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REG - 80.06.14 - DUAL EMPLOYMENT POLICY

Authority: Chancellor

Responsible Office: Human Resources

Number: REG - 80.06.14 - DUAL EMPLOYMENT POLICY

History: Effective: July 1, 1996; Reformatted/Updated: December 9, 2013; BOT Approval: September 30, 2014; Reformatted: May 10, 2016

Related Policies/Sources: [Office of State Human Resources Manual Section 3 Page 11, SHRA Dual Employment Form CP-30,](#)

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1. Purpose

1.1 The Dual Employment Policy is a state-wide uniform policy to be followed when one state agency or university secures the services of an employee of another State agency or university on a part-time, consulting or contractual basis. For employees engaged on a full-time basis, any additional work for other than a State agency or university is termed secondary employment and is covered in the Secondary Employment Policy.

1.2 Form CP-30 should be used for reporting purposes involving dual employment.

2. Scope

2.1 The policy applies to all State employees both subject to and exempt from the provisions of the State Human Resources Act and to all State agencies and universities.

2.2 This policy does not apply to employees in the public school system or to employees in the community college system. Employees in these systems are not State employees; they are employed by local boards of education and local boards of trustees.

2.3 This policy applies only in situations involving one employee and two agencies or universities. For situation involving one employee assuming dual roles within the same agency or university, see "Hours of Work and Overtime Compensation Policy."

3. Definitions

3.1 For purposes of this policy, the terms below are defined as follows:

3.1.1 Parent Agency or University - The institution having control over the services of the employee, and from which the employee receives his/her regular pay check.

3.1.2 Borrowing Agency or University - An institution that is seeking the temporary or part-time services of an employee that is employed by another State agency or University.

3.1.3 Straight-Time Employee - An employee assigned to a 40-hour per week work schedule, including employees on rotating shifts and those with split shifts. Permanent employees filling positions subject to the Office of State Human Resources, with perhaps extremely rare exceptions, are straight-time employees for the purposes of this policy statement. Such persons, except when working odd or split shifts, are considered to be on their own time between 5:00 p.m. and 8:00 a.m. and on Saturdays, Sundays, holidays, and while on vacation leave.

3.1.4 Variable-Time Employee - An employee, though considered to be the incumbent in a full-time budgeted position, may be required to maintain on-duty status (normally, at a fixed work station) for only a limited number of hours per week. (An example of a variable-time employee is a teacher in an institution of higher education who for one semester might be scheduled to teach classes for fifteen hours a week, and for the next semester only ten hours but with the added duty of advising student. The hours during which the employee advises might be fixed or the employee might have the option of scheduling their own appointments.) Variable-time employees are considered to be on their own time except at those hours when they are required to be in

scheduled on-duty status.

3.1.5 Instructional Contractual Services - The employment of a higher education institution teacher who is under contract with another higher education institution. (An example of this practice is the change of teachers between two proximate institutions, such as North Carolina Central University and North Carolina Wilmington.)

3.1.6 Honoraria - Notwithstanding any definitions previously given or henceforth to be given to the word "honorarium", any payment by one agency or university to an employee of another agency or university is subject to these procedures.

4. Permission of Parent Agency

The Chancellor of North Carolina Central University must give approval in writing in each instance of an employee's performing services for pay for another State agency or university. Approval should be granted or withheld after a careful weighing of the circumstances, considering such factors as the character of the services to be performed, the effect on the morale of other State employees, the ethical consideration involved, the temporary loss of the services of the individual to the parent agency, the possible reduced efficiency of the individual as a result of fatigue or inattention to primary responsibilities, the urgency of the situation, possible alternative arrangement, and other pertinent factors. (If the employee of the university is to perform services for pay for another State agency or university, the arrangements must be approved by the State Budget Officer.)

