



Administrative Policies and Procedures: 3.30

Subject:	Dual Services Performed by a State Employee (Dual Services Contract)
Authority:	T.C.A. §§ 4-56-102, 12-4-103 and 8-23-201 (c); TCA 37-5-105 (3), 37-5-106; Rules of the TN Dept. of Finance and Administration, Chapter 0620-3-2; Finance and Administration Policy 18; Rules of The Department of General Services, Central Procurement-0690-03-01-.28(2)
Standards:	COA: PA-FIN 5
Application:	To All Department of Children's Services Employees
Policy Statement:	
Department of Children's Services (DCS) Employees may perform services for other State departments, agencies and institutions of Tennessee State Government for which compensation is expected, approved through a dual services contract between State departments, agencies or institutions.	
Purpose:	
To establish procedures for DCS employees to comply with Department of Finance and Administration Rules who performs services for more than one Tennessee State Agency or Institution through a dual contract.	
Procedures:	
A. General guidelines	<ol style="list-style-type: none">1. A state employee may be compensated for performing services for a state agency other than the state agency employing the individual (e.g., a state accountant might be paid for teaching an evening course at a community college). Such agreements are subject to the Rules of the Department of Finance and Administration, <u>Chapter 0620-3-2-01</u>, et seq.<ul style="list-style-type: none">◆ No employee shall receive any compensation for such services unless they are performed at times when the employee is not on duty in his or her regular position.2. The procuring agency must prepare, sign, date, and submit the Memorandum of Agreement form approval to the DCS Contract Management Unit.3. The head of the employer agency and the head of the agency procuring the services approve the memorandum.4. A copy is filed with the Budget Division of the Department of Finance and Administration and the Department of Personnel.

	<ol style="list-style-type: none">5. Compensation less than \$1,500 requires only the DCS Assistant Commissioner for Finance and Budget's approval. Compensation greater than \$1,500 requires, in advance, written approval from the head of the procuring agency, DCS Assistant Commissioner for Finance and Budget, and the Department of Finance and Administration.
B. Billing the procuring agency	<ol style="list-style-type: none">1. The accounting section of DCS Finance and Budget must receive a signed copy of the memorandum of the agreement once fully executed.2. Thirty days (30) prior to the completion date of the agreement, or whenever a signed copy is received, an accountant prepares an invoice according to the memorandum of agreement.3. The invoice must state that a check for the amount established in the agreement is made payable to the <i>Treasurer of the State of Tennessee</i> and mailed to the Department of Children's Services Finance Services and Budget Accounts Receivable section.4. The Director of Finance and Budget or designee must sign the invoice.5. The invoice along with a copy of the signed memorandum is mailed to the procuring agency.6. Copies of the invoice and the Memorandum of Agreement are sent to the following:<ol style="list-style-type: none">a) Accounts receivable section for documentation; andb) Accounts payable payroll section for supplemental payroll when payment is received;7. Documentation is maintained in the Office of Finance and Budget Accounts Receivable section.
C. Reimbursement to employer agency	<ol style="list-style-type: none">1. The procuring agency reimburses the employer agency in the amount of actual cost as follows:2. Payment is made by journal voucher (<i>in case of Executive branch agencies</i>) or by check (<i>in case of Higher Education Institutions</i>).3. If the employer agency makes a contribution for social security and retirement, the amount of that contribution is included in the reimbursement between the two agencies.
D. Receipt of payment by accounts receivable section	<ol style="list-style-type: none">1. When the accounts receivable section receives the payment, a comparison is made between the payment and the agreement/contract.2. If the payment is made by check, the procedure for cash receipts outlined in DCS policy <u>3.8, Receipt of Cash Items</u>, must be followed.3. If the payment is by journal voucher, the procedure for processing journal vouchers outlined in <u>Finance & Administration Policy 18</u> must be followed.4. After payment is processed, the accounts payable section must be notified. The following is required by the accounts payable section:

	<ul style="list-style-type: none">◆ Copy of certificate of deposit or journal voucher; and◆ Copy of the agreement/contract; <p>5. After payment is received and processed the Accounting section is notified.</p>
E. Compensation to the employee	<p>Compensation is made to the employee by the following means:</p> <ol style="list-style-type: none">1. The funds are payable through the personnel system of the employer agency and be shown on the records as additional earnings.2. Payment is authorized by a supplemental payment authorization, subjecting the additional earnings to income tax, social security, and retirement deductions.3. If the agreement does not specify that the procuring agency added the employee's benefits to the amount of the agreement, the following procedures are followed:<ol style="list-style-type: none">a) The employer agency must figure the amount of the employee's benefits and deduct that amount from the agreement amount from the supplemental.b) The FICA and retirement percent must reflect current rates and be added together to get the percent of the matching benefits.c) To calculate the total amount due the employee, take the amount of the check and divide by 1.2127. This gives you the gross amount of the employee's check.d) If the agreement includes the state's share of employee's benefits, the employee is entitled to the gross amount included in the agreement.
F. When DCS is the procuring agency	<ol style="list-style-type: none">1. When invoice is received from the employer agency, it is verified with the letter of agreement.2. A journal voucher is prepared and sent to the employer's agency.3. If an outside agency is the vendor, a warrant is prepared according to procedures in <i>Edison</i>.

Forms:	<i>None</i>
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Collateral documents:	<p><u>State of Tennessee Finance and Administration – Policy 18</u> <u>https://sos.tn.gov/division-publications/rules-and-regulations</u> <u>https://www.teamtn.gov/cpo/resources.html</u></p>
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