

Chapter 2 Interchanges and Contracts

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2.01 Inter-Institutional Agreements

I. Policy for Obtaining Staff Services from Other UW System Institutions

Universities within the UW System may, at various times and for various reasons, contract with another UW System institution for the services of a staff member. In such situations, the university "buying" the services of the staff member must reimburse the "selling" institution for certain costs, including salary, fringe benefits, supplies and expenses [see Financial Policy Paper #18].

II. Procedures

A. Initiating the Agreement. Before the inter-institutional agreement can become effective, the standard agreement form [see Appendix 2-A] must be completed and approved by the UW-Madison department, Dean or Director, Office of Human Resources and appropriate officials at the other UW institution. The form may be initiated by the UW-Madison department involved or by the other UW institution. In either case, UW-Madison approvals noted above are required.

B. Completing the Agreement Form

i. Top Portion--The top part of the form should specify the names of the departments involved (for example, Mathematics Department, UW-River Falls), the fiscal year and a description of the services provided by the agreement, including the dates and the full names of any persons whose salaries are to be reimbursed by the buying institution (for example, "A seminar entitled, 'How to Prepare an Inter-Institutional Agreement,' provided by Professor John J. Jones on August 30, 1995, at UW-River Falls").

ii. "Institution Buying"/"Institution Selling"--The UW-Madison department should complete either the "institution buying" or "institution selling" side of the form as appropriate. The fringe benefit costs associated with salaries involved in the agreement are reimbursed by the buying institution to the selling institution at the selling institution's extramural support fringe benefit rate.

iii. "Accounting Code" Line

- 1.** If UW-Madison is the buying institution, the "Accounting Code" line should be used to specify the fund, account, UDDS, and activity code of the accounting entity that will pay the bill received from the other institution. Business Services will receive and pay the bill which will be charged to that accounting code.
- 2.** If UW-Madison is the selling institution, salary payment to the employee involved may be handled as part of the employee's regular workload, or, in exceptional cases, on an overload basis. How payment is to be made (i.e., as "part of load" or "overload") should be noted on the Inter-Institutional Agreement Form. In the case of an overload payment, the Accounting Code line of the form **should not** be completed. Business Services will complete the coding, make arrangements to pay the overload to the employee involved and bill the other institution for the services provided. All academic overload payments are made on the "End of Month" payroll, payable the 12th of the month.

3. Duration of Agreements. Separate agreements are required for each fiscal year.

Questions regarding Inter-institutional Agreements should be referred to the appropriate Dean/Director's office, Business Services (262-0063), or the Classified Personnel Office (262-3233).

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2.02 Classified Appointments—Intergovernmental Personnel Temporary Interchanges

I. The Policy

- A. Chapter 230.07, Wis. Stats., authorizes state agencies and the University of Wisconsin System to participate in the temporary interchange of employees between and among government agencies at the same or different levels of government and with institutions of higher education. Typical interchanges involving the University of Wisconsin-Madison are with other state agencies, federal agencies, other government agencies such as school districts, and other universities outside the University of Wisconsin System. (See Chapter 2.01, Inter-Institutional Agreements, for the temporary interchange of employees within UW System.)
- B. Wisconsin Administrative Code, Chapter ER 47, specifies the intent of temporary personnel interchanges is to facilitate the sharing of specialized knowledge and expertise, improve delivery of services, strengthen relations between and among the participating agencies or institutions and enhance the career development of employees.
- C. Temporary personnel interchanges allow an employee to remain on the payroll of the home agency/institution and continue to participate in its fringe benefit program.
- D. All classified employees of the University of Wisconsin-Madison are eligible to participate in such interchanges, except those described under II.D.

