as “overarching career issues” in the symposium report. The report also noted that CPAs under age 35 “question whether firms’ demands on their time are really necessary to meet client needs or are more an artifact of partners’ demanding traditional work structures.”

Younger professionals react negatively to performance evaluations based on hours alone. They have a strong desire for more control over their own time.
Many of them have seen flexible work arrangements used successfully, and they view them as a way to achieve some of their personal objectives, as well as their professional goals.

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**Improving the Level of Staff Retention**

In a 1995 presentation to the Missouri Society of CPAs, David T. Kiefer, a partner in Aselage, Kiefer & Co., noted that “a major cost in our profession is the cost to develop a well-trained professional. The cost of losing a highly qualified staff member who opts out of public accounting at the three- to six-year point is significant. Any program that will enable a firm to retain such a staff member is potentially very valuable.”

He went on to discuss his firm’s use of flexible work arrangements, which entail a variety of less than full-time schedules, and he commented, “Our highest retention rates are with our part-time professional staff.”

Deloitte & Touche managers realized that after seven or eight years of employment at the company, its women accountants were leaving and that the company was therefore losing its investment in those personnel. Senior management decreed that the company find out why this was happening and stop it. Many changes resulted, one of which was the development of both a flexible workplace program and the option of a reduced workload.

Deloitte’s J. Michael Cook recently observed, “It is a business imperative to address the retention and advancement of women. If we are unable to retain our high-talent women, we are wasting the experience and talent of half the population. We invest significant time and money in recruiting and training, and when high-talent professionals leave, the firm suffers a reduction in productivity and client-service continuity.”

Although the AICPA/State CPA Society report reflects the interest of younger accounting professionals in flexible work arrangements, these options appeal to senior professionals as well, particularly women. David Kiefer noted, “Virtually all of our part-time staff, both current and former, have been women who left full-time positions in public accounting after becoming senior accountants and choosing to cut back their hours as a part of their plans to have a family.”

In other industries, employers have realized that by giving employees control over their work environment, they can increase employee morale and loyalty to the employer. Flexible work arrangements have greatly helped businesses to give employees this control and to reduce turnover.
Flexible Work Arrangements in CPA Firms

Gaining a Recruiting Advantage

Talented people at all levels are attracted to workplaces that offer them more control over when and where work may be done. Flexible work arrangements are a key element for many job applicants. Whether a potential employee wants to avail himself or herself of these options immediately or whether that person recognizes that sometime in the future a nonstandard schedule might be important, the fact that a firm offers this opportunity for flexibility is a strong inducement for seeking employment there. A reputation for workplace flexibility can help a firm become an employer of choice.

A National Study of the Changing Work Force, conducted by the Families and Work Institute in New York, reported that 60 percent of the 3,718 respondents chose to be employed with their most recent employers because of the positive effect of the firm's policies on their personal and family life; the study also noted that a significant portion of workers without workplace flexibility "would be willing to make substantial trade-offs to have access to these programs; they wanted flexibility and control over their work content and schedules and commented that they were more satisfied and productive in the workplace when they have that flexibility and control."\(^1\)

By offering flexible work arrangements, a firm can also gain access to a larger labor pool. For instance, when a firm offers a telecommuting option, it can expand its labor market to include cities far away, as well as applicants who may be required to stay at home because of a disability or because of child-care or elder-care responsibilities.

Managing Seasonality

Managing workload compression and improving a firm's ability to cope with the seasonal aspects of public accounting are problems that are high on everyone's list.\(^2\) Having a mix of full-time and part-time personnel has

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2. See also *Seasonality: Practitioners' Suggestions for Managing Work Load Compression*, issued by the AICPA Management of an Accounting Practice Committee (New York: AICPA, 1993).
been one way in which some firms have begun to address these problems, because it gives them greater latitude in the allocation of human resources. In his presentation, Kiefer reported, “Alternative work arrangements have made it possible for us to better meet the seasonal needs of our business. These arrangements consist mainly of part-time work schedules with a concentration of hours in the tax season.” Firms across the country also report that having a mix of full-time and part-time personnel allows them to increase billable hours during their busy season without having this take a huge toll on full-time personnel.

Rubin, Brown, Gornstein & Co. of St. Louis is one firm that utilizes a variety of part-time work schedules. Some part-time personnel in this firm work full-time during tax season and two or three days per week during the rest of the year; others work full-time during tax season, are off during the summer, and then work two or three days a week the rest of the year; and some work only during tax season.

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**Improving Client Services**

James Schiro of Price Waterhouse believes that clients “want the best service. They want results. They don’t necessarily care when or where the work is done as long as they’re satisfied in the end.” When flexible work arrangements help firms to retain high-quality staff members, a greater sense of stability is created during client assignments — for clients, this is a major plus. These arrangements also help employers expand their hours of service and improve the coverage of work peaks and valleys. Since personnel on flextime can come in early and leave early, or can come in late and work late, the possibility of extending the hours of service and operation at both ends of the day is opened. Having these options available raises employee morale and leads to a higher degree of staff retention. Often the people retained as a result of this greater flexibility are senior staff members who have important client relationships, and the firm will benefit from their continued service.

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**Improving Productivity**

“Our part-time staff has historically averaged approximately 18 percent greater chargeability than comparable-level full-time staff,” reports David Kiefer. Managers often credit productivity improvements to the morale
Flexible work arrangements in CPA firms

boost that accompanies an employee's shift to a schedule that suits his or her needs better. Another productivity-related issue is that labor is allocated more efficiently through the combination of full-time and part-time staff. Flexible work arrangements can reduce absenteeism by providing personnel with a means of balancing their work schedule with the rest of their life. For instance, employees using a flexible work option find it easier to schedule doctor's and other personal appointments during their time off. In cases of telecommuting, it is possible that an employee who is too sick to come into the office might be able to continue to work at home.

Depending on the circumstances and the particular options available, flexibility can also be used to promote the development of cross-functional skills, promote teamwork and a sense of employee empowerment, address career plateaus, and reduce stress and burnout.

Facilitating Education

A full-time work schedule can be a barrier to continued growth and learning. The option of temporarily reducing a work schedule or of having flexible starting and quitting times can make education or additional training easier. Even in small offices, flexibility has been used to facilitate education and training. In one three-person office in Merritt Island, Florida, both the bookkeeper and the office manager work within a schedule of thirty-five hours a week, so that they may take nine to twelve credit hours of college. According to Susan Murray Lynn, CPA, the managing partner, in addition to having a shortened schedule, "they are permitted to adjust their work schedules to attend college for day or night classes."

Reducing Office Space and Capital Requirements

One of the advantages of flexible work arrangements is that they can help expand the number of hours in which expensive office space and equipment are used, since they extend the workday at both ends.

Some employers worry that some types of flexible schedules (for example, job sharing or regular part-time) may increase their need for space and equipment, because the number of staff members increases. This has not proved to be the case in most firms. Job sharers are seldom on site at the same time, and the use of flexplace, flextime, and compressed workweeks
also means that fewer people are in the office at the same time. Consultant Jack Nilles estimates that in fact, a person working at home two days a week saves a company $12,000 a year as a result of his or her increased productivity, the reduction in office space, and lower levels of turnover.

### BUSINESS REASONS FOR USING A PARTICULAR ARRANGEMENT

Table 1 illustrates how specific flexible work arrangements can help firms meet various business needs, such as the reduction of absenteeism, the expanded use of equipment, the improvement of productivity, and the reduction of labor costs.

#### TABLE 1: BUSINESS USES OF VARIOUS FLEXIBLE WORK ARRANGEMENTS

<table>
<thead>
<tr>
<th>Business Need</th>
<th>FT</th>
<th>CWW</th>
<th>FP</th>
<th>RPT</th>
<th>JS</th>
<th>PR</th>
<th>WS</th>
<th>L/S</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce stress</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Retain quality people</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Reduce absenteeism</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve scheduling</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand hours of service</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expand use of equipment</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve productivity</td>
<td></td>
<td></td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce labor costs</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enhance morale</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

FT = flextime; CWW = compressed workweek; FP = flexplace; RPT = regular part-time; JS = job sharing; PR = phased retirement; WS = work sharing; L/S = leaves/sabbaticals

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Flexible Work

Arrangements

Explained

chapter II
The term “flexible work arrangements” includes a variety of scheduling options. The following are the key options described in this book:

- Flextime
- Compressed workweeks
- Regular part-time
- Job sharing
- Work sharing
- Flexplace (telecommuting)
- Leaves and sabbaticals

Most firms that are in the process of becoming more flexible use one or more of these options. Having the capacity to implement different versions and combinations of these arrangements allows organizations to customize their staff’s work hours to the particular work flow needs of the firm. At the same time they can also build on the preferences of their personnel. This is a “win-win” arrangement: both the firm and its staff are able to function better than they did with a “one size fits all” staffing structure.

Because flexible work arrangements have come into usage fairly recently, the terminology about them is not always clear and the distinctions between different options are not always made consistent. The particular attributes of each option are described in chapters 3-9. Details on how to use each option successfully (including suggestions for designing policies and programs) and examples of how each option has been used in other accounting firms are provided.

- **Myths Disbelled**

  Let’s discuss and dispel some of the myths about flexible work arrangements.

  - **FICTION:** Flexibility is inequitable because options like job sharing or flextime can’t be used by all the staff.

  **FACT:** Everyone doesn’t have the same needs. With an increasingly diverse work force, equity no longer means that everyone has the same options or that the same solutions apply to each employee.
Equity today means that everyone — secretaries, accountants, managers, and partners — has access to the options he or she needs.

- **FICTION:** Flexibility is a “slippery slope.” If we let one person telecommute or change his or her starting time, everyone will want to.

  **FACT:** No one who has used flexible work arrangements has reported a flood of requests for change. The fact is that most people prefer an office environment and cannot afford to reduce their work time significantly. However, some staff members really need a flexible option to function well in their jobs, and surveys show that having these options available is popular with almost everyone. Besides, organizational policy always gives managers control over whether to use or allow flexible work arrangements.

- **FICTION:** Flexibility is just a women’s issue; most men don’t need these options.

  **FACT:** Increasingly, company surveys are indicating that men also need more opportunities for flexible work arrangements. The AICPA/State Society study of accounting professionals under the age of 35 showed that a work-life balance was important to both women and men in the accounting profession. As James Schiro of Price Waterhouse noted recently, “While women may initiate much of the discussion about balancing work and family demands, men benefit just as much from the resulting programs and initiatives.”

- **FICTION:** Flexibility is the best way to solve child-care or elder-care problems.

  **FACT:** Flexibility can relieve some of the stress for some personnel who have child-care or elder-care responsibilities. However, it is not the only answer, nor should flexibility be considered solely a work-family policy. There are many staff members who need flexible options for other reasons: the need to facilitate recurrent education or training, the need for a phased retirement, mental burnout, or physical health problems, to name a few.

- **FICTION:** Flexibility only works in low-level or routine jobs, not in positions with a lot of responsibility.

  **FACT:** A 1994 study of the corporate use of flexible work arrangements (including flextime, job sharing, and working at home) conducted by Catalyst, a nonprofit organization based in
New York City, demonstrated that personnel in various capacities and at all different levels worked productively in all these styles. It is often a firm's lower-level personnel who feel unable to negotiate the kind of flexibility that they need, because they worry about the impact of such a negotiation on their job security and feel that management considers them easily replaceable.

**FICTION:** Flexibility is disruptive.

**FACT:** Most change is disruptive unless it is well managed. Losing good people because they need more flexible schedules is disruptive; layoffs are disruptive. Using new forms of regular part-time work or implementing a summer-hours or flextime program that reduces turnover can diminish disruption.

**FICTION:** Most supervisors dislike flexibility because it makes more work for them.

**FACT:** The supervision of flexible work arrangements requires a new kind of management style, one that emphasizes results rather than oversight. Some managers are more comfortable with this change than others, but once they have some experience with managing flexible scheduling arrangements, many supervisors report that they end up with less work.

Working flexibly often enhances self-management. Managers of job sharers comment that people who share jobs tend to supervise each other and to compensate for deficiencies in skills. One supervisor of personnel working on flexible schedules commented, "Under flextime we had people responding to problems even though their supervisor wasn't present... We found a few people whom we developed into supervisors. We had a very good experience."

**FICTION:** Supervisors won't want to support a wider use of flexible work options because they can't participate in them.

**FACT:** Supervisors can and do participate in flexible work arrangements. There are supervisors who work part-time in top-level jobs, some who work at home several days a week, and others who are on flexible schedules.

**FICTION:** Working under a flexible schedule will derail career or promotional aspirations.
**FACT:** Working part-time may slow down a fast track but not permanently. It often means that an employee can retain a partial career attachment that might otherwise have been lost. A 1993 study by Catalyst indicated that 53 percent of the participants had received promotions while they worked under a reduced schedule. If working under a flexible or at-home schedule helps an employee to become more efficient, his or her career advancement may advance.

■ **FICTION:** Flexibility will decrease productivity.

**FACT:** Most studies report an increase in productivity, or at least no fall-off, when flexible work arrangements are used properly. This is due to a variety of factors, some specific to particular options. In general, improvements in productivity can be credited to a higher energy level as a result of reduced stress or better morale, an improved quality of work, more of a focus on the task rather than on the time spent, extended periods of service from the same numbers of personnel, and other factors.

■ **FICTION:** Flexible work arrangements will lead to a loss of management control.

**FACT:** One manager remarked before trying flextime, “If I used flexible schedules in my department, everyone would be coming and going at odd hours and no one would be there to do the work.” The executive management of his firm, however, “strongly urged” departments to “try it. You’ll like it.” The skeptic signed up and has become a confirmed supporter of flexible schedules. This scenario has been a typical one when job sharing, telecommuting, flextime, and other new options are tried. In most cases, experience has bred converts, not contempt.

■ **FICTION:** Flexibility is just a fad. Interest in it will soon pass.

**FACT:** According to the February 1996 issue of *HR Magazine*, “about 42% of employers already offer some sort of flexible scheduling, such as job sharing or working a compressed week;” and the number is growing. Far from being a fad, flexibility is a survival tool for more and more employers and their personnel. Increasingly the message is, if you want to compete in the twenty-first century, learn how to be flexible.
Flextime

chapter III
Flextime is an arrangement in which personnel choose their starting and quitting times within limits set by management. Flextime is usually introduced after employers recognize that it is a low-cost option, that it is popular with staff at all levels, and that people can be better workers if they have more choices and more control over how they schedule their work and personal time. The AICPA WFIEC report indicated that next to part-time, this option was the most widely used: 57 percent of the respondents offered it. In public accounting firms, flextime can be a useful tool for minimizing the stress of the busy season, providing a better work-life balance, and enhancing off-season workdays.

### Challenges to Using Flextime

The following are some of the variables that present a challenge to the successful use of flextime:

- **Concerns that everyone will be coming and going when they please, so that work can't get done.** The first rule of thumb in any flexible work arrangement must be that the business needs of the work unit are primary. If everyone appears to want to “flex” at the same time, the schedules must be revised in order to ensure coverage. As a partner in a small CPA firm in Erie, Pennsylvania, noted, “If someone is at the office at 8:00 A.M. and someone is there until 5:00 P.M., all requests are honored. If those two conditions aren’t met, each person is asked to revise his/her request until they are met.” Personnel understand and support that priority. In practice, most personnel do not vary their schedules much even when they are offered the opportunity to do so.

- **Uncertainty about how to handle flextime during tax season.** Many public accounting firms’ rules governing their operating hours from April 16 through December 31 are different from those during tax season. Some firms disallow flextime during tax season, others limit its use, and some continue to use flextime even though the work hours may be longer.

- **Worries that personnel will abuse the program.** There is the fear that personnel will come in late but not make up the time. It should be clearly stated from the outset that flextime requires trust and is a means of empowering personnel and helping them to be more
effective and accountable in their jobs. Supervisors should be discouraged from “policing” flexible schedules and should concentrate on coaching and supporting personnel who have difficulty managing their schedules.

- **Supervisors’ negative view of personnel on flexible schedules.** Unless they understand the importance of flexible work arrangements as a management tool, supervisors may take the view that personnel on nonstandard schedules are less committed or productive and may pass high-potential personnel over for promotion.

- **Resentment from colleagues and other team members.** If colleagues or other team members have to “pick up the slack” when someone reduces their schedule or works at home part of the time, this will breed resentment. Having open lines of communication about how flexibility is affecting coworkers during the early stages of the new arrangement and encouraging staff to find solutions that will resolve inequities can help ensure the successful implementation of the program.

### Setting Up Your Flext ime Program

Flextime is most appropriate for firms that have either demographic or business issues that could be addressed by the institution of this kind of arrangement. Following are some of these issues:

- The firm’s staff has a high percentage of working family members with young children or dependent seniors.

- Many of the firm’s personnel commute over significant distances or through congested traffic.

- The firm has difficulty recruiting, either in general or for specific skills.

- There is a need within the firm to extend service or operating hours and to improve employees’ access to certain kinds of equipment.

- High rates of absenteeism or tardiness exist because of personal or family commitments.

- The firm desires to achieve a truly diverse work force.
There are a number of matters to make decisions about when one designs a flextime program. One of these is to define the following:

- **Bandwidth.** This is the total length of the flextime workday, from the earliest time that people may arrive at work to the latest they can stay (see figure 1). Depending on your office situation, the bandwidth may be dictated in part by building regulations or by how much extra expense in building maintenance the firm can incur.

