



FAQ: LOUISIANA STATE UNIVERSITY AND NEXTSOURCE

EMPLOYER OF RECORD (EOR) PROGRAM FOR 2023

LOUISIANA STATE UNIVERSITY (LSU), NEXTSOURCE AND VNDLY

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Table of Contents

What is happening?	2
Who does this impact?	2
How does this impact my Out-of-State employee?	3
How does this affect me as a manager?.....	4
Benefits	5
Financial Information (Departments)	6
Pay (Employees).....	7
Records, Process and Compliance (Departments)	8
Records, Process and Compliance (Associates).....	10
Onboarding	11
Time Entry.....	12
Security Access.....	13
Termination and Performance.....	13
Contact Information.....	14

What is happening?

1. Why is LSU transitioning the employment of some employees to nextSource?

There is complex variability in payroll and employment laws across different states and countries. LSU is strategically aligning with nextSource, to be the Employer of Record (EOR), for Out-of-State LSU employees (i.e., workers that reside and work outside of Louisiana). This partnership strengthens LSU's hiring flexibility, compliance, and risk mitigation.

2. What is an Employer of Record (EOR)?

An EOR serves as the legal employer and handles all personnel functions, including payroll, taxation, reporting, compliance, etc. on behalf of LSU for Out-of-State employees who perform work and deliver services to LSU. NextSource refers to employees as Associates.

3. Who is nextSource and why did LSU select them?

nextSource is an established EOR with over 20 years of experience handling HR (Human Resources) and payroll processes for employees on behalf of universities, including several of LSU's peer institutions.

Who does this impact?

1. To whom does this apply?

This change applies to any LSU employees who perform work and deliver services to LSU from a location outside of Louisiana. Out-of-State benefits ineligible employees will be the first population transitioning to nextSource effective December 31, 2022. Any newly hired, Out-of-State employees after December 31, 2022, will be hired by nextSource regardless of benefit status. The university continues to reserve the right to determine in advance whether the university will permit an employee's principal work location to be outside of Louisiana, based on the business needs of the university and performance of the employee. All LSU campuses will be participating in this service.

2. So, what exactly is changing?

When an employee works from outside of Louisiana, LSU will engage nextSource to hire these employees to ensure compliance with state and international laws and regulations.

3. Does this apply to Out-of-State employees who live in states outside Louisiana, but commute to campus?

No, this does not apply to individuals who commute to campus to work.

4. What employee types will be eligible for Out-of-State work?

Professional, non-tenure track faculty, other academic, wages as earned and transient employee types are eligible to be considered to work outside of the state. Student workers, Graduate Assistants, Classified employees and tenure track Faculty are not eligible to work outside of the state.

How does this impact my Out-of-State employee?

1. When will this transition occur?

LSU's partnership with nextSource will begin by transitioning current LSU Out-of-State employees with an effective date of December 31, 2022.

2. What changes for these Out-of-State employees?

Out-of-State employees will be required to complete new hire paperwork with nextSource. This process is automated through UKG Pro, nextSource's HRIS (Human Resources Information Systems) system and includes completing an I-9 and W-4 forms for federal and state taxes. Out-of-State employees will enter timecards into VNDLY, nextSource's timekeeping software, and will begin to receive their paychecks and W-2s from nextSource in January 2023. Employees will be paid bi-weekly.

3. What will remain the same?

Logistical aspects of working day-to-day at LSU will stay the same. LSU continues to recruit and select employees through Workday. Out-of-State employees continue to have an LSU ID Card, LSU email address, institution issued technology equipment (if applicable), and access to the LSU systems needed to perform their job duties. LSU managers will still be responsible for the day-to-day supervision of work activities.

4. Will nextSource provide benefits and retirement to Out-of-State Workers?

Yes, Out-of-State employees that work more than 30 hours weekly are eligible to participate in the benefits program through nextSource. Eligibility will depend on the nature of the employment and hours worked.

5. Who will issue a W-2 for these individuals?

nextSource will issue W-2s for wages received from December 31st forward. A W-2 for wages through December 30, 2022, earned with LSU will be accessible through Workday.

