

FI0445 – Employee Services between the University Board of Regents Institutions and State Agencies

Topics:

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Objective:

To provide policies on employee services between the university, other public colleges and universities, and state of Tennessee agencies.

Policy:

General Policy

1. The University of Tennessee, other public colleges and universities, and Tennessee state government agencies recognize that occasions arise when the best interests of each are served by making the specialized services of certain personnel available to each other on a part-time basis. This policy describes the approved procedures the university must follow in providing the services of its employees and in obtaining the services of employees from these entities. The policy is required for compliance with Section 64 of Chapter 380 of Public Acts of 1975 and with Department of Finance and Administration Rules, Chapter 0620-3-2, which govern the exchange of personnel among state agencies.
2. According to state of Tennessee regulations and rules, university employees may not directly enter into contracts with state government agencies, including other public colleges or universities, and the university may not directly enter into contracts with employees of state agencies including other public colleges or universities.

Contracting Procedure

3. If an entity needs to obtain the services of an employee of the other, the arrangements must be formalized in writing and the following is required for contracts with the State of Tennessee and other public colleges and universities:
 - a. A memorandum specifying the terms of agreement in a format similar to that shown in [FI0445 - Appendix A](#).
 - b. The agreement must be processed in accordance with the University's contracting policy [FI0420 – Contracts](#).
 - c. The agreement must contain the following information:
 - i. The name(s) of the employee(s) concerned and a description of the service(s) to be performed. (Note: full social security numbers must not be included in the agreement. Partial social security numbers should be used: redact the first five digits, for example: xxx-xx-1234).
 - ii. A statement of the rate and the payment due date. When the university is providing the service, full employee compensation (including staff benefits) should be included when determining the total amount to be charged.
 - iii. A statement of the maximum amount to be paid under the agreement.
 - iv. A provision that the agreement is not binding until it is approved by all entities.
 - v. A statement of the effective period of the agreement, including both the beginning and ending dates.
 - vi. A provision that the agreement may be terminated by either entity giving written notice to the other in a stated number of days in advance of the effective date of such termination.
 - vii. If the university is providing the service, the agreement must indicate the method by which the employee(s) will be paid. The method must be in accordance with university personnel policy pertaining to employee compensation, and the employee(s) should be made aware of the method to help avoid misunderstandings.
 - d. For contracts with just the state of Tennessee the following apply:

- i. **When compensation under the agreement is \$1,500 or less**, the agreement will be signed by the authorized official of the state agency providing the service. The agency providing the service is responsible for submitting an informational copy of the agreement to the State Department of Finance and Administration and the State Department of Human Resources and to the agency procuring the service.
- ii. **When compensation under the agreement exceeds \$1,500**, the agreement must be forwarded to the State Department of Finance and Administration and the State Department of Human Resources for approval and signature on behalf of the state.

Payment for Services

4. To avoid incurring unapproved costs, the university department must not provide any services until the agreement has been fully executed.
5. When payment is received it must be deposited promptly in accordance with [FIO310](#), and the salary portion of the payment will be credited to the appropriate salary general ledger account of the cost center/WBS element from which the employee is paid. The non-salary portion of the payment must be credited to the appropriate non-salary general ledger accounts in the cost center/WBS element involved.
6. Employees must not be paid directly except for the following:
 - a. **Short-term Non-teaching Services.** When non-teaching services of a university employee are used by another university on an infrequent or short-term basis (not exceeding 15 hours in one week), either university may compensate an employee of the other by a direct payment of a predetermined honorarium or fee up to \$1,500 in any one school term. In such cases the employee is obligated to secure prior approval for such services and the resulting compensation from his or her supervisor. The appropriate honorarium or fee may be paid directly to the employee by the institution receiving the services. [A REQUEST FOR SPECIAL PAYMENT \(FORM T-27\)](#) must be used to reimburse other public university employees who provide services to the university.
 - b. **Instructional Services Not Exceeding One Credit or Non-credit Course per Term.** When the employee's service involves instruction not exceeding one course per term, a formal contract will not be required; however, written approval must be

obtained in advance from the employee's supervisor. Individuals providing instructional services will be considered part-time term employees of the institution to which the services are provided and will be compensated through that institution's payroll system. The supervisor's approval letter must be attached in IRIS when creating the employee's file.

Extra Compensation to University Employees

7. If the contracted services provided are completely in addition to the employee's workload at the University and are performed on the employee's own time, extra service compensation to the individual may be authorized by the employer department. Such payments are processed through IRIS as [ADDITIONAL PAYMENT](#) . Payments to the individual may not be authorized until the University has received payment from the other agency or institution.

Recovery By Employer Department

8. If the services provided under the contractual arrangement are within the scope of the duties or normal workload of the individual for which he or she is compensated by the university, all payments to the university from the other agency or institution will be credited as a recovery to the salary expense of the applicable department.

FORMS:

- [Additional Payment E-form Instructions](#)
- [Agreement - Appendix A \(FI0445 - Appendix A\)](#)
- [Request for Special Payment Form T-27](#)

PROCEDURES:

To view links to campus policies and procedures, click here:

<https://policy.tennessee.edu/campus-policies-procedures/>

FOR MORE INFORMATION:

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