![Figure 1: Company Bandwidth](image)

- **Standard workweek.** What are the organization's normal operating hours per week? Do you want to be able to extend client hours as a result of having flextime or do you want to keep public operating hours the same and allow employees to use the flex hours for uninterrupted work? The answers to these questions must be determined.

- **Flexhours.** This is the time period within which an employee may “flex.” In general, the largest window that your firm is comfortable with gives you the most advantage.

- **Core time.** During what hours must all personnel be present? Is any midday/lunch-hour flextime allowed? Some core times are seven hours long; in general, this is because management is uncomfortable with the idea of staff coming and going at different times. Other firms have eliminated core hours altogether. (See figure 2 for a sample flextime schedule.) The boundaries of the core time should relate to periods when all personnel are needed to be on site (for example, during staff meetings or when client services are provided). Some firms have found that they can reduce the core time and lengthen the flexhours as their experience and comfort levels with the program increase.
Figure 2: Sample Company Flextime Schedule

<table>
<thead>
<tr>
<th>6A.M.</th>
<th>10A.M.</th>
<th>Noon</th>
<th>2P.M.</th>
<th>6P.M.</th>
<th>10P.M.</th>
</tr>
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</table>

The following are other flextime parameters that must be determined:

- **Daily basis.** Is flexibility allowed on a daily basis or may the employee’s schedule only be changed periodically? What role does the supervisor have in determining this? Can supervisors override a subordinate's schedule and, if so, under what conditions can it be overridden and what kind of notice is required?

- **Annual seasonality.** Seasonal requirements vary from firm to firm. Plotting your firm’s peak periods will help you determine whether and how your flextime policy should be adjusted during those periods.

Guidelines for Staff

If you are working under a standard schedule and want to propose working under a flexible one, the following are some questions to ponder:

- Would being able to alter your starting and quitting times relieve stress caused by other time restrictions (such as day-care hours, transportation timetables, and class schedules)?

- Do you have trouble finding the time to conduct personal business (such as dentist appointments and trips to the bank or laundry) within the constraints of a nine-to-five schedule? Do you sometimes have to schedule these things during work time?

- Would working on a flexible schedule improve or impair your ability to get your work done? In what ways would it do so?

- Would a flexible schedule change your relationship with your coworkers?

- Would your personal productivity improve if you could start your workday earlier (or later) to take advantage of the fact that you are a “morning” (or “evening”) person?

- Would changing to a flexible schedule have any impact on client services?
If you decide that a flexible schedule would help you manage your work and your personal responsibilities better and that it would be possible in your work environment, the next step is to request a change of schedule. The following are questions to ask yourself and to discuss in your proposal:

- What is the new schedule I am requesting? Is this the only schedule that would meet my needs or would I be willing to adjust it so that I could better meet business or departmental needs?
- What kinds of positive impact might the new schedule have on my ability to do my work? For example, could it help me to access necessary equipment or to serve clients in other time zones better?
- How might my proposed schedule benefit my work group or team? Are they supportive of my request? If not, what are their concerns and how can I satisfy them?
- Have I taken into account any impact on meeting times, coverage during peak times, and communications with my clients, coworkers, supervisor, etc.?
- How will I make sure that communications with clients, coworkers, and others are not impaired?
- Will there need to be changes in the way I meet performance objectives? Describe them.

**Case Studies**

**Joe Nonnamaker, CPA**

Joe Nonnamaker's CPA firm is located in Lima, Ohio, and has two partners and a total of five staff members; its office hours are 6:30 A.M. to 6:00 P.M. Monday through Friday. An employee may work up to nine hours per day, but additional hours must be approved by the office manager. A minimum lunchtime is one half-hour, but on days when an employee works four hours or less, he or she is not required to take a lunch break. Personnel may borrow, book up, or both, to a maximum of sixteen hours, to be used at their discretion. The firm reports that this policy has worked very well and allows personnel some latitude in the times of the day in which they work. One rule is that deadlines must be met, but meeting them has never been a problem. Flexibility has been well received by all personnel, and they use it as they see fit. There has never been any abuse of the program.
Professional Corporation

Located in Sunnyvale, California, one professional corporation has seven staff members, four of whom are professionals. They have used flextime “in some form or another” since 1977. In their firm, “in its simplest form, each professional has primary responsibility for certain clients, as in most firms, and the only bottom-line requirement is that the work to be furnished to the client is right and on time. With voice mail, it is easy for the professionals to apprise callers of their in-office times, etc.” Support personnel have assigned hours, “but there is great flexibility for them to exchange days, hours, shifts, or whatever.”

Roberts, Cherry and Company

Located in Shreveport, Louisiana, Roberts, Cherry has forty staff members over half of whom are professionals. Roberts, Cherry also keeps the concept simple: “All team members set the start time each day. Some work 7-4; others, 8:30-5:30 or whatever works for them and their clients.”
Compressed Workweeks

Chapter IV
A compressed workweek is a standard workweek that is compressed into fewer than five days. For firms with a forty-hour workweek, the following are common models of the compressed workweek:

- The 4/10 compressed workweek — four ten-hour days each week
- The 3/12 compressed workweek — three twelve-hour days each week
- The 9/80 compressed workweek — four nine-hour days and one eight-hour day in week one, followed by four nine-hour days and one day off in week two

Whatever form of compressed workweek seems most appropriate for an organization, the arrangement must meet appropriate federal, state, or contractual requirements.

**Challenges to Using Compressed Workweeks**

Challenges to using this work arrangement include the following:

- **Legislative limitations.** The Fair Labor Standards Act requires employers to pay overtime after forty hours; in Alaska, California, Nevada, Puerto Rico, the Virgin Islands, and Wyoming the law requires that overtime premiums be paid for hours worked in excess of eight a day.

- **Concerns about coverage.** A manager may ask, "How can I authorize a four-day workweek when I need five days' coverage?" In reality, compressed workweeks are most often used in conjunction with other scheduling arrangements. There may be some personnel who prefer a standard workweek; or there may be overlapping shifts or staggered schedules: some staff may work Monday through Thursday; others Tuesday through Friday or Wednesday through Saturday. In some firms, personnel have designed a rotating coverage system.

- **Concerns about adjusting paid time-off formulas.** Vacation days and holidays are based on the standard of an eight-hour day. When a compressed workweek is used, these have to be recalculated. This can be done in a variety of ways. Some firms alter their plan by changing the number of days; for instance, they change ten paid

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1 Consult with an attorney. Requirements vary from state to state and frequently change.
Flexible Work Arrangements in CPA Firms

vacation days (eight hours each) to eight paid vacation days (10 hours each). Other firms work with the concept of providing vacation “hours” rather than vacation “days.” Other methods are discussed in chapter 11.

- **Employee concerns about fatigue or getting home too late.** If the compressed workweek is to be an employee option, it is a matter of personal choice and should be left to the individual's discretion. If it is to be the office standard, employee input and preferences can be very helpful when management is deciding which type of compressed workweek schedule to use. Allowing some personnel to retain a standard schedule can also be an option.

- **Concerns about transit systems schedules.** In areas in which a sizable number of personnel use public transportation to commute, a mismatch between compressed workweeks and existing transit schedules can be a problem. Contacting the local transit authority to see if there are alternatives or setting up a transit pool operated on a cooperative basis by the firm or by its personnel are ways to resolve this.

### Setting Up Your Compressed Workweek Program

Compressed workweeks are most appropriate for organizations that (1) need to extend hours of work or service or want to use expensive equipment more efficiently and (2) have difficulty finding personnel to work unusual hours.

Organizations deciding to use a compressed workweek should —

- Determine whether it will be implemented company-wide, in a particular department or division, or as an individual option.

- Decide which form, or combination of forms, to use. Employee demographics are one critical factor to review. If the work force has a significant proportion of older workers or working parents with young children, the longer workdays are liable to present a problem. If this is the case, the 9/80 is probably the best choice. If the work force is younger and would prefer working longer hours in order to have more personal time off, one of the other versions might be more appropriate.
■ Ensure there is both management and employee support for the compressed schedule. It helps to have both business reasons (such as expanded hours and better utilization of equipment) and employee support. The latter can be assessed through the use of focus groups and employee surveys.

■ Review coverage issues if the firm will use the compressed schedule more extensively than on an individual basis. Will the same five-day workweek be maintained? Will a combination of compressed workweek and standard schedules be used or will there be overlapping shifts?

■ Check current labor laws and regulations to ensure that the program is in compliance.

Guidelines for Staff

Do you need more personal time but also require a full-time income? Faced with this question, a growing number of personnel are interested in trying a compressed workweek. Because of laws requiring overtime payments after either an eight-hour day (Alaska, California, Nevada, and Wyoming) or a forty-hour week, some workers are limited to compressed workweek programs that are initiated by management and that involve an entire unit or department. However, those workers who are exempt from overtime regulations are increasingly able to propose different types of compressed schedules and to receive management approval. As with other flexible work arrangements, employees should ask themselves both how this type of schedule would affect them personally and how it would affect their ability to do their job. Following are some of the questions to ask:

■ How many hours can I work on a regular basis and still remain productive?

■ How would a longer workday affect personal commitments (for example, time with family, class schedules, or dependent-care arrangements)?

■ Is the extra time off from work worth the longer days and the complications inherent in making a new kind of schedule work successfully?

■ How would this change in my work schedule affect my commuting timetable?
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- Is there enough work on a daily basis for me to extend my schedule and still have a sufficient number of tasks to do in the extra hours?
- How would a compressed work schedule affect services to clients?
- What effect would a compressed schedule have on my relationship with my colleagues?
- How would a compressed workweek affect my vacation and holiday schedules?
- Can I meet all my performance objectives by working under a compressed workweek schedule?

If you decide that a compressed workweek schedule would help you manage your work and your personal responsibilities better and that this schedule would be possible in your work environment, the next step is to request a change of schedule. Following are questions to ask yourself and to include in your proposal:

- How can the firm benefit from the introduction of a compressed workweek schedule? For example, will the benefits include extended hours of service or easier access to overloaded machines?
- What type of compressed workweek would be most appropriate for me and my business objectives? Why would it be?
- How will my work benefit by my working within a compressed workweek?
- How will I meet all my job responsibilities?
- How will tasks be covered on the days I am not at work?
- How will communications, meeting times, etc., be handled?
- Is the proposed schedule the only one I would be willing to consider?
- How long would I like to stay on a compressed workweek?

Case Studies

McCurry & Associates, CPA, PC

McCurry & Associates (Johnson City, Tennessee) is a small firm that instituted a compressed workweek recently. One of the firm’s partners describes their experience:
We divided the staff of three partners and three clerical personnel into two groups: the managing partner and two clerical personnel in one group and the remaining partners and one clerical employee in the other. The work schedule was then changed from a five-day week to four ten-hour days. The extra day off was alternated between the two groups. Thus, on Monday of any given week, one group would be off, and on Friday the other group was off. The next week, the days when each group was off alternated. With this configuration, each employee would have a four-day weekend every other week.

Each employee was allowed to add the extra two hours in the morning or evening as was best for them. This change increased the hours that the office was open to the public, and has been appreciated by most clients. Productivity during the additional hours has increased because of the limited interruptions, but this may change as more clients discover that we are open.

We plan to run this compressed schedule from May to November each year and change to a five-day week in December in preparation for tax time. Tax time is so hard on personnel that we hope to use this plan to help the personnel spend more time with their families. It has improved morale.

Howard, Cunningham & Houchin, L.L.P.

From May 1 through December 31, personnel at Howard, Cunningham & Houchin (Lubbock, Texas) work from 7:30 A.M. to 5:30 P.M. from Monday through Thursday and from 7:30 A.M. to 11:30 A.M. on Friday. The office closes at 11:30 A.M. on Friday. From January 1 through April 30, the hours are 7:30 A.M. to 6:30 P.M. for professionals and 8:00 A.M. to 5:00 P.M. for all others; this schedule is Monday through Friday. The office is closed on Saturday and Sunday the entire year.
Regular Part-Time

chapter V
Regular part-time personnel are those who are part of the core work force and who, on a regular basis, work fewer than an organization's regular hours. They can be at any staff level. The reduction may be daily, weekly, or annual, depending on the business needs of the firm and the lifestyle needs of the individual. The type of work the individual does is also an important determinant. For example, in an article on flexible work arrangements in *The Practicing CPA*, a contributor notes that "in tax, reduced work days or reduced workweeks are fairly common. Our audit group, on the other hand, tends to utilize reduced annual client loads."

**Challenges to Using Regular Part-Time**

The following are some of the challenges to a greater use of regular part-time workers:

- **Senior management's belief that a part-time status is only appropriate for lower-level positions.** Many senior managers are still reluctant to consider full-time jobs as potential regular part-time or shared positions, particularly at higher levels of responsibility. This is often because of outdated perceptions about the role of part-time work and about the kinds of personnel who want to work part-time. The reality is that professional, managerial, and technical staff in all industries and professions increasingly want to reduce their work hours during some part of their career. Consequently, many senior managers are reevaluating their attitudes about employment that is less than full-time. Studies of the corporate use of professional-level part-time work reveal that part-timers are now found in all capacities and at all levels. Part-time partnership tracks are also found in many law firms, and even doctors have been known to share their jobs with other doctors.

- **Management concerns that part-time personnel may not be as committed as full-time personnel.** The reality is that because they feel that the employer has responded to their needs, regular part-timers are often more committed than full-time workers. A Conference Board survey on part-time employment reported that a large proportion of senior

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Flexible Work Arrangements in CPA Firms

Management gave part-time personnel higher ratings for productivity than they gave full-time personnel.²

Management’s lack of experience with job restructuring. How to staff a full-time job with part-time personnel is a hurdle for many managers. They tend to think in terms of what kinds of jobs need to be full-time and what can be done on a part-time basis. Redesigning a full-time job is a new concept. The challenge for managers and supervisors today is to recognize that although a job that requires forty hours or more a week can’t be expected to be done in twenty hours, the job can often be restructured by reassigning some of the responsibilities or by allowing it to be shared by two part-time employees.

Limited availability. Should the option of reducing work time be limited to top performers? This is a question that merits some thought and discussion. Although management is generally more inclined to support such a request from a top-performing individual, managers should remember that if any employee’s weak performance is due to stress, burnout, or conflicting personal obligations, a reduced work schedule may improve the quality of that employee’s work. If poor performance is due to other factors such as a lack of skills or poor motivation, a new schedule is not the answer. It is important to remember, however, that scheduling options such as regular part-time work are not just a new employee benefit; they are management tools that, when properly used, can help personnel function better.

Reversibility. For most people, a part-time option is a transition strategy — an arrangement that helps them balance work and some other aspect of their life. A policy must be developed that defines the circumstances of their returning to full-time status if they want to do so at a later date. This can be done by establishing a time line for the reduced schedule (for instance, agreeing that they can return to full-time status at the end of six or twelve months or letting them know that their request to return to full-time status will be given preference when the firm needs to expand its staff).

Employee concerns about the impact of this work status on their job and career. In some organizations, part-time personnel are still considered less dedicated and part-time positions are the first to be eliminated during a downsizing. Part-time personnel may also be passed over for training or promotional opportunities. This attitude is changing, however, in firms that want to make flexible work arrangements "just another way to work." At KPMG Peat Marwick's Houston office, Laura Burks was promoted from tax specialist to tax manager while she was working within a reduced schedule and Eileen Garvey was promoted to audit partner at Ernst & Young while she was working part-time. While she was working part-time, Diana Huntress Deem was promoted to senior manager in Price Waterhouse's Washington liaison office.

Setting Up Your Regular Part-Time Program

The introduction, or expansion of the use, of regular part-time personnel is particularly appropriate for organizations that (1) have peaks and valleys of work demands, (2) have trouble recruiting or retaining certain types of skills, and (3) have a sizable percentage of personnel who have small children, who are over age fifty, or who are students.

The best management practice suggests that a successful policy for any of the reduced work time options described in this book is one that —

- Allows managers to use a full-time equivalency system for determining staff allotments rather than head count. If head count remains the sole criterion, managers are penalized for using part-time personnel. Managing partners should review current policy and recommend appropriate revisions.

- Offers regular part-time personnel who are working a set minimum of hours each week the same benefits that full-timers receive at a prorated cost. Without such benefits, few personnel will feel able to avail themselves of the reduced work time options and those who do are apt to feel undervalued. Retaining good part-time personnel is almost always more economical than incurring repeated recruitment and training costs. (Salary and benefit options are discussed in more detail in chapter 11.)
Once the policy has been revised and a regular part-time option has been announced, part-time job opportunities can be proposed by either managers or personnel, but they are most often employee-initiated. When a current full-time employee requests a reduced schedule, he or she should be asked to prepare a written proposal stating the business reasons for the schedule and should submit it to his or her supervisor.

The following are points for the supervisor to consider when the proposal is submitted:

■ What are the business ramifications? Does the proposal suggest ways in which services or productivity might be improved?

■ What amount of reduction is being requested and in what form is it — fewer hours per day per week or a block of time off during the year?

■ Can the required work be done within this time frame? If not, has the employee made realistic suggestions about how the work might be reapportioned?

■ What impact will the revised schedule have on client services and on the work group? Does the proposal suggest effective ways for dealing with this?

■ How flexible is the employee willing to be? Would a job-sharing arrangement be an acceptable way to work part-time?

■ Does the proposal indicate whether the employee is willing or able to attend important meetings or sustain client contacts even if it means working extra hours occasionally or doing some work from home?