6. When will the Out-of-State employees learn more about the changes?

LSU notified the Out-of-State employees of this transition the week of November 14th. nextSource invited these workers to participate in a Town Hall meeting where they learned about nextSource's new hire paperwork and payroll processes and asked any questions that they might have.

7. What if an Out-of-State employee hired through nextSource relocates to Louisiana while in their position or vice-versa?

If someone is relocating from Out-of-State to Louisiana, then the LSU Manager will notify nextSource to end the assignment and the employee will transition to LSU as a new hire. If someone is relocating from Louisiana to Out-of-State, then the LSU Manager will notify LSU HR (Human Resources) to separate the employee from LSU and notify nextSource to begin the EOR onboarding.

8. Who should affected employees contact for more information about transition steps?

Onboarding@nextsource.com is available to provide support.

9. Are retirees allowed to work outside of the state of Louisiana?

Retirees who qualify and/or receive a benefit from TRSL or LASERS are not eligible for rehire if work is performed outside of the state of Louisiana.

How does this affect me as a manager?

1. Am I still managing the work of the nextSource employee?

Yes, LSU will manage the work. nextSource is responsible for all Out-of-State employee payroll, benefits, and human resources.

2. How will timecards be approved for nextSource employees?

Time worked will be submitted and approved through VNDLY, the timekeeping software used by nextSource.

3. How will leave be requested and approved for nextSource employees?

nextSource Associates that are eligible will earn leave through a comparable leave plan offered and administered by nextSource. The nextSource Associates will continue to request leave with their current LSU manager who will coordinate with the program team through VNDLY.

4. Will I be responsible for completing a planning session and an annual evaluation?

Yes, all management of work duties will remain. Managers will continue to oversee work performed, review and approve hours worked, review and approve leave, monitor and document performance via planning sessions and annual evaluations.

5. Will nextSource employees show up in my budget?

nextSource Associates' time will be allocated to charge codes based on costing allocations in Workday and processed through VNDLY. These employees will be budgeted to Professional Services and paid from 6251. The Office of Budget and Planning will be reallocating salaries to professional services for this population.

6. Will Out-of-State employees be eligible for merit increases or raises?

Yes. Merits will still be managed in the same way and eligible based on the University's merit criteria.

7. If I have an issue with how a nextSource employee is performing, who do I contact?

If you experience any issues with a nextSource Associate, you should contact the LSU Human Resources office on your campus.

8. What happens if the university closes due to weather-related events?

The Associate should consult with their manager. If the employee can work, they will work and log hours per usual in VNDLY.

9. What happens if the state in which the employee works has a weather-related event?

The Associate should consult with their manager about how to document time worked or leave within VNDLY.

10. Who is responsible for providing equipment, tools, and system access?

LSU will continue to utilize internal provisioning to provide the employees with any access they require; including applications such as Box or Teams.

11. If a nextSource employee is asked to travel to LSU, can LSU pay for travel?

If the department agrees to pay for the travel, then that should be shown with an approved spend authorization. The employee will continue to follow LSU travel and expense policies. Expenses (both travel and non-travel) will not be approved via VNDLY, but rather through Workday.

12. Will nextSource employees use CBT for travel?

Yes. Expenses (both travel and non-travel) will not be approved via VNDLY, but rather through Workday.

13. Will the nextSource employees observe LSU holidays or another holiday calendar?

They will follow the same holiday calendar as LSU.

14. Will the employees be able to earn additional compensation for other work performed at LSU outside of their primary position?

Yes, but an additional set of approvals will be required. Please contact the nextSource Program team to discuss at LSU@nextsource.com.

15. If I will be out of the office, can I delegate my timekeeping responsibilities to someone else?

Yes, delegation is available. Any manager that is currently assigned as the approver in VNDLY can reach out to the program team at LSU@nextsource.com and let them know who and when (starting and ending date) they would like to add an interim approver, and they will update VNDLY with that information accordingly.

Benefits

1. What is the leave plan for nextSource employees?

nextSource employees will be notified of their comparable leave plan administered by nextSource during onboarding and employee training sessions.

2. Do state employee benefits transfer for this population?

This population will not receive state benefits. They will receive benefits as provided by nextSource.