5. Statement of Employee's Immediate Supervisor

In any case of services performed for pay for a borrowing agency during an employee's "own time", the employee's immediate supervisor must certify in writing that (a) the actual work and any related travel time will be performed outside of regularly scheduled working hours, and (b) the employee will not use "company time" to prepare for the services to the borrowing agency or university.

6. Payment for Services

6.1 No employee, even while on paid leave, may be paid additionally for services performed for the employee's parent agency or university.

6.2 It is assumed that certain officials will make outside appearances and speeches, which are in fact a part of their normal duties, and such officials, should not expect to be paid for these occasions.

6.3 If payment is to be made for services, the rate must be agreed upon in advance and may not be increased merely because additional funds become available. Neither are retroactive payments permissible to persons who have already performed services without compensation.

6.4 Commuting expenses are not reimbursable.

6.5 An employee under contract to an educational institution for an academic year (normally, nine months) is ordinarily considered to be a free agent during the summer, notwithstanding that such employee may be paid on a twelve-month basis.

7. Professional Services Contract

The University may contract with a professional corporation for the delivery of professional services by one or more of its employees, who are also State employees, as long as they are in compliance with all other regulations of the Dual Employment Policy. Strict adherence to these policies must ensure that the employer will know if the same employee is working at more than one State job and will be able to see that time which is supposed to be spent at one job is in fact spent at that job and not at another job.

8. Procedures for Payment

8.1 All payments for services must be made by the borrowing agency or university directly to University of the employee borrowed, and not to the employee.

8.2 All payments for services of borrowed employees must be made by the borrowing agency or university from dual employment line items. They may not be made from salaries and wages line items. If funds for part-time services are presently budgeted in salaries and wages line items, the Office of State Budget will give favorable consideration to requests to transfer these budgeted amounts to dual employment lines if needed. The same would apply

to transfer of funds budgeted for temporary wages.

8.3 Employee's travel and/or subsistence expenses, if any, incurred in the performance of services for the borrowing agency or university will be paid directly to the employee by the borrowing agency or university (Commuting expenses are excluded).

8.4 All payments to the parent agency or university must include the following:

8.4.1 Payment for employee's services.

8.4.2 Employer's social security contributions computed on the amount of payment.

8.4.3 Employer's retirement contribution computed on the amount of payment, if applicable (applicable when borrowing agency or university is merely supporting a portion of employee's regular salary; not applicable for additional compensation beyond the employee's regular salary).

8.4.4 Subject to negotiation between the two agencies or university, payments may include an amount for the overhead expenses of the lending agency to cover administrative and other indirect costs; may also include amounts for direct costs incurred by the parent agency, such as identifiable related expenses for clerical and duplicating services.

8.5 If the work (including preparation) is performed during the employee's regular work schedule (Normally 8:00 a.m. to 5:00 p.m., Monday through Friday), and the employee is not on leave, the employee may not under any circumstances receive additional pay.

8.6 If the work (including preparation) is performed outside the employees regular work schedule, the employee may receive additional pay. All State employees are subject to the provisions of the Federal Fair Labor Standards Act. There are certain exceptions to the overtime provisions of the law when it is applied to persons in Professional, Administrative, or Executive positions. In a dual employment situation, the duties of both positions are combined to determine if the person is exempt. Non-exempt employees, therefore, when serving another State agency or university, must be in accordance with the minimum wage and overtime pay provisions, which require overtime payments of time and one-half the employee's regular rate of pay for the hours worked in excess of 40 hours in the week. However, if during any given workweek the

employee does not perform any work for the parent agency or university, no overtime payment will be required unless the employee works more than 40 hours for the borrowing agency or university.

8.7 If a straight-time employee is on authorized leave from regular duties with the parent agency or university, the employee may be paid for the extra work on the same basis as in six (6) above.

8.8 In all cases of additional payment to an employee, the parent (lending) agency or university must make the payment to the employee as an addition to the employee's regular pay. This is necessary to maintain the integrity of the retirement, social security, and Federal and State income tax records.