■ Are any additional equipment, office furniture, or space required to make the arrangement possible?

■ Are the communication techniques that would be used to ensure that things run smoothly during the time when the employee is not there well thought out? Is the employee willing to be called at home, if necessary?

■ What is the employee’s previous work history? Has he or she been a good performer in the past?

■ How long does the employee suggest the reduced schedule be in effect?
If there are points on which the employee and supervisor differ, they should discuss them and try to work out an arrangement that satisfies both sides. Once a reduced schedule is in place, the following are some rules of thumb for making it work:

- **Ensure that the job description is well-defined.** Specific definitions of responsibilities make for a better understanding of what is expected on both sides.

- **Be aware of “workload creep.”** To establish the appropriate workload, reduced work schedules need to be carefully evaluated. Some employers even recommend that unforeseen demands be allowed for in schedules. It is helpful to monitor the actual workload, perhaps by having the employee track his or her work hours for a while, so that adjustments can be made.

- **Adjust the schedule if it proves to be inappropriate.** Managers and staff need to cooperate in order to construct the most appropriate schedule and format, one that will meet both the business needs of the firm and the personal needs of the individual. A review of the initial schedule after the first four to six weeks, and every six months after that, will allow you to evaluate the schedule and to change it if the work is not being covered adequately.

- **Announce the new schedule to appropriate staff members and clients.** Everyone with whom the part-time employee interacts — particularly whoever is answering the telephone — needs to be aware of the new schedule. Any changes need to be communicated promptly.

- **Describe to staff members the value of the new schedule.** Unless they understand the importance of a regular part-time schedule, supervisors and coworkers may feel that personnel on this schedule are less committed or productive.

- **Help the part-timer to stay in the mainstream.** Often part-time personnel feel left out or that they are “second class.” Their supervisors can help them feel connected by looking for and correcting patterns in the work or the schedule that isolate them unnecessarily, by making sure that meetings are scheduled at times when they can attend, and by providing positive feedback on good work. It is important to keep these personnel aware (through memos, voice messaging, etc.) of important developments. It is also important to make sure that part-timers are able to participate in training opportunities and remain eligible for promotion.
Flexible Work Arrangements in CPA Firms

■ Appoint a backup supervisor. If the regular part-time employee is a supervisor, the identification of a backup supervisor for the days when the part-time supervisor is out of the office ensures that subordinates always have someone as a resource.

Part-Time Partners

As partners and senior managers in accounting firms of all sizes seek ways to match staffs to workloads, while they try to improve the quality of work life in order to retain valued personnel, part-time partnerships are also beginning to emerge as options. In the October 1994 issue of The Practicing CPA, Carl George of Clifton Gunderson L.L.C. endorsed the concept of part-time partnerships as a way both to provide new options to staff and “to balance the workforce with a workload that is compressed into a few months of the year.” Since partners at Clifton Gunderson booked close to 50 percent of their charge hours during the first four months of the year, it seemed reasonable to explore whether a part-time option would be appropriate. Other considerations were whether this kind of option would help the firm retain not only younger professionals who felt the need to reduce their workloads because of family responsibilities but also senior members of the firm who might otherwise retire. In November 1992 Clifton Gunderson amended its operating agreement to authorize part-time status for general members. The amendment states, in part, that “the Company Board has the power to negotiate and enter into agreement on behalf of the Company with such General Member(s).” The purpose of this policy is to state the basic parameters that the board will use in entering into part-time general member agreements, to ensure that all such members are treated consistently. The guidelines are as follows:

■ Part-time status for general members will be permitted during a phase-out period leading to full retirement for a period not to exceed five years, or due to a lifestyle change for a period not to exceed three years. After the three-year period, a request for extension or renewal of the part-time general member status will be subject to approval of the Company Board, and must have unanimous approval of all local office general members.

If otherwise eligible, these members may elect to receive Section 38 benefits.

Section 38 benefits (basis for calculation and vesting) will be frozen once the part-time member elects to begin receiving them.

Capital requirements of all part-time members (special or general) will be based on estimated income in the same ratio as for full-time general members.

Part-time member status must be approved unanimously by the entire local office general member group.

Part-time general members will remain in the member-evaluation and profit-sharing system. Any special compensation arrangement will only be considered if the member withdraws from the Company and enters into a special member arrangement with the firm.

Part-time general members will have profit-sharing units in the same ratio as full-time general members (presently 75% of total profit share), will be allowed to vote these profit-sharing units, and may be elected to the Company Board.

A part-time member, special or general, may not have any employment other than as a member of the firm without specific written approval of the firm’s CEO, subject to approval of the Company Board.

These guidelines or parameters may be modified at any time by the Company Board. However, any existing agreement entered into using the above parameters and guidelines will remain in force and will not be affected by any modifications.4

Other firms that have successfully introduced part-time partnerships include Price Waterhouse, Ernst & Young, Schultz & Crouse (Portland, Oregon), and Saltz, Shamis & Goldfarb in Cleveland. In the case of part-time partnerships, each proposal should be judged individually. The following are issues to consider:

What is the partner’s motivation for this request?

How will salary and capitalization be adjusted?

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Flexible Work Arrangements in CPA Firms

- Which benefits (vacation, holidays, sick days, insurance, or continuing professional education) will be prorated?
- How long will the part-time arrangement last?
- Will the partner be able to travel?
- What will be the effect of such a partnership on the development of the practice?
- Who can fill in in case of an emergency with a client?

Guidelines for Staff

If you feel the need to reduce your work schedule, think about how working part-time will affect you personally and how it will affect your ability to do your job. Following are some of the questions you should ask yourself:

- Why am I interested in working part-time? Would reducing work hours really help me balance my work and personal responsibilities better? If so, how would it do this?
- How much of a reduction in compensation can I afford to take?
- At what point does a reduction in hours affect my health benefits as well as my salary?
- How will services to clients be affected?
- Can my job be reduced to the extent that I am contemplating and without restructuring? Would job sharing be a better option for me?
- Will my relationship with my coworkers or team members suffer if I change to a reduced schedule?
- How long do I want to work less than full-time?
- How do my firm, my department, and my manager feel about part-time personnel? Will it bother me to have to prove that I am still as committed as ever? What impact, if any, can working part-time have on my long-term career goals?

The following checklist is meant to help you prepare a written request for a reduced schedule:

- What is my proposed schedule? Does it involve fewer hours per day or fewer hours per week?
- What effect will it have on client services, work coverage, team members, and coworkers?
Are there benefits for the firm from my new schedule? What are they?

Is my performance likely to improve if I reduce my hours? Why would my performance be so affected?

What is my proposed work plan? How will continuity, work coverage, and good communications with my clients, coworkers, and supervisor be assured?

How flexible can I be in terms of my schedule in order to accommodate the needs of clients and the business?

How will my coworkers, clients, and others maintain contact with me on a regular basis or reach me in an emergency?

Do I supervise others? If so, how will I fulfill my supervisory responsibilities?

If problems are anticipated, can I suggest ways in which they might be solved? Please detail.

How long do I expect to be on the new schedule?

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**Case Studies**

**Schultz & Crouse, LLC**

Located in Portland, Oregon, Schultz & Crouse has a staff of eight, seven of whom are professionals. Two of the partners work part-time: one, three days a week; the other, four-six hour days. Both work full-time in tax season. One staff member takes two months off every summer to work on a farm. The firm reports, “These arrangements work very well. Other members of the firm cover if client emergencies occur. Partners are usually available by phone on days off. Clients do not have a problem with these arrangements.”

**Rubin, Brown, Gornstein & Co.**

Rubin, Brown, Gornstein & Co. of St. Louis has 177 members, of whom 122 are professionals. They have a variety of regular part-time schedules, including the following:

- Full-time during tax season and two or three days per week during the rest of the year
- Full-time during tax season, off for the summer, and two or three days per week during the rest of the year
- Tax season only, with varying schedules
Flexible Work Arrangements in CPA Firms

Walpert, Smullian & Blumenthal, P.A.

Walpert, Smullian & Blumenthal of Baltimore has a staff of 125, which includes 75 professionals. For over twelve years, they have had a variety of flexible work arrangements for both the professional staff and the administrative staff. The largest group of those on nonstandard schedules are part-time people. Some work for tax season only, and some work full-time during tax season (as much as six days a week) and two to three days a week for the remainder of the year, possibly with summers off.

A staff member recalls, "Because the program has been in place for so long, we have had personnel going from full-time status to part-time as well as people who began working part-time and eventually returned to full-time status. One example would be a tax-season preparer who began with us over twelve years ago. She continued working year-round on a part-time basis; two days a week became three days a week and then became four days a week. A few years ago she became the firm’s CFO and is responsible for the operations of our entire network."

Not all of the personnel who choose this type of work arrangement at Walpert, Smullian & Blumenthal are women. They have had men in the past who worked sixty to seventy hours a week during tax season and then took the summer months off.

Hudgins & Co., P.C.

Hudgins & Co. is a firm of five in Amarillo, Texas. They have instituted a four-day reduced workweek during slow periods because "personnel jump at the chance to take a salary or pay reduction for the benefit of Fridays off. More work gets done due to self-imposed time pressures by staff, and personnel schedule appointments on Friday rather than during other work hours."

Saltz, Shamis & Goldfarb, Inc.

Saltz, Shamis & Goldfarb of Cleveland has fifty-six professionals out of a staff of seventy-five, and "many of the professional staff, including one partner, work on a part-time basis. The partner works an 85 percent schedule: full-time January 1 to April 15 and 80 percent the rest of the year. Other senior associates work three or four days at their choice. Many have received promotions while in their part-time work schedule.” The firm also reports that “several personnel have moved from a part-time to a full-time schedule when personal reasons have required it and then, several months later, have moved back to part-time.”
Job sharing is a form of regular part-time work. The option of letting personnel share a job offers a creative solution for full-time staff members who request a change to part-time status that requires more than a 40 percent reduction and who are working in a classification or staff level that can neither be reduced to that extent nor split in two.

Job sharing has not been used to any significant extent in public accounting; only 7 percent of the respondents to the AICPA Survey on Women's Status and Work/Family Issues had used it. However, two public accounting firms that were included in the 1996 Working Mother magazine's annual survey list "100 Best Places to Work for Working Mothers" reported having job sharers: Coopers & Lybrand had twenty-one and Deloitte & Touche had eleven. Both public and private law firms have used job sharing successfully for professional-level and support staff, and corporations have used sharers in a wide variety of classifications, including client-related ones. An early and well-publicized instance of job sharing was an arrangement between two male tax analysts at the State of California's Franchise Tax Board. The sharer who initiated the arrangement had returned to law school while he worked full-time. The other sharer was senior to him and wanted a reduction in work time because of job burnout. At the end of two years, both returned to full-time work.

Job sharers voluntarily share the responsibilities of a full-time position. Their benefits and salaries are prorated according to what each would be paid as a full-time employee. The spectrum of how much "sharing" is necessary runs from sharers who are completely interchangeable to those whose responsibilities are so divided that only a small amount of communication between them is necessary. Because of this, working in a shared job differs in a number of ways from working as a regular part-timer:

1. It requires a team approach to performing job responsibilities; this means that potential sharers must be cooperative and have good communication skills.

2. If sharers are allowed to trade time, the responsibility for daily scheduling can shift from the supervisor to the sharers.

3. If sharers have significantly different skills and experience, sharing can provide a valuable mentoring experience as well as an expansion of cross-training skills.

4. Job sharers tend to supervise each other's work and reduce errors; this provides a built-in form of quality assurance and encourages self-empowerment and self-supervision.
Challenges to Using a Job-Sharing Program

Job sharing is still a new concept for many organizations and, as such, presents the following special challenges:

- **Concerns about client relationships at professional levels.** Job sharing has been used successfully in other professions (such as law) where confidentiality and relationships with clients are of prime concern. Sharing a client load can be accomplished by dividing a caseload or by having one sharer act as the lead contact and the other professional act as a backup. This is particularly appropriate when the job is shared between a senior person and a more junior member of the staff.

- **Management concerns that job sharing will require more supervision.** Although these concerns were common, most supervisors of sharers report that after the initial training and coordination period, there is less need for close supervision, particularly if the sharers’ responsibility for making the program work is emphasized from the outset.

- **Concerns about opening the floodgates.** If one person is allowed to share a job, will everyone want to? No. In reality, most people either prefer a full-time job, cannot afford to reduce hours, or do not want to share a job.

- **Worries about what to do if one job sharer leaves.** One advantage of job sharing between two staff members is that, unlike the turnovers of full-timers, if one sharer leaves or wants to return to full-time work, the position is at least partially covered. The remaining sharer is able to increase his or her hours temporarily and provide continuity until a replacement job sharer is found.

- **Concerns about how job sharing will affect the firm’s staff complement.** This is a major issue for managers. If a full-time equivalency system is used, two job sharers are counted the same as one full-time employee and will not negatively affect a staffing budget. (As noted in previous chapters, this is a critical policy issue for any regular part-time option.)

- **Concerns about how to divide the work.** Although the division of the workload presents problems for some supervisors, there are a wide range of options with job sharing. Personnel may be jointly...
responsible for all aspects of the job, be assigned specific areas of
the position, or have a mixture of joint and specific responsibilities.
The division of tasks and responsibilities should be worked out
and agreed upon by the sharers and by the supervisor during the
proposal-review process. The importance of communication
between sharers should also be emphasized, so that the duplication
of efforts is not a problem.

Concerns about how to evaluate job sharers. Supervisors with experience
in managing job-sharing teams suggest that the evaluation should
address both the individual’s performance and the team’s
performance.

Setting Up Your Job Sharing Program

Job sharing is most appropriate for firms that —

- Have a sizable proportion of women who are in their child bearing
  years and who are in middle to top management or professional
  positions — jobs that cannot easily be reduced or turned into two
  jobs
- Want to increase their use of regular part-time workers at all levels.
- Have jobs that would benefit from a wider range of skills and
  experience than is normally available in one full-time person.

Once an organization decides to authorize job sharing, management
should review the firm’s compensation and benefits policy as it relates to
job sharers. (The full-time equivalency and prorated benefits issues are the
same as those for regular part-timers.). In addition, personnel should be
informed that job sharing is an option, and information about the process
for proposing a job share should be developed and made available. It
should be the responsibility of the potential sharers to find someone to
share the job with, but employers often facilitate the formation of teams by
establishing a registry of personnel interested in job sharing. This registry
can simply consist of a box of cards in the human resources area, although
today most firms find an electronic file easier to use.

Although both managers and personnel should be able to initiate a job-
sharing arrangement, most job-sharing proposals will come from current
personnel. Potential sharers should submit a written proposal to their
supervisor. In addition to the points relating to regular part-time proposals, the following points are to be covered in the proposal and considered by the supervisor during his or her review:

■ Are continuity and quality of service ensured under the proposed arrangement?
■ Does the proposal take advantage of each person’s strengths and accommodate differences effectively?
■ Are the potential sharers willing and able to be flexible in terms of the demands of the job, to ensure and enhance continuity?
■ Are the communication techniques involved well thought-out and are they sufficient to ensure a smooth flow of information among sharers, coworkers, managers, and customers?
■ Is the work plan specific enough to enable the organization to evaluate each sharer’s performance?
■ Are responsibilities distributed fairly?
■ Do the sharers’ previous work records indicate that they will be able to handle their job-sharing responsibilities?
■ Will the new arrangement reduce stress and help the individuals perform their job better?

After reviewing the proposal, supervisors should meet with the potential sharers to discuss the request, should determine how compatible they are, should set a time frame for the decision, and should determine what, if any, are the next steps in the process. The first three months should be defined as a no-fault probation period at the end of which appropriate adjustments can be made.

Guidelines for Staff

When contemplating job sharing as a possible work arrangement for yourself, you should think seriously about your feelings about sharing a job and should consider what kind of strengths job sharing might bring to the position. You should ask yourself the following questions:

■ Do I enjoy working closely and collaboratively with someone else, or do I really prefer doing things “my way”?
■ If someone else made a mistake and I had to take part of the responsibility for it, how would I feel?
How would I feel about sharing the credit for a job well done?

Am I open enough as a communicator to discuss with my partner any adjustments that need to be made in our working arrangement?

Am I flexible enough to trade times and cover for my partner if that is part of the responsibility of job sharers in my firm?

Do I often feel as if I had to be in two places at once to do my job well? Would it help to have a colleague share the responsibilities during peak times?

When preparing a proposal to share a job, you should emphasize the business and client-service benefits. It is also helpful if you either have identified a potential sharer or have some ideas about the kinds of skills and attributes you would try to recruit. Following are some of the questions you should answer in your proposal:

What are the business reasons for sharing the job? These may include a wider range of skills and experience; job continuity during vacation, illness, etc; the retention of trained personnel; and improved scheduling.

Whom will you share with? If possible, present a team to the employer. Most managers will not consider a job-sharing proposal unless they know who both sharers will be and what kind of mix of skills and experience they represent. If you cannot present a team, at least have in mind how you will go about finding a partner. Don’t expect your manager to assume this responsibility.

What kinds of strengths does your team represent? Do you have complementary skills or comparable ones? How will your work habits blend? How will you ensure that you make the most of each other’s strong points?

What is your proposed work plan? How will you divide the tasks and responsibilities? Will you share all the responsibilities or have special areas of expertise?