3. How does nextSource as EOR impact Public Service Loan Forgiveness?

nextSource, as the official employer of record, does not qualify as an eligible employer for the Public Service Loan Forgiveness program.

4. Does nextSource offer a Roth 457 or a 403B?

nextSource does not offer 457 or 403B plans. They do provide a 401K through Fidelity once the benefit threshold is met. nextSource will provide all benefits they offer during onboarding.

5. If employees are currently enrolled in a 457B plan or Deferred Compensation with LSU, will those deductions stop?

Yes, all benefit offerings enrolled through LSU will cease and benefits provided by nextSource will be available. There cannot be any relationship between what nextSource deducts from pay and LSU or LSU as a Louisiana state agency.

6. Will these employees be part of the President's Employee Recognition Program recognizing LSU employees years of service?

Since this population will be employees of nextSource their service dates will not be tracked, nor will they be an official state employee and therefore they will not be part of the President's Employee Recognition Program.

7. Will nextSource employees earn service time towards TRSL?

No, since they will no longer be an employee of LSU as a Louisiana State Agency, their service time will not be counted towards years of service with TRSL.

8. Will nextSource employees qualify for tuition exemption at LSU?

nextSource employees will not qualify for tuition exemption at LSU as there are state restrictions regarding providing such a benefit limited to only those who are employees of the agency.

9. I am currently enrolled in an Optional Retirement Plan (ORP) at LSU? How will this be impacted?

State law does not permit a lump-sum refund at termination of employment, but you retain ownership of your account, and you may elect to receive a monthly benefit based on the value of your account at retirement age. Funds in your ORP account are eligible for a single-sum IRA rollover, subject to withdrawal provisions of your ORP carrier.

10. I am currently enrolled in TRSL or LASERS, how will this be impacted?

Employees are advised, if vested in one of these retirement systems, to contact the benefits office and speak with a retirement specialist to discuss possible retirement options. Employees that are not vested may apply for a refund of employee contributions. Refund request forms are available on the associated benefits website. TRSL will not allow a refund until after 90 days of termination. Employees may choose to maintain their balances within the retirement system upon their separation and once eligible for retirement, may draw on the benefit.

Financial Information (Departments)

1. Will LSU be charged fringe for these employees?

There will be a 22% administrative rate for all employees employed through NextSource, with no fringe costs.

2. Can an employee be employed by NextSource and be a contractor with LSU?

The IRS does not approve of an individual receiving a 1099 and W-2 from the same organization in the same tax year. For additional details, please visit: <https://www.irs.gov/government-entities/form-w-2-and-form-1099-misc-filed-for-the-same-year>.

3. How will this impact my grants?

Fringe is only charged on salary expenses and nextSource services will be allocated as professional services. So only the 22% administrative rate will be charged, no fringe. However, F&A will be charged on the salary amount in addition to the 22% administrative rate, if applicable. Please contact the Office of Sponsored Accounting on your campus to discuss impacts to your specific grant(s).

4. Some employees have different pay rates based on the role(s) they are serving in a course. How will this be handled in NextSource?

Just like LSU manages this through various positions assigned at the various pay rates, NextSource will handle this through different assignments assigned at various pay rates. All positions and their associated pay rates have been converted to NextSource.

Pay (Employees)

1. How will Out-of-State employees be paid through nextSource?

The pay schedule for NextSource employees will be biweekly. Pay will be disbursed via direct deposit or through a loaded bank card.

2. How will the last LSU paycheck be received on January 6th?

You will receive this check as scheduled since it is for the previous pay period. Pay from work beginning on December 31st will be distributed through NextSource with the first paycheck being issued on January 20, 2023.

3. Will hourly pay or salaries be changed at all with this conversion?

No, all pay will stay the same.

4. What state is NextSource based out of and what will the state tax be on our payroll?

NextSource is based in New York, their payroll office is in Tennessee, and taxes will be based on the employee's location.

5. With direct deposit, will we receive pay stubs with state and federal taxes and any other deductions?

Yes, you will have access through UKG Pro to your pay stubs showing all the taxes and

deductions. Pay stubs are accessible on the web portal and mobile app. They can be downloaded or printed. No paper check stubs will be issued.

