

Procedure for FI0420: Contracts Dual Services: Employee Services between the University and State of Tennessee Agencies	
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Objective

This procedure outlines the process for the following situations

- When the University enters into a contract with another State of Tennessee government agency for the services of a State of Tennessee government employee who will provide service to the University and the University will pay the other State of Tennessee government agency.
- When another State of Tennessee government agency contracts with the University for the services of a University employee and the other State of Tennessee government agency will pay the University.

Scope

This procedure applies to all departments that seek to enter into a transaction that falls under this procedure. This procedure does not apply to transactions where the employee of a State of Tennessee government agency is a temporary employee of that agency.

Procedure

I. Contractual Relationship

- A. The University must not contract directly with individual employees of Tennessee state-government agencies, including the following government agencies in Tennessee: applied technology centers, community colleges, colleges, and universities.
- B. University employees must not directly contract with Tennessee state-government agencies, including the following public agencies in Tennessee: applied technology centers, community colleges, colleges, and universities.
- C. When the transaction is for services by a university employee to a Tennessee state-government agency, or from a Tennessee state-government agency employee to the university, the only appropriate contractual relationship is a contract between the university and the Tennessee state-government agency.
- D. Generally, the state agency seeking to obtain the services will create the draft contract. For example, if the Tennessee Board of Regents seeks to obtain the services of a University employee, the Tennessee Board of Regents would prepare the draft contract. Likewise, if the University seeks to obtain the services of a Tennessee Board of Regents employee, the University department seeking to acquire the services would prepare the draft contract.

II. Compensation

- A. The University may not pay another Tennessee state-agency for services that a state commissioner or commissioner-level individual performs. See Tennessee Department of Finance and Administration Rule 0620-03-02 and T.C.A. § 8-23-201.
- B. When University employees perform a service for a Tennessee state-government agency, the other agency will pay the University. The Tennessee state-government agency will not pay the University employee directly. The University will process the payment through Payroll and the University will deduct applicable taxes and retirement contributions.
- C. When a Tennessee state-government agency's employee performs services for the University, the University will pay the Tennessee state-government agency. The University will not pay the individual directly.

III. Off-Duty Requirement

- A. When a University employee performs services for a Tennessee state-government agency, the University employee must be off-duty for the University. For purposes of this policy, “off duty” means work performed outside of the employee’s regular work schedule or while the employee is on annual leave. See HR0480 – Work Schedules.

IV. Services; Goods

- A. This procedure relates to the University obtaining services (not goods) from employees of other Tennessee state-government organizations and to the University’s employees providing services (not goods) to other Tennessee state-government organizations.
- B. The University must not purchase goods from University employees or employees of other Tennessee state-government agencies. Under Tennessee Code Annotated § 12-4-103, a state of Tennessee employee commits a Class E felony offense when selling goods (including merchandise, equipment, material, or commodities) to the state.

Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this procedure could result in adverse human resources actions. Further, failure to comply with this procedure could result in tax penalties for the individual(s) involved in providing services to the university or other State of Tennessee agency.

Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number	Email/Web Address
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