What is your proposed work schedule? Will you work half-weeks or alternate weeks? Have you scheduled overlap time? If not, how will you be able to communicate with your sharer? How will your schedule allow you to serve your clients better?

What is your communication plan? How will you communicate with your sharer, your coworkers, your clients, your supervisor, and
Flexible Work Arrangements in CPA Firms

others? Do you need special communication methods (logs, tapes, or voice mail)?

■ How will you maintain continuity? What happens if one of you is on vacation, is sick, or leaves for another position?

■ How flexible are you willing and able to be in terms of trading time to ensure the coverage of and continuity in the job?

■ How will you handle the transition period if one or both of you decides to return to full-time work?

Possible supplementary attachments to the proposal include a list of peer companies that use job sharing, newspaper clippings, a list of research studies, and a list of suggested readings about job sharing.
Work Sharing

Chapter VII
Work sharing is an alternative to laying off staff. Public accounting firms have not historically used layoffs as a means of reducing staff, but as new staffing models emerge, with more of an emphasis on retaining people in whom an investment has been made, work sharing may be an important alternative in the future.

With work sharing, the firm adjusts its operating costs by reducing the amount of paid hours and salaries, not by cutting back on the numbers of personnel. This reduction can be achieved in a variety of ways, including the following:

- **Voluntary reduced work time options.** Personnel can be offered a menu of voluntary reduced work time options. The choices can include unpaid leave, reduced work time, job sharing, phased retirement, or educational leave.

- **Ad hoc work sharing.** This can include reducing the workweek to four days and the pay of top executives by a certain percentage for a specified period, closing a firm between Christmas and New Year’s, and shutting down operations periodically for an unpaid holiday.

- **Work sharing with short-time compensation.** In a few states, employers can utilize partial payments of the unemployment insurance system to compensate its staff for lost wages. This system is called short-time compensation (STC). For example, if an employer needs to lay off 20 percent of his or her work force, the decision may be made to reduce the workweek for all personnel by 20 percent in lieu of staff reductions. Applications could then be made to supplement the lost wages with partial unemployment insurance payments. Eighteen states currently have legislation that allows this use of unemployment insurance.

The following are some business reasons for using work sharing:

- **Retention of trained personnel.** The retention of skilled personnel allows a firm to maintain service and standards of quality, and it prevents good personnel from seeking employment elsewhere, often with a competitor.

- **Shorter turnaround time.** If trained workers are retained, they are ready to increase their workload as soon as business improves.

- **Reduction of training costs.** The costs of recruiting and training new staff to replace laid-off workers are eliminated.
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- *Improved employee morale.* Layoffs are demoralizing, even to those workers who retain their jobs. Work sharing is perceived as being more equitable, and morale is improved.

### Challenges to Using a Work-Sharing Program

Employers have reported the following problems with work sharing: (1) an increase in overhead costs because the fringe benefits of workers who have reduced hours must be maintained, (2) resentment from some senior personnel that they have to "share the pain", and (3) administrative complexities. The amount of administrative difficulty depends on the kind of work sharing used.

### Setting Up Your Work-Sharing Program

Work sharing is most appropriate for —

- A firm facing a temporary downturn due to a recession in the general economy.
- A firm that needs to retain a skilled work force and avoid layoffs.
- A firm that has an individual at a key decision-making level who is committed to making the program work.

If work sharing seems to be a viable alternative to laying off staff, the following components of the plan need to be considered:

- **Duration** — how long will the cutbacks be in effect?
- **Scope** — will the work sharing be company-wide or confined to one or two work groups?
- **Form** — either a single type of cutback (such as closing the operations down for a period of time — for example, the week between Christmas and the New Year) or a combined approach, using existing voluntary reduction options, salary reductions for selected positions, STC or employee reassignments, etc.

Employee involvement and good communications among all segments of the work force are a must if work sharing is to be a success. Individuals must understand that this is a job-saving effort and that they are part of the
process. Early communication can help people articulate any fears and concerns about the program and eliminate surprises. Resource materials that help personnel understand and plan for the impact of the program on their individual personal situation (for example, the program's impact on taxes) are both helpful and reassuring.
FLEXPLACE

(Telecommuting)

chapter VIII
Flexplace, or telecommuting, refers to regular personnel working off-site (generally at home) part of the time.

Largely because of the introduction of new technologies such as personal computers, faxes, and modems, telecommuting is being used to some degree by more and more organizations, including public accounting firms. It’s an option that is changing many managers’ attitudes about where work can be performed most efficiently.

Telecommuting not only allows people flexibility in terms of the place where work is done, but is also an acknowledgment that some kinds of work can be done more effectively outside of the office environment, with its ringing telephones, distractions, and endless interruptions.

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**Challenges to Using Flexplace**

Although employers who have begun to formalize the use of work-at-home arrangements report many benefits, there are also a number of challenges that must be resolved before telecommuting can be used effectively. First, managers may have concerns about how to evaluate the work of an employee who is working off-site several days a week. In most jobs, the supervising styles have depended on “line of sight” management, but the expansion of the service sector and the growing use of flexible, off-site, and part-time schedules have reinforced the need for establishing measurable ways to define and manage white-collar productivity. This has also led to the development of a supervisory style that encourages personnel to take on more responsibility and managers to provide support rather than oversight. In defining job responsibilities, tasks, and objectives, managers should put an emphasis on the quantity and quality of the results achieved rather than on the numbers of hours worked. This provides the basis for evaluating personnel, whether they are part-time or full-time or working on-site or off-site.

Managers may also have concerns about keeping off-site personnel “in the loop”. However, most regular personnel who work at home do so only part of the time: two to three days a week. This allows them to attend meetings and to maintain their office relationships, although on an altered basis. Communication is the key to staying in the loop. To ensure effective communication with off-site personnel, regular contact (whether by phone or at scheduled meetings during office workdays) should be maintained. Bulletin boards, E-mail systems, and periodic work-review meetings with
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personnel can ensure essential contact. Depending on the number of days in which a person telecommutes, new work spaces and equipment that can be shared may have to be provided.

Setting Up Your Flexplace Program

As you implement a flexplace program, a number of policy decisions have to be made. For instance, you should decide on how to handle the following:

- **Reversibility.** Most people do not want to telecommute permanently. A process for changing or discontinuing the off-site schedule and for resuming office-based work must be designed and agreed upon.

- **Privacy issues.** You should ensure that company and customer data are kept private and confidential. Whether at home or in the office, all personnel must comply with the company’s operating procedures for the privacy of information. If there is a need to access a special system, the employee should discuss this with the appropriate supervisory staff.

- **Insurance coverage.** Whose policy covers an accident if an employee is working at home? Since telecommuting simply means flexibility as to the place of work, personnel working at home have the same insurance benefits as they would have if they were working on the organization’s premises. Most companies require that personnel working at home establish (1) a “dedicated work space” that can be inspected by the employer and (2) by mutual agreement, “regularly scheduled hours.” This helps to ensure that safety rules are being observed and provides a basis for differentiating between a work-related accident and one that is not work-related.

- **Provision of furniture, equipment, and office supplies for the home office.** Some organizations provide all technical tools, including a dedicated phone line and message-forwarding telephone systems. Others expect personnel to use their own phones, furniture, and equipment and will pick up some of the expenses (for example, the phone bill and computer paper). Still others have a needs-measurement system to determine what is provided by the organization, so that the option is offered equitably and is not just available to those who can afford it. Obviously, costs vary considerably depending on the scope of the support (see chapter 12 for guidelines on equipment costs).
As a rule of thumb, Pacific Bell budgets $4,000 per year for a person’s needs for an office at home; Hewlett-Packard’s budget ranges from $4,000 to $6,000.

If a flexplace or telecommuting arrangement is being considered, there are several aspects of working off-site that need to be weighed: first, the suitability of telecommuting to the particular job must be assessed; the employee’s potential as a telecommuter must be evaluated; and various aspects of the off-site environment must be looked at.

**Characteristics of the Job**

When reviewing the characteristics of the job, whoever will make the decision whether an employee can telecommute should consider whether the job —

- Has tasks that are discrete and measurable.
- Requires daily interaction with the work group.
- Requires daily face-to-face contact with clients.
- Has tasks (such as writing, data entry, and phone contact) that can be performed as well or better off-site.
- Is a management position. If so, does that manager really have to be on-site all the time or is there already a lot of long-distance management because of travel or off-site meetings?
- Requires the use of electronic equipment. If so, what kind of equipment is required?

**Potential of the Employee**

When one evaluates the potential of the employee to work off-site, the following are important points to consider:

- Is the person self-motivated, self-disciplined, and highly skilled and experienced in his or her job?
- Has he or she been with the organization long enough to be familiar with its culture and its policies and procedures? A minimum of one year’s tenure is suggested.
- Is the person aware of his or her own operating style and own strengths and weaknesses? A method of self-analysis can help staff members identify such factors as causes of job satisfaction, work
Flexible Work Arrangements in CPA Firms

style, and the right degree of independence. It can also help the employee determine his or her business reasons for participating in the telecommuting program. The sample questions included in the section “Guidelines for Staff,” which follows, can help individuals perform this self-analysis; and Working Smarter From Home by Nancy Struck and One-Minute Commuter! by Lis Fleming, both listed in the Bibliography, contain additional materials and worksheets that are useful to potential telecommuters.

■ Does his or her job require some time for creative thinking?
■ Is he or she able to work without much social interaction?
■ Has the employee scheduled enough days to be in the office to ensure that he or she will not feel isolated or separated from the organization?
■ Does the employee understand the importance of regular interaction with the office or work group? Does he or she have good enough communication skills to sustain this interaction?
■ Does he or she have a strong desire to make the telecommuting arrangement work?

Suitability of the Off-Site Environment

Although many people think they could perform certain job functions better by working at home, or have other family reasons for wanting to work there, the actual process of trying to mix work with the home environment may prove to be more complicated. When considering whether to authorize an at-home arrangement, you should ask yourself the following questions:

■ Does the employee have a safe, dedicated work space? Can it be inspected, if necessary?
■ Are there small children in the household? Who will be supervising them while the employee works?
■ Does the employee have the necessary equipment to do the job? If not, what arrangements need to be made to obtain them?

Appendix A contains a detailed checklist that should be completed by the supervisor during a visit to the employee’s proposed office at home. The checklist is designed to assess the overall safety of the work space. Upon completion, the checklist should be signed and dated by the participating employee and his or her immediate supervisor.
Office Space and Equipment Requirements

When any staff member proposes a flexplace (telecommuting) arrangement, the firm needs to consider the employee’s projected equipment needs. Partners and office managers should review the proposed equipment needs when they discuss a work-at-home request. The equipment needed can be purchased and owned by the firm or can be rented by the employee, who is cost-reimbursed by the firm, although this procedure can vary depending on individual circumstances.

The equipment costs could potentially include those shown in figure 3.

Figure 3: Equipment Costs

<table>
<thead>
<tr>
<th>Equipment</th>
<th>Approximate Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional residential phone line</td>
<td>$100-$150 for installation, plus monthly fees and long-distance charges, if any</td>
</tr>
<tr>
<td>Modem</td>
<td>$200</td>
</tr>
<tr>
<td>PC desktop</td>
<td>$1,800</td>
</tr>
<tr>
<td>PC notebook</td>
<td>$3,000</td>
</tr>
<tr>
<td>Specific software</td>
<td>Varies</td>
</tr>
<tr>
<td>Dot matrix printer</td>
<td>$100</td>
</tr>
<tr>
<td>Laser printer (required for tax returns)</td>
<td>$500</td>
</tr>
<tr>
<td>Multifunction deskjet printer, copier, fax, and scanner unit</td>
<td>$700</td>
</tr>
<tr>
<td>Fax machine</td>
<td>PC function or rent</td>
</tr>
<tr>
<td>Copy machine</td>
<td>Rent</td>
</tr>
<tr>
<td>Courier services</td>
<td>Varies¹</td>
</tr>
</tbody>
</table>

¹ Adapted with permission from guidelines developed by Crowe, Chizek and Company LLP.
The purchase or rental costs provided here are approximate; they will vary depending on the geographic location. This is also true of rental costs. Whoever decides to approve a flexplace arrangement should factor in the actual equipment costs. Whenever possible, every effort should be made not to duplicate the work space and equipment in the office.

**GUIDELINES FOR STAFF**

Following are some questions to ask yourself as you consider whether working at home is a good option for you:

- Do I have a place in my home that could become dedicated work space? What furniture and equipment do I need for my job?
- Where do I work best? Can parts of my job be performed better out of the office?
- Am I motivated and self-sufficient enough to work without support and supervision?
- Can I separate my work identity from my family identity while I work at home? If dependent children or adults will be at home while I am working, who will tend to their needs?
- Will my working off-site be a burden to my coworkers? How will I ensure that they do not have to pick up the slack?
- Do I handle a lot of confidential material or data? How will I ensure the maintenance of that confidentiality?

If you conclude that working at home part of the time would improve your productivity and help you balance your work and life better, the next step is to discuss the possibility with your manager. As you prepare a proposal for this kind of arrangement, you should answer the following questions:

- How will this arrangement improve the quality of your work and the performance of your work unit?
- How many days a week would you expect to work at home?
- What part of your work could be better done at home, and why is that the case?
- Can the space that you have be dedicated, and inspected, to satisfy insurance requirements?
- How will you maintain communications with your manager or partner-in-charge, coworkers, and clients?
■ How will your output be measured and evaluated?
■ What company equipment, if any, will be needed?
■ How long would you like to telecommute?

Case Histories

Roberts, Cherry and Company

Located in Shreveport, Louisiana, Roberts, Cherry has a staff of 40, half of whom are professionals. One staff member works at home at a computer three days a week and is in the office for two days. The firm also has a “traveling comptroller,” who makes her own hours and appointments with clients, works in the clients’ offices, and checks in with the home office daily.

Walpert, Smullian & Blumenthal, P.A.

Walpert, Smullian & Blumenthal of Baltimore, Maryland is a firm of 125, including 75 professionals. They report that in the course of their work, “on the tax side, we have had part-time personnel doing research and special projects. Their schedule might include two days a week in the office with the third or fourth day working from home. Before CD ROM, we would provide various tax research tools for the employee’s home. Now with the use of modems, work can be done from just about anywhere.”

Bea Nahon, C.P.A., P.S.

Bea Nahon (Bellevue, Washington) has a staff of eight, all of whom work flexibly for one part of the year or another. As Nahon reports, her particular success story is about flexplace:

One of our staff accountants had a child, and we pre-arranged for her to be able to work at home part-time during her leave, and for her to gradually increase her hours at the office, to accommodate the child-rearing. The arrangement worked very well for everyone, due to some very good planning and due to this staff accountant’s genuine desire to make the arrangement work. However, an unforeseen difficulty entered the picture: the child was born with disabilities which required a lot of attention. The staff accountant, who was not yet back at the office full-time, was struggling between her family responsibilities, medical needs, and her workload. She realized that she needed to spend more time with her child and to attend to her therapy, and she came to me,
distraught, to give notice; she felt that the only way this would work for her was to quit her job and find some kind of work she could do at home. We had no desire to lose such a productive employee, and we knew how well and how responsibly she had worked at home during her leave, and so we did the only thing we felt we should do: we refused to accept her notice. We returned to the work-at-home arrangement for her; only now, she would work most of the time at home and only a few hours per week at the office. The arrangement has been highly successful, due to good communications and planning and, of course, due to this employee’s particular commitment to make it work. As her child has grown older, the accountant has been able to increase her hours at the office, but she still does a considerable part of her work at home. We’ve had this arrangement in place for a few years now, and we consider it to be a win-win for everyone.

It certainly seems that as we advance technologically, the opportunities for firms to help personnel balance family needs with work needs can only increase, to the benefit of both the personnel and the firms.
Leaves and Sabbaticals

Chapter IX
Leaves and sabbaticals are authorized periods of time away from work without a loss of employment rights. The absence may be paid or unpaid and may be offered by the employer, and desired by the employee, for a variety of reasons. The following types of leaves are increasingly being used:

- **Family-oriented leaves.** These include leave time taken by parents after the birth or adoption of a child and time off because of family accident or illness. The Family and Medical Leave Act of 1993 (FMLA) requires that employers who have fifty or more employees who have worked twenty or more workweeks in the current or preceding calendar year provide up to twelve weeks' unpaid, job-protected leave per year for the birth, or placement for adoption or foster care of a child, or for a serious health condition of the employee, a child, a parent, or a spouse. During any FMLA leave “an employer must maintain the employee’s coverage under any group health plan on the same conditions as would have been provided if the employee had been continuously employed during the entire leave period.” (A copy of the final regulations of the FMLA can be obtained free of charge from your local office of the Wage and Hour Division of the U.S. Department of Labor.)

- **Career-break or sabbatical leaves.** Modeled on academic sabbaticals, these leaves are offered to personnel after a specified length of service and for a specified period of time. A number of high-tech manufacturing firms (noted for their intense work schedules) offer paid sabbaticals to all full-time and part-time personnel who have been with the organization for a specified period of time (usually four to five years). The length of the leave is usually six weeks and is in addition to regular paid vacation time.

In the AICPA publication *Seasonality: Practitioners' Suggestions for Managing Work Load Compression*, it is noted that sabbaticals “may be one [option] that CPA firms begin to embrace in the coming years, especially as aging baby-boomers look for ways to restore vitality and savvy managers seek measures to prevent burnout and stress-related illnesses.”