6. Will a W-9 be provided electronically?

In a W-2 relationship, there will not be a W-9. W-2 forms will be available electronically.

7. Do employees incur any fees for service by being employed through NextSource?

No.

8. Some employees have different pay rates based on the role(s) they are serving in a course. How will this be handled in NextSource?

Just like LSU manages this through various positions assigned at the various pay rates, NextSource will handle this through different assignments assigned at various pay rates. All positions and their associated pay rates have been converted to NextSource.

9. What will happen to my accrued annual and sick leave hours when I am terminated from LSU and hired with nextSource?

Annual leave will be paid out per LSU policy. Any remaining sick or annual leave balances will be held in abeyance at LSU for 5 years and shall be recredited if the individual is reemployed within five years following the separation from LSU employment.

Records, Process and Compliance (Departments)

1. If an employee needs to update their personal information, where should they do this?

Personal information will be kept in both nextSource system and Workday. Personal information like demographics and contact information will be updated in Workday and shared with nextSource automatically. Items like direct deposit will be updated in the nextSource system.

2. How will we learn about employment laws for the states the workers reside/work in? For instance, if overtime in their state is calculated per day and we want to ensure the worker is not earning overtime, we would need to be aware of that law before scheduling their shift.

At the time an Out-of-State candidate is selected and sent to nextSource, they will identify any pertinent employment laws.

3. How do I hire an Out-of-State employee?

Positions will be advertised and recruited for through Workday. Upon the time a candidate is selected, compensation to offer is established, and approved to work Out-of-State, the requisition will be changed to reflect the non-EOR employee type. At this time, position and candidate information will automatically be sent to nextSource for pre-employment prescreening, offer, onboarding, etc.

4. How will I be contacted if an employee accepts an offer for a position? How will I be contacted if they counter the offer?

LSU forwards only pre-identified candidates to nextSource. If they counter the offer after they are sent to nextSource we let the manager know.

5. How will the background checks be initiated?

There are no backgrounds being initiated for the incumbent population that transitions on December 31, 2022. They have been screened by LSU and are being waived in for this requirement. Going forward, backgrounds and drug screenings will be initiated as part of the nextSource onboarding process based on pre-requisites outlined by LSU.

6. How will employees that require pre-employment screening, like a drug test, be handled?

NextSource will follow LSU and Louisiana state guidance on which employees require pre-employment screening. NextSource will coordinate with candidate to complete screening and will retain records.

7. How will employees requiring National Security clearances be handled? Do you hold DOD clearances?

DOD clearances at LSU are operated through a third party and will continue to be operated through that same third party.

8. Has research been done on how this could affect program accreditation? Associates working for nextSource would not likely qualify for faculty status in any institutional reviews since they would not be employees and cannot be counted in totals.

nextSource was selected due to their work with higher education clients. nextSource employees will still be reported but will be included under a separate employee type.

9. What are the implications of FERPA? If I am not an employee of the University, I should only be able to access student information with additional paperwork.

nextSource workers shall still be subject to university policies and procedures which includes FERPA compliance.

10. Who is liable (from a professional liability insurance standpoint) for employees and their interactions with students?

nextSource as the employer of record is responsible for all worker's compensation, other coverage and employment, payroll, and tax compliance.

11. Do nextSource employees follow LSU policies and procedures?

All Associates including those hired through EOR services shall be subject to LSU Bylaws, Permanent Memorandum, Policy Statements, Finance & Administration Operating Procedures (FASOPs). In addition to LSU requirements, there may Sponsor specific requirements or restrictions, if salaries come from sponsored programs.

12. If an adjunct teaches one class per year, will they be terminated and rehired each time?

If an employee is teaching once per year, they will be termed and then reengaged when they teach again.

13. Will flex agreements still be required?

Yes, LSU will continue to require flexwork agreements on file for out-of-state workers.

14. What if a contract was signed?

Employees that signed an employment contract will be transitioned to nextSource at the end of their contract, provided their relationship with LSU will be continued.

15. When can departments start hiring Out-of-State through nextSource?

Hiring can begin in January 2023.