8.9 If payments fall into the category of overtime, as the term is understood in federal and state wage and hour regulations, such overtime payments by the parent agency or university to the employee must be made from Salaries-Overtime budgeted line items. If additional payments do not fall into the overtime category, they are made from "Wages, Employees on Loan".

8.10 The parent agency or university will budget and receive all payments from the borrowing agency or university as university receipts, in a line titled "Payments for Employees on Loan". It is not permissible to handle such payments as refunds of expenditure. If the conditions in item five (5) above (no additional pay) apply, any receipt from the borrowing agency will be handled by the lending agency or university as an over realization of the receipts line item.

9. Maintaining Records

9.1 The extent of the practice of cross-hiring in State government must be periodically assessed. Borrowing agencies or universities must, therefore, maintain the following information for each instance:

9.1.1 Name of employee borrowed

9.1.2 Classification, rank, or title

9.1.3 Parent agency of employee

9.1.4 Character of services performed (lecture, consultation, etc.)

9.1.5 Time (hours and days) employed by borrowing agency:

9.1.5.1 During employee's regularly scheduled working hours.

9.1.5.2 During employee's own time.

9.1.6 Amount of payment to parent agency or university:

9.1.6.1 For services.

9.1.6.2 For employer's retirement and social security contributions.

9.1.6.3 For indirect expenses of parent agencies.

9.2 For related direct costs of parent agency or university. Copies of the parent agency or university head's approval must be attached. If applicable, the statement of the employee's immediate supervisor must also be attached.

10. Instructional Services

10.1 For this type of regular-session dual employment, (and not applicable to summer school), the following procedures for payment will apply where the teaching covers one or more courses for an entire academic period (quarter or semester):

10.1.1 The permission of the Chancellor of NCCU and/or immediate supervisor is implied and need not be documented.

10.1.2 The rate of pay and the amount of any related expenses must be agreed upon in writing in advance.

10.1.3 Any additional salary payment made to the employee for these outside

services may be included on the parent institution's regular payroll and may be paid out of the Salaries line item carrying the employee's regular contract salary. In these cases it is not necessary to make payments from "Wages, Employees on Loan", and no budget revision is necessary unless the over-realized receipts from the borrowing agency or university are required for the employee.

10.1.4 Ordinarily, any supplemental pay to the employee for outside teaching would be handled on the parent institution's payroll as in the following example, where the regular contract pay is \$1,500 per month and the pay for outside service is \$200:

10.1.4.1 Rate of Pay = \$1,500; Gross Pay = \$1,700

10.5 If North Carolina Central University suffers a loss as a result of the loan of the employee, the employee's total compensation should be adjusted. Example: There is a teacher whose nine-month salary for teaching four classes per semester is \$9,000. By arrangement, the teaching assignment at the parent institution for the year is reduced to two classes per semester, but the teacher will teach two classes at another institution. The teacher's regular salary would ordinarily remain the same, (the teacher on loan would not receive \$13,000 (\$9,000 plus \$4,500) and the borrowing institution would provide one-half of the \$9,000 to be paid. The remaining \$4,500 is available to the parent institution for a substitute teacher.

10.6 The employee may not be paid for work not yet performed. This means that for each pay period the borrowing institution must send a transmittal (which may be a form letter) and a check to NCCU. Form CP-30 will be required for these additional payments where the affected payroll is prepared by Central Payroll.

10.7 The borrowing institution will make payments for services from a line item titled "Instructional Contractual Services", transferring funds upon Office of State Budget Management approval from salaries line items as required.

11. Joint Appointments

11.1 It shall be mutually agreed between agencies or universities as to which agency will be the parent agency. (Normally in most instances it will be the agency that first employed the employee.)

11.2 In cases of Joint Appointment (involving base pay) the borrowing agency or university will reimburse the parent agency for matching social security and retirement contributions. Employer portion of hospital medical insurance will be paid by the parent agency or university and not prorated to the borrowing agency or university.