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Flexible Work Arrangements in CPA Firms

- **Educational leaves.** Time off for personal development or to acquire new skills can allow an employee to finalize a degree or gain new skills that can qualify him or her for higher-level positions.

### Challenges to Using Leaves and Sabbaticals

Leaves of absences raise the following challenges:

- **How to get the work done while an employee is absent.** Depending on the length of the leave and whether the same job is guaranteed upon return, the workload can be handled in various ways, including (1) rerouting work to others (this can provide an opportunity for cross-training), (2) hiring temporary personnel to fill in, and (3) filling the position and routing the employee to another position upon his or her return.

- **What kind of impact, if any, the leave will have on employment status.** Not all leaves come with guarantees of a return to the former job. In general, the longer the leave, the less secure the job guarantee. This is particularly true if the leave is elective. Returning to the same job is sometimes possible but is often not; the policy often stipulates a return to “the same or comparable” position.

- **How to facilitate the re-entry process.** Depending on the length of the leave, technological changes or changes within the organization may complicate the return process for leave takers. In terms of training, social functions, listings of available jobs, and other workplace activities that may facilitate their return to work, it is important for the firm to maintain contact with personnel on leave.

### Setting Up Your Leave or Sabbatical Program

If a firm wants to expand its leave or sabbatical program beyond what is normal in the profession or what is legally required because of the size of the firm, it is helpful to define the business objectives that the new program is designed to meet. For example, is it being offered to relieve employee stress, reduce the work force temporarily, improve recruitment, reduce the amount of turnovers, or perform a combination of these functions? An understanding of the business perspective will improve the chances for management support when personnel begin to apply for such leaves or sabbaticals.
Other Models

chapter X
Because of work compression, accounting professionals have created several unique flexible work arrangements: summer hours, expanded time, and supplemental seasonal staff.

### Summer Hours

Because of the intensity of the workload that most public accounting firms experience during the first five to six months of the year, an increasing number of firms allow, or even encourage, a more flexible approach to scheduling during the summer months. Of the firms that responded to the Survey on Women's Status and Work/Family Issues in Public Accounting, 44 percent offered special summer or holiday hours.

In many firms, this takes the form of a reduction in the number of work hours (see section titled “Case Studies” in chapter 5). In some firms, a compressed workweek model allows longer summer weekends, and in others, some staff take the entire summer off.

### Case History

Clifton, Gunderson & Co. of Peoria, Illinois, has a staff of 875, including 593 professionals. The firm recognizes the need for working mothers and fathers (particularly those with school-age children) to be with their children during the summer. They created a program called the “Teacher Plan.” As the name suggests, professional staff and management personnel may work full-time for eight or nine months of the year and take three or four months off in the summer. This approach provides much-needed flexibility for employees without forcing them to take a career break, and it eliminates the cost and hassle of arranging for summer sitters.

### Expanded Time

Just as some employers have compressed the forty-hour workweek to afford personnel more personal time, some employers are considering extending the standard workweek. Extended workweeks take the conventional forty-hour workweek and spread it over more than five days. Such workweeks can consist of six or seven days, either with the same amount of time worked each day or with different amounts of time worked each day. The rationale for shortening the workday and extending the workweek is much the same.
Flexible Work Arrangements in CPA Firms

as that for the compressed workweek: personnel are given more personal time during the day, while the company’s hours of service and operation are extended.

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Seasonal Staff

Most businesses today are using more supplementary, or contingent, staff than they did a few years ago. The emergence of a global economy has increased the need for organizational flexibility in order to reallocate labor as demand increases or diminishes. The seasonality of the public accounting profession, discussed previously, exacerbates the need to hire supplementary staff occasionally, even in the most flexible accounting offices. The problems with this kind of staffing generally relate to commitment and the quality of work done, as well as to the costs incurred for recruiting, hiring, and training. In addition, the turnover is generally considerably higher. These problems can be minimized by recruiting seasonal staff who come from sources that are already familiar with your firm and its culture or who might be interested in a recurring relationship. These kinds of supplementary personnel might be found among —

- Former personnel who have taken time out for family or other reasons. These people might welcome a chance to “keep their hand in,” or, if they were no longer working for you because they needed time to care for young children, they may be ready now to phase back in to work.

- Retirees. After a spell of retirement, some retirees are ready for work again, particularly for the short term and in a familiar environment. Your own retirees have the added business advantage of being familiar with your client base and your culture. Other sources of retirees are the IRS and the military.

- Staff from other departments. Some firms are flexible across departments. They use their tax staff in the audit department during the summer, and the audit department staff is loaned to the tax department to ease the crunch during tax season. This enriches the skills of the staff members of both departments and enhances the flexibility of the firm.
Recent graduates or student interns. Young people still in school have skills that can be used to release your more experienced staff to do more important things; CPAs just starting out in the profession may not have enough work of their own and would welcome some additional hours with your firm.
SALARY AND BENEFITS

chapter XI
To manage the heavy workload during their peak seasons, CPA firms have been experimenting with wage and hour alternatives to try to ease the stress on personnel at every level. Since federal wage and hour legislation is currently in a period of flux, it is important, when you initiate any new option, to have any legislative changes reviewed on a regular basis by someone knowledgeable about this issue (for example, a representative of the regional office of the U.S. Department of Labor).

**Methods of Calculating Salaries**

Firms are increasingly using billable hours as the basis for calculating salaries. This is particularly useful with staff on flexible hours or in telecommuting arrangements, for which the number of hours worked may be difficult to calculate or may be inappropriate for exempt personnel, so that wage and hour complication can be avoided. However, participants in the AICPA/State Society Under-35 Symposium also saw billable hours as an obstruction to improving the work-life balance and felt that different compensation packages should be used for different lifestyle choices.

Staff working within flexible work arrangements should be compensated in the same way as staff who are in the same or similar job classifications and who work within standard schedules. Those on a reduced schedule should receive a prorated portion of the compensation they would have earned as full-timers. Job sharers who are at different levels of skill or expertise are compensated with a proration of what they, individually, would have received by working full-time. (Note: this means that many sharers are compensated at different rates of pay.)

AICPA member firms have adjusted the hours and pay of staff members on flexible schedules in a variety of ways. In a member firm in Peoria, Illinois, professional staff and management personnel may work full-time for eight or nine months of the year and take three or four months off in the summer. They are still treated as full-time personnel with full benefits, and their prorated salary is paid twice a month over the full year, so that they never have to miss a paycheck. Their vacation time may be used to cover times when the children are not in school (for example, the Christmas holidays or spring break).

A CPA from Fort Pierce, Florida, whose firm has a staff of thirteen writes: “I am scheduled as a 90 percent employee. The firm has allocated an 1,872-hour work year. My pay remains stable at 90 percent of my salary; I receive
Flexible Work Arrangements in CPA Firms

90 percent of my sick, holiday, and vacation time; and the firm pays for 100 percent of my benefits. We keep a running total of my overbudgeted/underbudgeted hours, which are compensated for or carried over at year end.”

A firm of forty in Atlanta has an audit manager with a commitment of 1,000 hours a year in charge time to work from November through April and as needed at other times. The manager is paid 75 percent for the first three months of the year and 25 percent the remaining months. The firm also has a tax manager who works four days a week and is paid 80 percent of a full-time salary.

For a firm to retain good staff, special costs are sometimes accrued. In Abilene, Texas, a member writes of a longtime employee who travels considerable distances as the result of a move: “During tax season, she occasionally stays in town and works additional hours Monday through Thursday, and we pick up the cost of her room and meals.”

Insurance and Health Benefits

When a firm manages flexible work options, the adjustment of insurance and retirement benefits usually involves decisions on how to treat staff who are on reduced work schedules: regular part-timers, job sharers, and those on voluntary reduced work programs. A firm can require that an employee work a minimum number of hours each week before he or she can be offered benefits. In this case, a firm might have two categories of part-time employment:

■ **Part-time with benefits** — for employees who work at least a certain number of hours each week (such as seventeen hours) but less than the standard forty hours. These employees are eligible for participation in all of the firm’s benefit plans.

■ **Part-time without benefits** — for employees who each week work fewer than a minimum number of hours (such as seventeen hours). These employees are not eligible for benefits (except as may be required by law) or prorated time off.

A firm can keep its payments toward health care benefits unchanged when an employee switches from full-time to part-time employment or it can prorate or share the cost with the employee. Increasingly, firms are asking personnel on reduced schedules to share more of the cost of medical and dental benefits, and they are prorating the employee’s share according to the amount of hours the employee works.
Some employers worry that providing health benefits to regular part-time personnel is too costly, but they often neglect to calculate turnover costs (including downtime, recruitment, and training), which are often even more expensive.

Retirement and Pension Plans

Most benefits are automatically prorated, because they are based on a percentage of a full-time workload. Pension plans and social security benefits are generally accrued in proportion to the compensation earned. A reduced salary also produces a smaller contribution to the employee’s 401(k) plan.

Vacation Days

Vacation days are historically based on the standard of an eight-hour day. When a reduced work schedule or compressed workweek is used, the number of these days has to be recalculated. This can be done in a variety of ways. For reduced work schedule options, the days can be prorated based on the percentage of full-time hours the employee is scheduled to work. For example, a full-time employee accrues ten days of vacation a year. If the employee reduces his or her schedule to twenty-one hours (60 percent of full-time work), he or she accrues 60 percent of his or her full-time vacation entitlement, or six days.

To accommodate a compressed workweek, some firms alter the entitlement of ten paid vacation days (eight hours each) to eight paid vacation days (ten hours each). Another method is to accrue vacation in hours rather than days. In this case, when an employee uses a vacation day, the number of hours is deducted from the employee’s vacation accrual. For example, an employee working a four-day workweek works nine hours per day. If that employee takes a vacation day, nine hours are deducted from the employee’s vacation accrual.

Holidays

For part-time employees, holidays are prorated based on the percentage of full-time hours for which the employee is scheduled to work. An example of prorated hours is given in the previous section. Since a part-time employee
will not be receiving all holidays, he or she must elect the holiday to receive as paid time off during the year. If a nonelected holiday falls on the day in which the employee is scheduled to work, the employee may (1) take off the holiday and work on a day the employee would otherwise not work, (2) use a vacation day, or (3) if all his or her vacation days are exhausted, elect to take the day as unpaid.

To avoid difficulties in scheduling during a holiday week, it is often easier for staff on a compressed schedule to revert to a normal workweek. If the employee is working a 9/80 compressed workweek, he or she should revert to normal hours for the pay period containing the holiday.

### OVERTIME AND COMPENSATORY TIME

Compensatory time off, or “comp time,” is an area in which firms must be particularly mindful of wage and hour legislation. It is common for CPA firms to keep track of accumulated overtime that is accrued during peak seasons of activity and to encourage staff to take this amount of time off during less busy months. This is a practice that often meets the needs of both the firm and its personnel, but employers need to be aware of the allowable parameters of this practice as they apply to their particular circumstances.

According to a 1995 client briefing paper developed by the law firm of Pillsbury, Madison & Sutro in San Francisco, “both the U.S. Department of Labor and the Labor Commissioner give limited recognition to compensatory time off in lieu of overtime compensation. Under the FLSA, an employer can allow personnel to work in excess of eight (8) hours in a workday without incurring overtime liability if it allows its personnel to take ‘compensatory’ time off later that week (or pay period).”

Who is taking the time off is critical to the issue. The federal Fair Labor Standards Act (FLSA) mandates that an hourly worker must be paid time and a half for any time worked beyond forty hours a week; it has traditionally been assumed that a salaried professional, whose work is defined more by tasks completed than by hours, will reach his or her own terms with the employer regarding the hours on the job. However, in 1990 the U.S. Department of Labor began to take a new approach to the rules defining who is a salaried professional (and therefore “exempt”) and who is not. New interpretations related to time off without pay, which is counted
in hours, has in some instances resulted in the reclassification of salaried workers to hourly ones and in an obligation to back-pay for overtime. The issue of compensatory time off has been central to two different pieces of legislation that were introduced in the last year, and it will undoubtedly continue to be debated until some resolution is reached. In the meantime, it is important to keep up to date on this area.
MANAGING FLEXIBLE WORK ARRANGEMENTS

chapter XII
As noted in the Preface, a necessary first step in managing flexible work arrangements may be to "unlearn the truisms you have spent a lifetime accumulating." The best programs, policies, and procedures in the world will not create a flexible work environment if the culture, or management paradigm, is not supportive of it. The traditional career path in public accounting firms has been to move up toward partnership or out of the firm. This is a serious barrier to flexibility and is being replaced in many organizations with a new paradigm, one that focuses on the development and achievement sets of skills and allows individuals to progress at their own pace. Jon Madonna, former chairman of KPMG Peat Marwick, describes the paradigm as being a "competency model" in which "individuals will no longer progress through designated steps but will be promoted based on the value of their contributions, rather than time in grade." For new career paths to emerge, management strategies that were designed for a less diverse, more standardized work force must be rethought.

When developing a policy on flexible work arrangements, managers should review the policies and procedures and identify those that support the old ways of managing staff and are barriers to the firm’s increased flexibility. This policies and procedures review should consider not only the salary and benefits issues covered in the previous chapter, but also the issues discussed in this chapter. Sample policies are included in appendix B.

Some of the issues noted in the following sections relate to all types of flexible work arrangements; others are specific to a particular scheduling option.

### Head Count

Head count systems require that for the purpose of budget allotments, managers count the number of people in their department rather than the number of paid hours. For firms that want to increase their use of regular part-time staff, using a head count system can present a formidable barrier. Managers resist using part-time personnel if they must assign them the same value in their staffing allotment that they assign to full-time personnel. To have a mix of full-time and part-time regular personnel, a growing number of firms are deciding to use both head count and full-time equivalency tracks. Others are moving towards replacing the head count method with a full-time equivalency system.
Flexible Work Arrangements in CPA Firms

Eligibility

Nicholas G. Moore of Coopers & Lybrand notes that “the philosophy of flexibility itself precludes hard and fast eligibility rules.” However, employers should determine the scope of the use of flexible work arrangements: the size of the unit (department, division, etc.), the type of job classification, or the staff level that is eligible for a particular kind of flexible work arrangement. Many firms — particularly smaller ones — may define all personnel as being eligible; others may want to start with proven high performers or with a particular staff level as a pilot project. The firm of Arthur Andersen initially offered flexible arrangements only to managers. When that proved successful, the eligibility group was expanded.

A job tenure of from six to twelve months may also be part of the eligibility criteria. Remember that participation can always be denied or deferred on the basis of business or customer needs.

For some options, an individual’s work habits or personality traits may also be something to evaluate when determining eligibility. For example, candidates for job sharing should be cooperative and be able to share responsibility, credit, and blame with their sharers; telecommuters need to be self-directed and able to work at home.

Regardless of the parameters that a firm develops, it should always clarify that flexible work arrangements are not an entitlement and that there is no guarantee that every request will be approved.

Application Process

The process through which a staff member can propose a flexible work arrangement should be articulated. If the firm does not have a flexible work program in place, the employee should develop a written proposal to present to his or her supervisor or to the managing partner. The proposal should articulate a business case for the new arrangement and cover such points as how the work will get done and who will do which aspect of it, what the program’s impact will be on client services, how the firm will benefit, how long the new arrangement will be in effect, and other issues specific to the particular arrangement being requested. Information about success stories in peer companies can also be helpful to include in the proposal. The partners, managers, and staff can use this document as a discussion tool to develop a win-win flexible work arrangement and make sure that expectations are
clear on all sides. Suggestions on what to include in employee proposals are provided in the sections titled “Guidelines for Staff” in chapters 3-6 and 8. Sample request forms are included in appendix C.

**Approval**

How many levels of approval will be needed? In smaller firms, the managing partner may be authorized to review and approve. Other partners whom the individual works with may also be asked to sign off on the agreement. In one large accounting firm, the request for a flexible schedule is first reviewed by the director of human resources and then has to be approved by several other levels of management, including either the managing partner or the accounting and auditing partner or tax partner in charge, in consultation with the office managing partner. In general, limiting the process to those most immediately involved with the staff person who is requesting a flexible option is the most practical way to proceed.

**Denying a Request**

As mentioned earlier, it should not be assumed that an employee’s request for a particular change in schedule will always be approved. Sometimes the timing of a request is inappropriate: an employee requesting a reduction in schedule during tax season is likely to be asked to wait until later in the year. Sometimes the type of option proposed may not be acceptable; a manager may suggest that instead of using a compressed schedule, the employee consider the possibility of working at home a couple of days a week if this would help his or her circumstances and if the individual has the technical capacity for working off-site. In other cases, the manager may feel that there are already as many people working on nonstandard schedules as the business can handle and that office staffing or client services would not be well served by authorizing another request. Client service must be paramount. The standard of the firm’s business needs should always be applied to the situation, and although managers should try to support their staff’s needs for flexibility, they should not hesitate to suggest an alternative solution or to defer or deny the request if a business need or client services demand it.
Pilot Projects and Trial Periods

Trying out new scheduling arrangements by initially defining the change as a pilot project, or establishing a trial period for an individual's change in schedule, is highly recommended. This increases the comfort level for everyone and provides a chance for the firm to assess the impact of the change on client services, team members, coverage of work, and other business needs and to make adjustments as necessary. The pilot project or trial period is usually defined as three to six months.

Duration

The flexible work arrangement may be either for a specified time period, agreed to by the manager and the individual requesting the arrangement, or open-ended. A trial period and semi-annual or annual reviews are recommended if the arrangement is to be of indefinite duration.