16. When we get a new assignment, will we need to let our nextSource contact know?

If you get an additional job, that will be processed through Workday and the related information will be sent to nextSource. Upon receipt of this information, nextSource will contact the employee to ensure that they are aware of the new job/assignment and will ask the employee to electronically accept it.

NCBRT (National Center for Bioterrorism, Research & Training) employees use the term “assignment” in a different way than nextSource uses it. NCBRT (National Center for Bioterrorism, Research & Training) staff will not notify nextSource of their assignments.

17. What if I hire an employee that will be moving to Louisiana and will only work remotely for a short period initially?

If a new employee is relocating to Louisiana within three months of their Hire effective date, they can be hired as an LSU Employee. The employee’s offer letter and contract must contain language that dictates it is a condition of employment that they will be relocated to Louisiana no later than three months from their effective date of employment. Failure to relocate within this specified time, may result in the individual not being eligible to continue employment and result in employment separation.

18. How are part-time employees defined?

Employees working less than 30 hours per week are classified as part time. If you are working as assigned, you are considered part time.

19. Can nextSource employees be granted a LaCarte card?

Yes, the hiring department may request a LaCarte card for nextSource employees. nextSource employees must follow all procedures and rules as LSU employees and reconcile all expenses timely in Workday.

Records, Process and Compliance (Associates)

1. What will be the involvement we will have with Workday starting 1/1/2023?

It is important to make sure that your personal information (i.e., Date of birth) is correct in Workday as that is the information ITS (Information Technology Services) will ask you to verify, should you get locked out of your MyLSU account. Additionally, employees will continue to enter expenses and travel in Workday.

2. If an employee needs to update their personal information, where should they do this?

Personal Information will be updated in Workday and sent to nextSource regularly. Information like direct deposit information will need to be updated within the nextSource system.

3. How will we learn about employment laws for the states the workers reside/work in? For instance, if overtime in their state is calculated per day and we want to ensure the worker is not earning overtime, we would need to be aware of that law before scheduling their shift.

At the time an Out-of-State candidate is selected and sent to nextSource, they will identify any pertinent employment laws.

4. When I get a new assignment, will I need to let our nextSource contact know?

If you get an additional job, that will be processed through Workday and the related information will be sent to nextSource. Upon receipt of this information, nextSource will contact the employee to ensure that they are aware of the new job/assignment and will ask the employee to electronically accept it.

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5. How will the background checks be initiated?

There are no backgrounds being initiated for the incumbent population that transitions on December 31, 2022. They have been screened by LSU and are being grandfathered in for this requirement. Going forward, backgrounds and drug screenings will be initiated as part of the nextSource onboarding process based on pre-requisites outlined by LSU.

6. Will we still be required to complete the annual mandatory trainings?

Yes, although employed by nextSource, LSU policies must be followed.

7. Will employees have to apply in nextSource to teach additional classes?

No, you will not be required to apply within nextSource for additional assignments.

8. Do employees in this population list LSU as their employer on their resume?

nextSource is the official employer of record and should be listed as such on any formal employment verification document. On unofficial documents that are not formally binding, like a resume, you may choose to list your employer as *LSU as contracted through NextSource*.

9. Will flex agreements still be required?

Yes, LSU will continue to require flexwork agreements on file for out-of-state workers.

10. What if a contract was signed?

Employees that signed an employment contract will be transitioned to nextSource at the end of their contract, provided their relationship with LSU will be continued.

11. What are the implications of FERPA? If I am not an employee of the University, I should only be able to access student information with additional paperwork.

nextSource workers shall still be subject to university policies and procedures which includes FERPA compliance.

12. How will this impact intellectual property, like course materials or publications?

Intellectual property will remain the same, with LSU.

Onboarding

1. What email address will nextSource contact me at?

nextSource has received both the LSU email address and the personal email address that are on file in Workday. Not everyone has a personal email address in Workday so please be sure to check your LSU email too. Onboarding emails will come from Onboarding@nextsource.com.

2. When should I expect to get the onboarding email from nextSource?

Onboarding emails should be expected the week of November 28th.