II. Policy Restrictions

- A. Employment interchanges are temporary and made for one year or less. If an urgent need is demonstrated, an extension for up to one additional year may be approved. The maximum period allowed for an interchange involving the same employee is two years, including an extension.
- B. Employment interchange agreements are restricted to salary and fringe benefit costs. Reimbursement for any additional costs, such as supplies and equipment, may not be included as part of an employment interchange agreement.
- C. UW-Madison employees on assignment to another agency or institution may be eligible to receive supplemental compensation, which may be paid directly to the employee with required deductions made or transferred for payment here. Supplemental compensation paid on UW-Madison's payroll must be indicated in the printed budget (see UW-Madison Budget Instructions) and be shown separately on the payroll under class code 1101. UW-Madison employees may **not** receive supplemental compensation if on assignment to another State of Wisconsin agency.
- D. To accept assignments with federal agencies, employees must hold "career positions" for at least 90 days **prior** to the begin date of the interchange agreements. "Career position" is defined as permanent career status receiving those employment benefits normally provided career employees of the agency, including participation in the retirement plan.

III. Approval of Interchange Agreements

- A. All interchange agreements must be approved prior to the begin date of the interchange assignments. To initiate an interchange agreement, a **Memorandum of Understanding** (see Appendix 2-B) is prepared. To complete the "Special Condition" section:

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- i. Write “Wisconsin Administrative Code, Chapter PERS MRS 24,” if the UW-Madison employee assigned to another agency or institution is a Classified Civil Service employee;
- ii. Write “Wisconsin Administrative Code, Chapter PERS MRS 24,” if the employee assigned to UW-Madison is from another state agency.

PLEASE NOTE: To initiate a federal interchange agreement, complete an Assignment Agreement form, available through federal agencies.

- B. The interchange agreement must be reviewed and signed by the employee accepting the interchange assignment, the employee’s department chair/director, and the division-level/dean’s designee before forwarding to the Classified Personnel Office for approval. The agreement also requires the approval of the Administrator of the Division of Classification and Compensation of the Department of Employment Relations. Once approved, a copy of the agreement is retained by the Department of Employment Relations and copies are distributed to the employee, the employee’s department and dean’s/division office, the Classified Personnel Office and to the other agency or institution.
- C. If UW-Madison is the **sending** agency, an Extramural Support Transmittal Form should be completed and attached to the interchange agreement. Once approved by the Department of Employment Relations, the Classified Personnel Office will forward the form and agreement to Research and Sponsored Programs to assign a 133 or 144 account number to charge the receiving agency or institution for the employee’s salary and fringe benefits. Research and Sponsored Programs is responsible for the collection of reimbursement payments.

If UW-Madison is the **receiving** agency, completion of an Extramural Support Transmittal Form is **not** required. The sending agency or institution mails invoices directly to the UW-Madison department involved for approval of payments from appropriate funds with charges made to accounting class code 3013. Prior to the Interchange begin date, the department prepares a requisition, indicating in the Description area: “IPA Agreement”. The requisition number should be indicated on each invoice received and all invoices should be forwarded for processing to Accounts Payable, 21 N. Park Street.

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2.03 Contracts for Personal Services

1. **Appropriate Circumstances**

Whenever practical, work should be performed by state employees. However, situations arise which require the University to contract for personal services.

- a. Contracting for services may be appropriate when the required work exceeds the capabilities of University staff or can be done more effectively by non-University personnel.
- b. A contract for personal services is appropriate only when an employment relationship does not exist. The following should be considered:
 - i. When an employment relationship exists, the employee should be on the University payroll.
 - ii. The common test of employer-employee relationship is: "a worker is an employee if the agency for which he or she works has the right to direct and control him or her in a way he or she works, both as to final results and as to the details of when, where and how work is to be done. The employer need not actually exercise control; it is sufficient that he or she has the right to do so."
 - iii. Usually, persons in business for themselves will not be University employees.
 - iv. If consideration is being given to using a state employee for personal services, Wis. Stat. 19.45 (m) should be consulted.

2. **Written Contract Requirements**

When it becomes necessary to contract with individuals or firms to provide special expertise on a short-term consultant or service basis, a written contract is required. For guidance on preparing a contract of this type, contact the appropriate Dean/Director's office or the UW Purchasing Department.