Periodic Reviews

The purpose of having periodic reviews is to determine the impact of the new schedule on clients' needs, the employee's needs, the employee's coworkers and staff, and business in general. Modifications can then be made if something is not working well. The review should be conducted by the supervising partner or other appropriate staff member.

Promotion and Career Advancement

Participation in a flexible work arrangement should not in itself impede career advancement. In the case of reduced-time arrangements or leave times, an employee's advancement may be slowed, although actual advancement should probably be based on the attainment of skills and on the breadth of the employee's experience and performance rather than on the amount of time worked.
Restructuring Job Requirements

If the new schedule will require restructuring some of the requirements of the job, the employee's written proposal should first stipulate how this might be done. If the suggestions in the proposal are unacceptable to the employee's manager or adviser, alternatives should be discussed and a suitable solution found.

When proposing a reduced schedule of work, the employee should take care to define an amount of work appropriate to the desired reduction. Workload creep is often a problem with reduced schedules, and the establishment of a good feedback system for monitoring the workload can ensure that the amount of work does not start accumulating.

Communication

When a firm has staff working on a variety of work schedules (some full-time, some part-time, some off-site, and some at odd hours), it is critical that good communication systems be in place. Communication is the key to the successful coordination of activities among coworkers and their supervisors and clients; and for client-based businesses like public accounting, accurate, efficient communication is essential. New technologies (voice mail, E-mail, pagers, faxes, etc.) have facilitated communications in recent years. If schedules vary from week to week or if personnel do a lot of off-site work, posting daily schedules so that the support staff knows where everyone is and when they can be reached is very helpful. Good lines of communication with clients must be ensured. These guidelines on how to contact staff on reduced or compressed schedules during nonwork hours if the situation demands it should be clear. There should also be an understanding on what constitutes a sufficient reason for breaching someone's personal time, so that it will not be abused. For example, a phone call to a personal home may be appropriate if it is to convey some critical information about a client that should not wait until the next office day, but it would be inappropriate if the issue could wait until the next scheduled work time.

Meetings

One way to undermine flexible work arrangements is to schedule regular meetings at times when staff on nonstandard schedules are not there.
Flexible Work Arrangements in CPA Firms

Sometimes this is unavoidable, but some advance planning and a comparison of calendars can generally elicit a mutually agreeable meeting time. When you assess an employee’s request for a new schedule, take care to discuss his or her meeting requirements and find a mutually agreeable way of handling them. Meetings that are routine and anticipated can be scheduled on a weekly or semimonthly basis. Those that are called to deal with an unexpected occurrence should be kept to a minimum, but if necessary, personnel on flexible schedules should be amenable to coming in on a day they thought they would have off.

Unanticipated Job Requirements

A quid pro quo of flexibility is that the employee has a responsibility to be flexible when business needs require it if the employee wants the organization to be flexible on his or her behalf. The corollary to this partnered responsibility is that neither side should take advantage of the other. Make sure that your expectations about a staff member’s availability to meet unexpected client needs on his or her days off or when the employee is working at home are discussed during the review of his or her proposal and that the employee is agreeable to this aspect of working within a flexible schedule.

Continuing Professional Education and Training

Time for staff development and for continuing professional education (CPE) should be taken into account when one designs a flexible schedule, particularly one that is less than full-time or is job-shared. CPE benefits should be continued, to help the employee stay current in his or her field.

Policy on Outside Employment

Some employers worry that staff on reduced schedules may be holding more than one job. This is a main concern if the second job involves work for or
as a competitor. Firms should have a policy on outside work and it should be followed by all employees.

Since 1992, Clifton, Gunderson has had a part-time partnership option that requires written approval from the managing partner, as well as approval of the partnership board, for any employment outside the partnership.

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**Time and Work Expectations**

The time and work expectations for people on flexible, reduced, or off-site arrangements should be clearly defined during the proposal stage. This includes establishing whether schedules will vary daily or not at all and discussing whether the employee is available to work extra hours during the busy season or on special projects.

The firm should be careful that work assignments are meted out equitably to staff on flexible work arrangements. If those on nontraditional schedules receive the most undesirable assignments, this will be perceived within the firm as a penalty and will limit the number of those who take advantage of these flexibility options. And if colleagues find that their workload has increased significantly or that they have bottom-of-the-barrel clients added to their client load, they will resent the change in scheduling.

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**Supervising Staff, Tracking Work, and Managing by Objectives**

Having a flexible staff to supervise reinforces the need to manage by setting goals and timetables rather than by using line-of-sight supervision and “face time.” Setting yearly goals for the chargeable hours and nonchargeable activities of professional members on reduced schedules and then breaking those down into expectations per quarter allow both the employee and the firm to evaluate how the agreed-upon workload and schedule are working. Staff telecommuting from home part of the time should estimate their work-completion times and report regularly on their progress. Users of flexible work arrangements have mentioned that this procedure makes managers manage better and sets objectives by which these staff members can be evaluated.
Travel

Travel is not directly related to flexibility, but travel assignments can be a problem for staff with family or other outside responsibilities. A Coopers & Lybrand publication notes that “in offices with a significant amount of travel, staff often have more equity issues with individuals who receive ‘in town’ schedules due to family responsibilities.” If this is a problem in your firm, see if those who are affected can resolve it. They may design a travel timetable that feels fair to them because they had control over its design.

Evaluation

Staff on nonstandard schedules should receive performance appraisals according to the same schedule that the rest of the staff uses. An added element of the evaluation of employees on flexible schedules will be an assessment of how well they are handling their new scheduling arrangement and of the impact it is having on their work, their colleagues, and their clients.

Evaluating the success of the program is also important. All of the Big Six firms use firmwide employee surveys to evaluate their use of flexible work arrangements. Some firms also use real-time tracking systems. For example, at KPMG Peat Marwick, a completed and approved “Memorandum of Understanding” is sent to the firm’s national director in charge of human resources for tracking in their database of firmwide flexible work programs. Deloitte & Touche gathers monthly statistics regarding the use of flexible work arrangements and employees’ satisfaction with them, and Price Waterhouse has been gathering data from staff and partners who have used flexible schedules. According to James Schiro of Price Waterhouse, “We are examining all of the conditions that can impact . . . success . . . including the type of client engagements, geographic locations, specific practice areas, particular offices, etc.”

Program Promotion

Communication concerning and the promotion of the use of flexible work options is an important element in making them acceptable. Coopers & Lybrand provides frequent national communications on how well flexible
work arrangements work. Nicholas Moore notes that “We want to portray it as a normal part of the way we do business, so that all staff recognize that these are viable options.” Says Schiro, “We cannot be satisfied simply to develop and offer work-life balance programs. Offering them goes hand in hand with supporting them. That means constantly communicating the programs’ availability so people are highly aware of their existence; embracing them so people feel comfortable taking advantage of them when they need to; sharing real successes wherever possible. It brings the programs to life and helps create a supportive environment.”
# Appendix A: Checklist for an Office at Home

Employee: ________________________________  Position: __________________

Home Address: ____________________________________________________________

Supervisor: ______________________________________________________________

1. Does the space seem adequately ventilated?  
   - YES  
   - NO

2. Is the space reasonably quiet?  
   - YES  
   - NO

3. Are all stairs with four or more steps equipped with handrails?  
   - YES  
   - NO

4. Are all circuit breakers and/or fuses in the electrical panel labeled as to their intended use?  
   - YES  
   - NO

5. Do circuit breakers clearly indicate if they are in the open or closed position?  
   - YES  
   - NO

6. Is all the electrical equipment free of any recognized hazard that would cause physical harm (frayed wired, bare conductors, loose wires, flexible wires running through walls, or exposed wires fixed to the ceiling)?  
   - YES  
   - NO

7. Are electrical outlets three-pronged (grounded)?  
   - YES  
   - NO

8. Are aisles, doorways, and corners free of obstructions, to permit visibility and movement?  
   - YES  
   - NO

9. Are file cabinets and storage closets arranged so that drawers and doors do not open onto walkways?  
   - YES  
   - NO

10. Do the chairs appear sturdy?  
    - YES  
    - NO

11. Is the work space crowded with furniture?  
    - YES  
    - NO

12. Are the phone lines, electrical cords, and extension wires secured under a desk or alongside a baseboard?  
    - YES  
    - NO

13. Are the floor surfaces clean, dry, level, and free of worn or frayed seams?  
    - YES  
    - NO

14. Are the carpets well secured to the floor and free of worn or frayed seams?  
    - YES  
    - NO
15. Is there a fire extinguisher in the home, and is it easily accessible from the office space? YES NO

16. Is there a working smoke detector within hearing distance of the work space? Tested _________. YES NO
   [date]

17. We agree that in our opinion this is an acceptable home office space that allows the employee a reasonable opportunity to meet his or her job requirements as a telecommuter. YES NO

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Employee Signature     Date

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Supervisor Signature   Date

NOTE: EMPLOYEES ARE RESPONSIBLE FOR INFORMING THEIR SUPERVISOR OF ANY SIGNIFICANT CHANGES THAT OCCUR AFTER THE INSPECTION.
APPENDIX B:
SAMPLE POLICIES

Deloitte & Touche LLP

Flexible Work Arrangements brochure (page 103)
November 4, 1996 letter describing subsequent changes to the Deloitte & Touche
Flexible Work Arrangements program (page 119)

Crowe, Chizek and Company LLP

Alternative Work Arrangements: Solutions for a Demanding World brochure
(page 121)
Options for Employment statement (page 127)
Flexible Work Arrangements
ONE OF OUR SHARED VALUES, "RECOGNITION OF THE IMPORTANCE OF PEOPLE," STATES THAT WE DO EXTRAORDINARY THINGS TO ATTRACT, DEVELOP, AND MOTIVATE PEOPLE WITH SUPERIOR TALENT. AS PART OF OUR COMMITMENT TO THIS SHARED VALUE, AS WELL AS TO OUR HUMAN RESOURCE STANDARDS, WE ARE DEVELOPING PROGRAMS TO HELP PROFESSIONALS BALANCE THEIR PERSONAL AND PROFESSIONAL COMMITMENTS.

This brochure outlines one of those programs: Flexible Work Arrangements. These arrangements, together with our other work/life balance programs, respond to the changing demographics of our workplace, including dual-career households, in which both partners share child-care and other responsibilities; women entering our profession in record numbers; and the desire of many professionals to participate in volunteer activities and other interests. Flexible work arrangements can also help provide even higher quality service for our clients by improving the retention, productivity, and morale of our professionals, and by enhancing our ability to attract the best and the brightest.

In this brochure, you’ll find details on reduced workload and flextime arrangements, as well as parental leave guidelines and answers to questions you might have. You’ll also read about the experiences of professionals who have developed successful flexible work arrangements at Deloitte & Touche.

It is important to note that these arrangements must be earned; they are not entitlements. And their success is a shared responsibility. In considering requests for flexible work arrangements, we will be guided both by your needs and by the overall needs of our clients and offices.

We believe that these arrangements further our commitment to exceeding the expectations of our clients and our people.
Reduced Workload

Enables high-performing professionals to work reduced workload schedules for a defined period of time without affecting ultimate career potential

Eligibility

♦ Client service — manager and above
♦ Administrative — grade 14 and above
♦ Two years’ prior service with the firm
♦ Annual performance evaluation — “Exceeds Expectations” or higher
♦ Reviewed by Human Resource Director and approved by either Management Consulting Managing Director or Accounting & Auditing or Tax Partner in Charge in consultation with Office Managing Partner

Case Study:
Chris W. Foster, Tulsa

After Chris Foster’s daughter was born, he talked to his adviser about a flexible work arrangement. “My wife and I both have demanding careers and we wanted to make some changes to provide the best environment for our first child,” says Chris, an accounting & auditing manager in Tulsa. His adviser, who is also the engagement partner for Chris’s largest client, encouraged Chris to develop a flexible work proposal that would allow him to fulfill responsibilities at home while maintaining his commitment to the firm and his clients.

The arrangement, approved by his Partner in Charge, is a reduced workload that still includes time for continuing education, professional development, and administrative responsibilities. Busy season is “as usual,” however. “I work full time on my Office of the Chairman client, but my remaining client load is reduced,” says Chris. “I felt that to propose anything other than total commitment during our peak period just wouldn’t work. Also, I discovered that by being more focused I’ve enhanced my level of service, and that gives me a greater sense of satisfaction. And,” he adds, “although I know that at some point I’ll return to a full-time schedule, after spending those first days at home caring for my newborn daughter I am certain I made the right decision.”
A p p e n d i x B : S a m p l e P o l i c i e s

**Duration**
♦ Quarterly review of arrangement, or more frequently if needed
♦ Intent to return to full-time workload at specified future date

**Assignments, Responsibilities, and Career Advancement**
♦ At least 60% of average full-time workload
♦ Continued commitment to client service and non-client service activities
♦ Performance appraisal and career counseling same as for full-time professionals
♦ Duration and timing of arrangement may affect career progression

**Compensation**
♦ Based on percentage of average full-time workload

**Benefits**
♦ No change in medical and dental benefits
♦ Vacation, holiday, and occasional sick-time benefits as well as short-term disability benefits based on the percentage of full-time workload
♦ Long-term disability and life insurance based on reduced compensation
♦ Pension plan benefit accrued proportional to compensation earned; reduced salary produces a lower contribution to the 401(k) plan

**Additional Information**
♦ A professional returning to work after a parental leave may request a reduced workload schedule for a period of up to 24 weeks immediately following the expiration of the leave period.
♦ Professionals who prefer to work less than a 60% schedule for an indefinite period may be interested in a continuing part-time arrangement. For more information, see your Human Resource Director.

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**Case Study:**

Tom Klein, San Francisco

Tom Klein works full-time during busy season, from November until the end of April. Then he switches to a reduced schedule of four days a week until July, when he takes six weeks off. From mid-August through October, he’s back on a four-day workweek. This flexible schedule allows him to work 80 percent of a full workload as a tax senior manager in San Francisco; his free time is devoted to training for and participating in nationwide triathlons and marathons.

"After I became a manager I realized I'd be happier with more time to pursue outside interests," says Tom, a recently promoted senior manager. "It's difficult to balance multiple commitments in a career in public accounting, and I thought about leaving. But I decided I'd have nothing to lose by asking my Partner in Charge about working a more flexible, reduced schedule. I had worked with him closely on several engagements, so he knew my capabilities and agreed to my proposal."

Bill Stanton, Tom’s Partner in Charge, endorses the arrangement: "I have great respect and admiration for Tom; I think he has made some conscious choices and decisions about what's important to him. As a result, he's been able to achieve real balance between his professional life and his personal life. He's one of the most well-adjusted and even-keeled people I know—perhaps it's his athletic involvement that enables him to cope with things so well!"
Provides professionals with greater latitude in determining their work schedules for planned or unanticipated events while still working a full-time workload. Flextime may include variations in starting and ending times or in hours worked in a day. Some offices or business units may also offer compressed workweek options on a seasonal basis, in which professionals can compress their full-time workload into a reduced number of days. Frequent communication with clients, engagement and practice management, and the assignment and human resource functions will ensure that flextime arrangements either maintain or enhance our ability to serve our clients.

**Eligibility**
- No specific service or performance requirements
- Reviewed by Human Resource Director and approved by either Management Consulting Managing Director or Accounting & Auditing or Tax Partner in Charge in consultation with Office Managing Partner

**Case Study:**
Laurie M. Morton, Detroit

Laurie Morton began working a compressed work week in 1993. “My son had health problems that required physical therapy three days a week,” says Laurie, an administrative senior manager in the Detroit office’s tax department. “I wanted to be able to be with him for that, and I struggled until my Partner in Charge suggested a more flexible arrangement.”

Laurie, whose responsibilities include business planning, forecasting and budgeting, technology purchases and training, works days that range from 8-12 hours, and takes one day off each week. “Unlike client service professionals,” she says, “I work independently for the most part, and can take my work home. My Partner in Charge had three criteria for agreeing to this arrangement,” she adds: “Client service would not be compromised, I maintain a rating of ‘Exceeding Expectations,’ and my colleagues wouldn’t be disrupted by my schedule.

“I occasionally work from 7 a.m. to 7 p.m.,” Laurie says. “And sometimes I have to work on my day off. But I realize that I have to be flexible, too. Overall, this arrangement lets me control more of my time, get my work done, and not sacrifice my family.”
APPENDIX B: SAMPLE POLICIES

**Duration**
- Six-month trial period for individual arrangements, with periodic review if needed
- Annual review of arrangement thereafter, or more frequently if needed
- Indefinite duration

**Career Advancement**
- Performance appraisal and career counseling same as for other full-time professionals
- Arrangement should not affect career progression

**Compensation**
- No change

**Benefits**
- No change

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**Case Study:**
**Katy Hollister, Cincinnati**

Katy Hollister, a tax senior manager in Cincinnati, proposed a reduced workload after her first child was born in 1990. That temporary arrangement worked so well that Katy, a specialist in employee benefits, suggested an extended flexible, reduced schedule. "I knew I could handle a flexible schedule without sacrificing quality client service or my career," she says. Her Tax Partner in Charge agreed to the arrangement, in which Katy works an average of 35 to 40 hours a week and occasionally works at home.

Katy serves as a role model in the Tax Department, where almost 15% of the staff now use flexible work arrangements. "It's time-consuming to negotiate and fine-tune these arrangements," says Katy's Partner in Charge, Bob Hauser. "We have to balance the needs of the individual, the client, and the office, and then periodically follow-up on the arrangement. It's worth it, though—we've been able to retain people like Katy and others, who, without these arrangements, might have left the firm."