3. Current LSU employees that are transitioning over to nextSource, will they be required to redo their pre-employment screenings, like background checks and drug screenings?

No, those employees that are being transitioned to nextSource on December 31st will not be required to redo their pre-employment screenings, as there will be no break in service. New hires will be required to go through pre-employment screenings. Existing employees may be required to have annual screenings to ensure compliance, like those who must have a motor vehicle screening done annually.

4. Will the employees Form I-9s be pulled over from Workday into nextSource?

No, the Form I-9 is specific to each employer. Since the employer is changing a new Form I-9 must be completed.

5. For the completion of the Form I-9 with an authorized representative, can we choose our authorized representative or is there a list of people we must choose from?

You can choose who you want to act as your authorized representative. We just ask that the person is at least 18 years of age. Keep in mind the person will see your personal information, so it is important to see someone you trust and have close contact with, should any corrections be made.

6. How do we get the nextSource mobile app?

There will be instructions on how to get the mobile app within the welcome email. There will also be employee training sessions in December that will go over the mobile app, benefits, time entry, etc.

7. How soon can we begin the onboarding process?

Emails will be sent out at the end of November to begin the onboarding process.

8. How do we know if we are done with the onboarding process with nextSource?

After you have completed onboarding with nextSource, you will receive an email from the Onboarding team containing UKG Pro user guide, VNDLY user guide, and more.

Time Entry

1. As faculty or adjunct faculty, do we submit timesheets?

It depends on how your pay is set up. If you are currently set up on a regularly paid salary, we could have your pay set up to pay you automatically incrementally. If you currently get paid through One Time Payments or Period Activity Pay, your pay may be eligible to be set up through milestone pay. Since there are multiple ways to pay employees, your time entry requirements will be communicated with you closer to the transition date.

2. Is there something that must be submitted to show that a milestone has been met?

It will be based on the work assignment and semester dates. nextSource will provide time entry training in mid-December.

3. Will time be entered in both Workday and VNDLY?

No, time will only be entered in VNDLY.

4. For employees that only work once a month or a couple of times per year, do zero-hour timesheets need to be submitted each week?

It depends on how your pay is set up. nextSource will provide time entry training in mid-December.

5. For work that spans two different pay periods, should time be entered at the end of the class?

It depends on how you are being paid. If you are paid hourly, you should enter weekly time each week. Time must be submitted by Monday at noon CST each week. If you are being paid via milestone payments, you will act when that milestone is reached.

6. Will instruction time and travel time be entered by the employee?

You will log time the same way you are logging time currently, but in VNDLY. Any travel expenses will be entered into Workday.

Security Access

1. What LSU system access will nextSource employees be eligible to receive? i.e., Email, Box, Teams, etc.

These employees will receive all the same access an LSU employee receives.

Termination and Performance

1. What will be the process for a termination for cause?

A termination for cause will follow normal, LSU policies and guidelines. Once a Manager determines that there is a need to terminate an employee, a termination should be loaded in Workday and that will integrate into nextSource.

2. How should we handle the termination of employees that are not in 'at will' states?

nextSource is an expert in the various employment laws and will abide by the state's requirements. If we are not on track to aligning with the state's requirements, nextSource will educate the Manager on what is required and needs to be done.

3. We review and release instructors annually for various reasons: lack of availability, no longer offering classes – could there be restrictions that would prevent us from being able to release those instructors in the same way?

If they are not meeting expectations and you want to release them, you can still do that. You can release them for those same reasons, it is just the process of executing this by working with the nextSource team that will differ.

4. If nextSource employees have issues of a human resources matter, who should they contact? nextSource or LSU HRM?

If you experience any issues with a nextSource Associate, you should contact the LSU Human Resources office on your campus.

Contact Information

1. Since nextSource has a team of individuals assigned to LSU, if we reach out to nextSource, will we get someone different each time?

During the initial onboarding process, it is possible to get different people within the team, however they are all experts. Any questions concerning onboarding, should be directed to Onboarding@nextsource.com.

On a more day to day basis, there will be a smaller group of nextSource employees assigned to LSU. Any questions concerning onboarding, should be directed to LSU@nextsource.com.