"The key to making this work is to acknowledge the fact that on certain days, for certain projects, flexible or reduced schedules just don't work," Katy concludes. "The hardest part about achieving a balance is deciding whether, on any given day, the exception or the rule applies."
Flexible Work Arrangements in CPA Firms

Parental Leave

Provides new parents with time to adjust to the birth or adoption of a child and to the responsibilities of childrearing

Components of Parental Leave, Eligibility, and Duration

- **Disability Leave**: Women medically disabled due to pregnancy, childbirth, and/or complications arising from these conditions are eligible for disability leave of up to 65 work days, based on medical necessity as determined by physician, length of service with the firm, and additional criteria as set forth in the Deloitte & Touche short-term disability policy.

- **Paid Child-Care Leave**: Following the birth or adoption of a child, women and men with at least five years of service are eligible for two weeks paid leave to be taken within four months of the event.

- **Unpaid Child-Care Leave**: Following the birth or adoption of a child, eligible women and men are entitled to a total of 12 weeks of unpaid leave pursuant to the Family and Medical Leave Act (FMLA) of 1993;

Case Study:
Jann O'Donnell, Atlanta

When Jann O'Donnell became pregnant last year, she wasn't sure she wanted to work full-time after having her baby. "I didn't know my options," says Jann, a manager in Atlanta's management consulting group, "until I spoke to our Human Resource Director, who told me about the firm's new guidelines on flexible work arrangements. " Together, they drew up a proposal requesting a reduced workload for a transition period following the birth of her child.

Jann is currently working 60 percent of an average workload, continues to serve her out-of-town clients, and plans to maintain a reduced but proportionate involvement in professional and practice development, administration, and recruiting. "I expect to continue to advance my career," she says. "With this arrangement, I can contribute to the firm at a period in my life when my needs have changed."

And the firm appreciates her contribution. "Jann is a talented professional," says Atlanta's Management Consulting Managing Director, Bill Gaik. "Ultimately, our clients value us for our expertise and talent. I think our flexible work arrangements program is great because it allows us to offer our clients the broadest spectrum of experienced people to meet their needs."
any paid time off taken for parental leave (e.g., disability leave or paid child-care leave) will be applied toward the 12-week entitlement under FMLA. Once available FMLA leave has been exhausted, an additional period of up to 12 weeks of unpaid leave may be requested and will be considered as described below.

**Return and Transition to Full-Time Work**

- A professional returning to work after a parental leave may request a reduced workload schedule for a period of up to 24 weeks immediately following the expiration of the leave period.

**Career Advancement**

- Duration and timing of leave may affect career advancement.

**Benefits**

- All employee benefits are maintained throughout all phases of parental leave up to 24 weeks on the same basis as for active full-time employees. Vacation benefits will accrue during paid or unpaid disability leave and paid child-care leave; vacation benefits will not accrue during any period of unpaid leave. If the leave is in excess of 24 weeks, the professional will be required to pay the full premium cost of the benefits.

**Additional Information**

- Advance planning is necessary to meet client service needs and to comply with short-term disability and FMLA regulations.
- Although we will try to accommodate a request for a total leave in excess of 12 weeks, approval will be based on needs of clients and practice office.

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**Case Study:**

Lisa Gorbett-Frost, Orange County

In 1985 when her second child was born, Lisa Gorbett-Frost went on a reduced 40-hour, four-day workweek for one year. "It was difficult to care for two children and work full-time," says Lisa, who was an accounting & auditing manager in Orange County at the time. Lisa heard that a reduced schedule might delay her career progression, but says she was "confident that promotions would follow." In fact, she was admitted to the partnership in 1989.

Last year, however, Lisa decided she wanted to spend more time with her family. "I had accepted a less-intense position and was all set to leave when my OMP asked what it would take to keep me. I never thought that as a partner I could work a reduced schedule, but that's what happened."

Her arrangement called for a 75 percent workload, with a regular busy season and time off to coincide with her children's school holidays.

Lisa had her third child in January and is currently working 20 hours a week until she resumes her 75 percent workload. "My peers support the arrangement," says Lisa, who transitioned some of her clients to other partners to accommodate her reduced workload. "The key to making this a success is my belief that I can still make a valuable contribution to the firm even though I'm working fewer hours."
**Flexible Work Arrangements in CPA Firms**

**Questions & Answers**

**Q** How can flexible work arrangements be successful in a client service organization?

**A** We expect that professionals on flexible work arrangements will maintain their level of commitment and dedication to client service. Although there may be times when professionals on such arrangements will need to work beyond their usual schedule in order to meet the needs of a client, the firm is committed to respecting the flexible work arrangement over the long term.

**Q** Why is the firm willing to support flexible work arrangements?

**A** Professionals electing a flexible work arrangement are responding to a need they have at a given point in their careers or in their personal lives. They are still dedicated to their careers, and the firm wants to retain talented people. There may be trade-offs for people on such arrangements—such as reduced compensation—but the benefits often include an increase in productivity, morale, and commitment. When these arrangements are openly and honestly communicated, and incorporated into the engagement planning process, we are that much closer to ensuring a win-win situation for both the professional and the firm.

**Q** How will my performance be evaluated under a new flexible arrangement?

**A** The performance evaluation and career planning process will remain the same. You will still take the initiative for directing your own career, and the firm will give you the necessary guidance and support.
**Q** Who will perform the periodic review of a flexible work arrangement?

**A** Following the six-month trial period of an arrangement, a quarterly review of a reduced workload arrangement and an annual review of a flextime arrangement are recommended; more frequent reviews may be conducted if necessary. The review should be conducted by your supervisory partner to determine whether your needs and the needs of your clients are being met, and whether any modifications need to be made. Such reviews are independent of the annual performance review.

**Q** Why are there minimum eligibility requirements for reduced workload arrangements, and under what circumstances may I apply?

**A** Flexible work arrangements are designed to retain high-talent professionals who have demonstrated their commitment to the firm and to their careers and who need greater flexibility. Minimum performance and length of service requirements help arrangements succeed by ensuring that participants understand their own professional responsibilities and the demands of a client service environment. Reasons for applying include child-care or elder-care responsibilities, family or medical concerns, educational pursuits, and community service, among others.

**Q** Why is there a 60% workload minimum for a reduced workload arrangement?

**A** In a reduced workload arrangement, it is expected that career advancement will continue and that you will return to a full-time schedule at a specified date. Practice development, industry specialization, recruiting, and other activities are important to ensure ongoing professional growth, and a 60% schedule is the minimum time you will need to participate in both client and non-client service activities.
Q Can I work less than a 60% reduced workload schedule?

A If you are interested in working less than 60% of a normal workload, you should consider a formal continuing part-time arrangement. Under such an arrangement, there is no expectation that you will return to full-time status, nor is there a commitment, by either you or the firm, to continued career advancement. There are no specific eligibility requirements to apply for a part-time arrangement. See your Human Resource Director for additional information.

Q How will working a reduced schedule affect my time off, medical, dental, pension, and 401(k) benefits?

A Time-off benefits, such as vacation, holiday, and occasional sick-time, will be prorated based on the percentage of your full-time workload. You will still be eligible to participate in firm-sponsored group insurance, pension, and 401(k) programs. However, benefits that are compensation-based, such as life insurance, long-term disability, pension, and 401(k), will be prorated based on your reduced compensation.

Q If I meet the eligibility requirements, can the firm turn down my request for a flexible work arrangement?

A Yes. When evaluating a flexible work arrangement proposal, the firm considers both your needs and those of our offices and our clients. If the arrangement will not work well for all parties, it may not be approved. If that happens, you should discuss other possible solutions with your supervising partner and Human Resource Director.
How to Apply

If you believe you’re at the right time in your career or your personal life to apply for any of the flexible work arrangements discussed in this brochure, and you meet the eligibility requirements, the following information may help you.

Develop a Proposal

After gathering information from your Human Resource Director on the specific policies and requirements for the flexible work arrangement that best suits your needs, write a proposal to the appropriate supervisory partner and your Human Resource Director. Include the length of time you would like to be on this schedule and any special arrangements you will need to make, such as child care. Your proposal should also include a recognition of the needs of your clients and office, and must be approved by your Management Consulting Managing Director or Partner in Charge, in consultation with your Office Managing Partner.

Discuss the Proposed Arrangement

Discuss the following issues with the appropriate partner and Human Resource Director: job responsibilities, specific schedules, promotion and career advancement, and compensation and benefits. Consider how you’ll respond if your proposal needs revisions. Remember, both you and the firm need to be flexible.

Communicate the Decision

If the flexible work arrangement is approved, communicate the details to your colleagues—it’s important to maintain your role as a team member. You and your supervising partner should also agree upon a strategy for communicating the new arrangement to your clients and for responding to any questions or concerns they may have.

Above all, be open and honest. Communicate your concerns, so that together, you and the firm will create a win-win situation.
The professionals profiled in this brochure demonstrate that flexible work arrangements can work. They also demonstrate some of the challenges of the arrangements...and the keys to success. For example, arrangements that work for some may not work for others. Adaptability is a plus, as is working to maintain the trust and support of your partners and colleagues. Ongoing review of your arrangement is also helpful to ensure that it continues to meet your needs and those of your office and clients. Finally, you must feel comfortable with the arrangement.

Successfully implementing flexible arrangements is a two-way street: you and your supervising partner share responsibility for making them work. The ones we describe in this brochure, along with the work/life balance programs listed on the following page, are intended to help you at times during your career when you need to balance multiple commitments. We believe these programs can make a difference as we continue to live up to our shared values and consistently exceed the expectations of our clients and our people.
Work/Life Balance Programs

In addition to flexible work arrangements, we also offer human resource programs that address a variety of other work/life balance needs.

Adoption Assistance Program
Helps employees who are considering adoption as well as those who are already adoptive parents. Call 1-800-635-0606.

School Service Program
Provides information on everything from evaluating and selecting schools to homework hints, motivational ideas, and financial aid for college. Call 1-800-635-0606.

Elder Care Consultation and Referral Service
Provides answers to your questions about elder care and educates you about the benefits and services available to your dependent. Call 1-800-635-0606.

Employee Assistance Program
Designed to help you and your family through difficult times. Call 1-800-221-3222.

Child-Care Resource and Referral Program
Helps you locate infant care, daycare, programs for school-age children, and more. Call 1-800-635-0606.

Mortgage Assistance Program
Helps you arrange for a mortgage or refinance one through a program offered by Citibank. Call 1-800-925-5319 (in Connecticut, 1-800-233-3601).
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To All the People of Deloitte & Touche:
It's getting harder than ever—juggling all of the demands each of us faces every day. Family, work, volunteerism, school—all of our commitments seem to require increasing quantities of time. Fortunately, the firm recently made a great program—designed to help you balance these responsibilities—even better: the Flexible Work Arrangements Program. As announced to the firm in June 1994, this comprehensive program includes reduced-hour arrangements, with guidelines for reduced workload, continuing part-time, and job-sharing arrangements; flex time, including compressed work weeks; and parental leave.

Reduced Workload and the Flexible Work Arrangements Program
To date, more than 500 people have taken advantage of our flexible work arrangements. Many of you have used this program to spend time with your children, to care for your parents, or to further your education. Others have used flexible schedules to write children's books, volunteer at homeless shelters, run marathons, or climb the world's highest mountains. Whatever your goal, you've told us that you are happier at work now because this program lets you satisfy the demands of your personal life without sacrificing your career progression. According to our recent survey of current and past program participants, 97 percent have been happy with the arrangement, and 81 percent would have left the firm if they didn't have a flexible schedule.

We looked at these survey results, listened to your comments, and decided that it was time to make this valuable benefit even better by offering it to more of our people. As of the beginning of fiscal year 1997, reduced workload arrangements are available to client service professionals at the senior or senior consultant level or Grade 11 or higher administrative professionals. Please note that both groups of professionals will also need two years of service to be eligible for reduced workload arrangements, although this requirement may be waived for experienced hires. Previously these arrangements had been available only to client service professionals at fee manager level or Grade 14 and above administrative professionals.

Paid Parental Leave
In June 1994, we became one of the very few professional services firms to offer paid parental leave. The birth or adoption of a child is a time of great—sometimes even overwhelming—transition for parents. Our original program offered two weeks of paid leave following the birth or adoption of a child to any professional, male or female, with five or more years of service with the firm. Since its introduction, approximately 296 of you—57 percent of whom have been male—have taken advantage of the parental leave option. Based on your feedback, as of the beginning of fiscal year 1997, we have changed the eligibility criteria to include professionals who have been with the firm either for three years, or for one year with designation as a manager.

As part of our ongoing efforts to help you balance your multiple commitments, we will continue to ask for your feedback and listen to your suggestions. Working together, we'll develop programs that help us stay in control of our increasingly complex lives.

Sincerely,

James H. Wall
National Director of Human Resources
Deloitte Touche Tohmatsu International

Ellen P. Gabriel
National Director for the Advancement of Women

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Alternative Work Arrangements

Solutions for a Demanding World

One Result of the Work/Life Initiative

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Flexible Work Arrangements in CPA Firms

Outside the office, we all have responsibilities placing demands on our time — whether they are children, aging parents, volunteer work, or higher education. Usually we can maintain an equilibrium between our personal and professional lives; however, maintaining this juggling act can be difficult. As a result, some of our roles are not filled to our expectations because we are pulled in many different directions.

Crowe Chizek has a solution to this dilemma. As part of the Work/Life initiative, we have formally developed an alternative work arrangement program. These arrangements may allow us to retain valued staff, who might otherwise leave the firm. As professional working environments continue to change, and technology continues to advance, alternative work plans represent a viable option for meeting both personal and professional goals.

For those who have demonstrated outstanding performance, motivation and commitment to the firm, these arrangements may help manage responsibilities. In some cases, there may be trade-offs, such as reduced compensation, slower career progression and prorated benefits. Advantages for those eligible, however, include increased morale, productivity and career satisfaction, as well as work/life flexibility.
Typical Alternative Work Arrangements

The following are common alternative plans. Please keep in mind that different arrangements can be modified to provide the most suitable arrangement for both the firm and the staff member.

Flexible Schedule
With a flexible schedule, you would work the number of hours necessary to manage a specified workload. The number and arrangement of these hours can take a variety of forms, such as a compressed work week or working hours based on special projects or seasonal peaks.

Fixed Schedule
Typically, with this arrangement you would have a fixed number of hours, generally 40 hours or fewer each week. The days and hours worked would be arranged to be mutually beneficial to both the staff member and the firm.

Working Off-Site
With this arrangement, you would work a designated number of days in a place other than the office, such as an office located in your home or a client location. Most likely, this type of arrangement would continue to be a typical full-time work week and would involve some regularly scheduled time in the office.

Carol's husband was transferred by his employer to a new office 100 miles from where they lived. "It was a real dilemma. We were both very happy with our positions and employers. Yet, we did not want a commuter marriage." Carol, a manager and key contributor within her group, was able to work out an arrangement that would allow her to move with her husband to the new location and continue her career with Crowe Chizek. Although the firm doesn't have an office near Carol's new location, we do have several clients within driving distance. Most of Carol's projects can be completed using a PC, and she is able to stay in contact with her office via fax and telephone. She also has voice mail so her clients can reach her at any time. "The arrangement has worked out well for both myself and the firm. My new location is actually closer to my clients and by going into the office at least once every two weeks, I am able to keep up with everything there."
Eligibility
Personal responsibility is a key factor in making an alternative arrangement work. Only those people with a proven record of motivation, organization and superior achievement will be considered for these arrangements. In addition, the alternative plan must be a viable option for your position and work group. Alternative arrangements may not be appropriate for all positions.

Duration
Each program is designed to meet the specific needs of the individual and the firm. It may be a short-term or long-term arrangement.

Flexibility
The most important factor in creating a successful alternative arrangement is flexibility. Although every attempt will be made to honor an individual’s alternative schedule, it must be understood that meetings, CPE courses or other events may be scheduled at times outside of agreed upon hours or at a location other than the alternative worksite.

Evaluation
Each alternative work arrangement will be evaluated after three months and as often as needed thereafter. The purpose of the review will be to determine if the schedule is working for both the person and the firm. Changes can be made accordingly.

Compensation
Compensation may be adjusted depending upon the expected work schedule.

Why is Crowe Chizek offering this program?
There is a need to offer alternatives to valued staff with significant outside responsibilities. This works for both the firm and the person, the firm wins by keeping the highest-quality personnel and the individual wins by being allowed the flexibility to attend to other commitments.

How do I approach my partner or supervisor about an alternative arrangement?
When developing an alternative schedule, it is important to remember that the schedule must work for the firm, too. Prior to approaching your partner or supervisor, develop a business case for your arrangement. There is a worksheet available to assist you.

What will be considered in evaluating my request for an alternative arrangement?
Each request will be individually evaluated to ensure that the arrangement will work in the best interest of both the person and the firm. Consideration may include: individual performance and motivation, ability to serve clients, type of position, current staffing levels, and anticipated workload for the group.

How will the firm’s clients be affected?
Both internal and external clients should continue to receive the same high-quality service. In order to continue providing this level of service, engagement and project management and setting client expectations will become even more crucial.
Benefits
Benefits may be affected by an alternative work plan. More information is available on how your benefits may be affected.

Continuing Professional Education (CPE)
CPE is an important part of our continued success. Professional and personal development are emphasized for all personnel, including those with alternative work arrangements.

Career Advancement
Career progression may be impacted if hours worked, client interaction or professional and technical experiences are less than that of an individual's peers; however, alternative arrangements will not prevent career advancement.

Creating Your Solution
For those individuals interested in an alternative arrangement, your next step is to develop a business case. For Crowe Chizek, the decision to provide an alternative arrangement is based on whether or not the plan works for the individual, the firm and our clients. Therefore, it is important that we develop an arrangement that is advantageous for all. Please contact Human Resources for more information on building a business case and discussing an alternative arrangement with your partner or supervisor.

If I began working fewer hours, how would my career progression be affected?
Working a fixed or flexible schedule may reduce the amount of experience you would otherwise gain. As a result, your rate of career advancement may be slowed.

If I work fewer hours, how will my workload be determined?
Workloads will be adjusted to reflect the new work schedule. Individuals will still need to be accountable for quality and timeliness. Effective communication will be critical in setting realistic work expectations and, when appropriate, monitoring workloads.

What about negative reactions from co-workers?
Most staff who are knowledgeable of current professional environments are aware that flexible arrangements are mutually beneficial. They make it possible to retain quality staff who might otherwise leave the firm. Once your work arrangement is established, you should feel confident that your co-workers will see the positive results.

After John's father had surgery, John wasn't sure what to do about the family business. "My father had turned a hobby of restoring boats into a successful business and the last thing my family and I wanted was to have him worry about the business while he recuperated." As his father's surgery occurred after his work group's busy season was over, John approached his partner with a temporary work schedule that would allow him three-day weekends to help with the family business. John worked a compressed work week, with ten-hour days, four days a week, that enabled him to continue serving his clients. This also allowed him to maintain the same level of compensation and benefits. "I found that the schedule worked out well for both myself and the firm. By staying flexible about whether I took Monday or Friday off, everything in the office went as smoothly as usual. I am very happy that I was able to help my family without jeopardizing my career."
Flexible Work Arrangements in CPA Firms

After having her children, Laura thought she would have to choose between family and career. "I wanted to be able to spend more time with my children, but I didn't want to give up my job." Laura, who has been a consistently high performer in the audit group, was able to work out an arrangement that allows her to continue her career and have time with her children. During the busy season, she works a regular full-time schedule, including overtime; in the spring and fall she works three days each week; and during the summer, she works one day each week. By working at least one day per week, Laura is able to maintain her technical skills and relationships with co-workers. "By being flexible about which days I'm in the office, I am still able to attend staff meetings and keep up with what is happening with my clients."

Additional Policies Impacting Work/Life Arrangements

Family and Medical Leave Act
All staff with at least one year of service with the firm and who have worked 1,250 hours or more during the prior 12 months are eligible to request an unpaid leave of absence lasting up to 12 weeks. Unpaid time may be granted for the following:

- Leave to care for a newly adopted or newborn child (including additional leave following the paid medical or adoption leave).
- Placement of a child in an individual's home for foster care.
- Caring for a spouse, child or parent with a serious health condition.

Personal Leave of Absence
Personnel may take a personal leave of absence without pay. The firm will determine whether or not to grant a leave of absence based upon the individual's needs and the needs of his or her work group.

Flexible Spending Accounts
Personnel may defer pre-tax dollars, through payroll deduction, to reimburse themselves for dependent care expenses and unreimbursed health care expenses. Participation could result in tax savings.

Busy-Season Baby Sitting
In offices where this has been offered, busy-season baby sitting on Saturdays has been a popular program. There are several benefits to this type of program, including the opportunity for the parent to show children where they work and to spend time with them when they would otherwise be unavailable. It is also a morale booster for parents and it provides some relief for the at-home caregiver, who often has an extra burden during peak work periods.
OPTIONS FOR EMPLOYMENT

Full-Time Work Schedules
A full-time work schedule is a work schedule of at least 40 hours per week. Client Services staff can expect to regularly work in excess of this schedule at peak client service periods or as needed to complete work assigned.

Alternative Work Schedules
Crowe, Chizek offers alternative work schedules to assist personnel in managing responsibilities outside the Firm. Alternative work schedules are determined on an individual basis, depending on the needs of the SBU or the operations area, and the scheduling needs of the individual. Options include part-time and seasonal/temporary schedules.

<table>
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<th>Part-Time</th>
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<td>Part-time personnel have a work schedule that averages less than 40 hours per week. Part-time schedules can be a fixed number of hours each week or they can be highly flexible schedules that can effectively meet the seasonality of the individual’s SDC or SBU. Typically, part-time personnel are paid on an hourly basis. Benefit eligibility is determined by the average hours worked per week over a one-year period. (See COMPENSATION AND BENEFITS.)</td>
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<th>Seasonal/Temporary</th>
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<td>The work of a seasonal or temporary staff member is scheduled on a recurring seasonal basis or during peak work periods. For example, a person might return to the Firm to work each year during busy season only, or on a special project. Benefits are not available to personnel hired on a seasonal or temporary basis. Seasonal or temporary personnel are paid on an hourly basis.</td>
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Alternative work schedules may be available for current full-time people requesting temporary or long-term work schedule changes who have exhibited a high level of

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Flexible Work Arrangements in CPA Firms

performance and commitment to the Firm. Some alternative schedules are also available, on a short-term or long-term basis, from the beginning of employment with the Firm. When considering an alternative work schedule arrangement, several factors are discussed on an individual basis:

- a) the progress, expertise and seniority of the person;
- b) the effect of the alternative work schedule on the workloads of other people;
- c) the number of other people with alternative work schedules and the overall impact on the practice area.
- d) the commitment of the person to the needs of the Firm and its clients, as well as the willingness of the person to be flexible with work schedules to meet the needs of clients or the Firm.

Alternative work schedules will not in themselves affect eligibility for consideration for career advancement. The Firm’s Career Track Plan allows for flexibility in career development and career options. Individuals with alternative work schedules, who experience a reduction in the amount, duration and quality of experience as a result of an alternative work schedule, may have their time extended for advancement.

Options for less than full-time employment are designed individually to meet the unique needs of the person. The Firm will make every effort to accommodate schedules that may assist people in continuing their careers with the Firm. However, the arrangement must be compatible with the responsibilities of the position and the needs of the practice area. Requests to be considered for an alternative work schedule should be discussed with a SBU Partner. Depending on the impact to the practice group or operations area, the Firm reserves the right to deny a request for an alternative work schedule.
APPENDIX C:
SAMPLE REQUEST FORMS

Flexible Schedule — Request Form (page 130)
Compressed Workweek — Request Form for Exempt Staff (page 131)
Regular Part-Time (Twenty-One Hours a Week or Over) — Request Form (page 133)
Regular Part-Time (Under Twenty-One Hours a Week) — Request Form (page 135)
Flexplace — Request Form (page 137)
Flexible Schedule — Request Form

Name: _____________________________
Position: ___________________________

I request a change from my current hours of ___ a.m. to ___ p.m. to the following:

☐ 7:30 a.m. to 3:30 p.m.  ☐ 9:00 a.m. to 5:00 p.m.
☐ 8:00 a.m. to 4:00 p.m.  ☐ 9:30 a.m. to 5:30 p.m.
☐ 8:30 a.m. to 4:30 p.m.  ☐ 10:00 a.m. to 6:00 p.m.

I understand that, if approved, the hours selected above become my regular work hours as of _________.

[Effective date]

I further understand that my hours may be changed at any time, at the discretion of the managing partner, supervisor, or both.

Employee Signature _____________________________ Date __________
Supervisor Approval _____________________________ Date __________
Managing Partner Approval _____________________________ Date __________
Human Resources Approval _____________________________ Date __________
Compressed Workweek — Request Form for Exempt Staff

This presents the understanding between [name of company] and the employee named below regarding a compressed workweek arrangement.

Name: ___________________________________________________________________

Position: ____________________________________________________________________

I have requested the following compressed workweek schedule beginning ____________.

□ 4/10 schedule □ 3/12 schedule □ 9/80 schedule*

My supervisor and I have developed a compressed workweek schedule as follows:

<table>
<thead>
<tr>
<th>Workday</th>
<th>Start Time</th>
<th>End Time</th>
<th>Total Hours</th>
<th>Day Off</th>
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<td>Monday</td>
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</table>

<table>
<thead>
<tr>
<th>Workday</th>
<th>Start Time</th>
<th>End Time</th>
<th>Total Hours</th>
<th>Day Off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday  (9/80 only)</td>
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*A 9/80 schedule must begin at the start of a pay period.
FLEXIBLE WORK ARRANGEMENTS IN CPA FIRMS

I understand and agree to the following terms and conditions of the compressed workweek agreement:

1. This agreement is on a trial basis and will be reviewed in 90 days (on __________) and regularly thereafter, to assure that it is mutually satisfactory. If, at any time, my supervisor or I believe that the agreement is not working satisfactorily or my supervisor determines that it is in the best interests of either the firm or myself to return to a normal five-day workweek, the arrangement may be discontinued. If business conditions change and, as a result, the arrangement can no longer continue, I agree to resume a normal five-day workweek schedule. If I decide not to return to the normal work schedule after being so requested by management, I will be considered as having resigned from the firm.

2. Except where otherwise indicated, this arrangement will have no effect on the terms and conditions of my employment with the firm, including (but not limited to) my salary, job responsibilities, and benefits.

3. The total number of hours worked per week (40) or biweekly (80) will not change under the compressed workweek arrangement. I understand that if I am eligible for overtime, it will be paid on the same weekly basis as that for workers on a traditional schedule.

4. It may occasionally be necessary for me to be in the office at a time when I would normally be scheduled to be off. In such circumstances, I will adjust my schedule accordingly.

5. I understand that my accrued vacation will be calculated in hours based on the following schedule, as appropriate:
   ■ Ten days of accrued vacation equals 80 hours.
   ■ Fifteen days of accrued vacation equals 120 hours.
   ■ Twenty days of accrued vacation equals 160 hours.

6. I understand that this document does not constitute a contract of employment (either expressly or implied) for any fixed period of time. I also understand that the firm reserves the right to change or cancel the flexible work arrangement policy at its sole discretion.

I have read the above and discussed the terms and conditions with my supervisor and a Human Resources representative. I understand the above and agree to it.

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<th>Date</th>
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</table>

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Appendix C: Sample Request Forms

Regular Part-Time (Twenty-One Hours a Week or Over) — Request Form

Name: _________________________________________________________________

Position: ________________________________________________________________

I understand and agree to the following terms and conditions of the part-time work arrangement:

1. As agreed between me and my supervisor, my reduced schedule will begin on __________. My hours are reduced to _____ per week, which is _____% of the standard 40-hour workweek. Accordingly, my salary will be adjusted to $________ annually ( _____% of my current salary).

2. This agreement will begin on a trial basis, and will be evaluated on ________ and regularly thereafter, to assure that it is mutually satisfactory. If my supervisor and I determine that the part-time work arrangement is working satisfactorily, it may continue until either I or my supervisor determines that it is not satisfactory. If, for any reason, management needs to end this arrangement, I understand that I will be expected to return to a traditional schedule of five days per week. If I decide not to return to the normal work schedule after being so requested by management, I will be considered as having resigned.

□ 3a. Since I will be working at least 21 hours a week, I understand that contributions to the medical and dental plans made by the firm will be prorated based on my salary as a part-time employee.

OR

□ 3b. Since I will be working at least 21 hours a week, my benefits coverage will remain unchanged. Any required payments toward benefits remain unchanged from what I was paying as a full-time employee. All salary-related benefits will be based on my part-time salary.

4. I understand that the amount of my retirement benefits under the firm’s retirement plan, any social security benefits, or both, for which I may be eligible may be affected by the part-time work arrangement and by the subsequent reduction of my salary.

5. I understand that vacation and holidays are prorated, to reflect my reduced work schedule. Accordingly, I will now receive _____ vacation hours per year, and that vacation will accrue at _____ hours per month. I will be paid for _____ holidays per year. I understand that if a nonelected holiday falls on a day on which I am scheduled to work, I may either take off the holiday and work on a day I would otherwise not work, use a vacation day, or elect to take the day as unpaid.
6. Except with regard to the salary and benefits changes indicated above, this arrangement will have no effect on the terms and conditions of my employment with the firm.

7. It may occasionally be necessary for me to be in the office during times when I am not scheduled to work there. In such circumstances, I will adjust my schedule accordingly.

8. I understand that I will continue to receive performance evaluations, promotional consideration, and compensation adjustments in accordance with the policy for full-time employees.

9. I understand that this document does not constitute a contract of employment (either expressly or implied) for any fixed period of time. I also understand that the firm reserves the right to change or cancel the flexible work arrangement policy at its sole discretion.

I have read the above and discussed the terms and conditions with my supervisor and a Human Resources representative. I understand the above and agree to it.

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</tbody>
</table>
Regular Part-Time (Under Twenty-One Hours Per Week) — Request Form

Name: ___________________________________________________________________

Position: ___________________________________________________________________

I understand and agree to the following terms and conditions of the part-time work arrangement:

1. As agreed between me and my supervisor, my reduced schedule will begin on __________. My hours are reduced to _____ per week, which is _____% of the standard 40-hour workweek. Accordingly, my salary will be adjusted to $________ annually ( _____% of my current salary).

2. This agreement will begin on a trial basis and will be evaluated on __________ and regularly thereafter, to assure that it is mutually satisfactory. If my supervisor and I determine that the part-time work arrangement is working satisfactorily, it may continue until either I or my supervisor determines that it is not satisfactory. If, for any reason, management needs to end this arrangement, I understand that I will be expected to return to a traditional schedule of five days per week. If I decide not to return to the normal work schedule after being so requested by management, I will be considered as having resigned.

3. I understand that since I will be working less than 21 hours a week, I am no longer eligible for participation in the firm’s benefits and time-off programs and that I will be paid only for the hours actually worked.

4. Except with regard to the salary and benefits changes indicated above, this arrangement will have no effect on the terms and conditions of my employment with the firm.

5. It may occasionally be necessary for me to be in the office during times when I am not scheduled to be there. In such circumstances, I will adjust my schedule accordingly.

6. I understand that I will continue to receive performance evaluations, promotional consideration, and compensation adjustments in accordance with the policy for full-time employees.

7. I understand that this document does not constitute a contract of employment (either expressly or implied) for any fixed period of time. I also understand that the firm reserves the right to change or cancel the flexible work arrangement policy at its sole discretion.
I have read the above and discussed the terms and conditions with my supervisor and a Human Resources representative. I understand the above and agree to it.

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</table>
**Flexplace — Request Form**

The following constitutes an agreement on the terms and conditions of the telecommuting arrangement between the firm, me, and my supervisor.

Name: ___________________________________________________________________

Position: __________________________________________________________________

Length of Agreement: _______________________ _________________________

Start Date End Date

My supervisor and I have agreed to the following work schedule:

<table>
<thead>
<tr>
<th>Workday</th>
<th>Location</th>
<th>Work Hours</th>
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</thead>
<tbody>
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I understand and agree to the following terms and conditions of the telecommuting agreement:

1. The telecommuting agreement is on a trial basis and will be evaluated on ________ to ensure that it is mutually satisfactory. If, at that time or anytime during the trial period, my supervisor or I believe that the arrangement is not working satisfactorily, the arrangement may be discontinued.

2. If my supervisor or I believe at any time that the arrangement is not working satisfactorily or my supervisor determines that it is in the best interest of either the firm or myself to return to my normal work location five days per week, the arrangement may be discontinued. If business conditions change and, as a result, the telecommuting arrangement can no longer continue, I agree to resume working in the office. If I decide not to return to the normal work schedule after being so requested by management, I will be considered as having resigned.

3. This telecommuting arrangement will have no effect on the terms and conditions of my employment with the firm, including (but not limited to) my salary, job responsibilities, or benefits.

4. The total number of hours worked per week will not change under a telecommuting arrangement, and if I am eligible for overtime, such overtime must be approved in advance. Failure to get advance approval for overtime work may result in the termination of the telecommuting agreement or other appropriate action.
5. There may be times when it is necessary for me to be in the office during days when I would normally be scheduled to work at home. In such circumstances, I will adjust my schedule accordingly.

6. The firm has provided me/will reimburse me for the following equipment (include the I.D. number):

This equipment is provided for use in my home, remains the property of the firm, and may only be used for business purposes. This equipment must be returned upon request or upon termination of the telecommuting agreement, my resignation, or the termination of my employment. I recognize that I am expected to take all reasonable precautions to protect such equipment from theft, damage, or misuse.

7. The firm will reimburse me on a monthly basis (or other arrangement as agreed to) for phone charges incurred in connection with my work for the firm and other business expenses as authorized in advance in writing by my supervisor. However, the firm will not reimburse me for other home-related expenses such as heat, light, electricity, or insurance.

8. Any material taken home will be kept in my home office and will not be accessible to others. Confidential or proprietary information will not be taken home without the approval of my supervisor.

9. The firm has the right to visit my home work area to be sure it meets the firm’s standards for safety, security, and proper working conditions. Such visits will be scheduled in advance. I agree to report to my supervisor immediately and in writing any injuries related to work I do for the firm and incurred in my home work area.

10. My supervisor and I have discussed and clearly understand the performance expectations.

I have read the above and discussed the terms and conditions with my supervisor and a Human Resources representative. I understand the above and agree to it.

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**Suggested Readings**


