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**Memorandum of Understanding**

**INSTRUCTIONS**

PURPOSE

A Memorandum of Understanding (MOU) is an internal CCCS document outlining the agreement for an exchange of work and pay among two or more CCCS institutions. The institution requesting the work or providing the opportunity is referred to as the requesting institution. The institution where the employee is paid is referred to as the home institution.

There are two types of MOUs:

* **MOU for Projects/Special Assignments:**

Used when a full time employee at another CCCS institution is needed to complete a project or provide a service to your institution for which compensation will be provided either to the employee (paid through their home institution) or the home institutions.

* **MOU for Workshops, Trainings, Advisory Boards:**

Used when one or more employees at another institution will be participating in a specific event at your institution or serving on an advisory board for which compensation will be provided either to the participants (paid through their home institution) or the home institutions.

**An MOU must be fully executed BEFORE an employee starts work on a project or tasks for another college.**

When is an MOU **not** appropriate:

1. When Faculty at one institution is being considered for an instructor assignment at another institution. This requires going through the personnel requisition process. Contact your Human Resources Department for assistance.
2. When there will be no exchange of funds between the requesting and home institutions. For example, when a professional at one institution shares their expertise with another institution in the form of a workshop or training during the course of their regular employment (i.e. they did not take leave to prepare and/or participate in the workshop or training at the other institution).
3. If the work will be completed by a Company or Independent Contractor, use the purchase requisition and personal services agreement process. Contact your Purchasing Manager for assistance. **Note:** current employees at other CCCS institutions cannot be hired as Independent Contractors at another CCCS institution.
4. When considering a part-time employee, temporary or instructor from another institution to complete a project or special assignment, you may need to hire the individual as an employee at your institution in lieu of an MOU. Contact your Human Resources Department for assistance.

About the MOU

1. **Discuss with your Human Resources Office is an MOU is the appropriate process to complete for your request.**
2. **Identify the appropriate MOU form based on the scope**
   1. Download the MOU form from [the internal website's Finance Page](https://internal.cccs.edu/finance/) > Miscellaneous Forms
3. **Define the scope of work and parties**
   1. For Projects/Special Assignments, provide details about the work to be performed and expected deliverables.
4. **Identify the source of funds**
   1. Identify the ORG CODE at the requesting institution where payment for the work will be provided.
   2. If grant funds will be used for any portion of the work, the Requesting Institution’s Grant Coordinator must verify availability and appropriate use of funds. This verification is evidenced through the Grant Coordinators initials on the MOU.
5. **Outline the compensation terms**
   1. Establish the appropriate rate of pay. Work with HR to ensure consistency in compensation practices and adherence to applicable laws and regulations. An employee’s current hourly rate may not be appropriate for the work being performed on a project.
   2. Indicate if the employee is performing the work as part of their regular position or as an overload.
   3. If the employee is performing the work as part of their regular position, the employee will not receive any additional compensation through payroll. The home institution may provide the employee with release time to complete the work.
   4. If the employee is performing the work as an overload, the employee will receive additional payment through payroll at their home institution.
      * The Requesting Institution must indicate if the payment they are providing the home institution is inclusive of PERA, Medicare, and other required expenses. If it is not, the home institution will be responsible for covering the costs associated with these payroll requirements.
      * The employee must complete all work outside of normal work hours or use annual leave if the work is performed during regular work hours.
      * The requesting institution shall notify the home institution of project or milestone completions as outlined in the MOU. The home institution shall pay the employee the agreed upon amount on the next applicable payroll (e.g. BW, MN) after they have been notified of project completions.
6. **Define the frequency of the transfer of funds**
   1. Communicate with the Controller at the home institution to determine how often they prefer to invoice your institution. This is usually by event, monthly, quarterly, or one-time only. Quarterly is recommended but should be no more than once every 6 months.
7. **MOU Approvals**
   1. The Requestor is responsible for coordinating necessary communications among all applicable parties of project completion and payment requirements. This includes ensuring necessary timesheets are completed. When work is paid via a grant, 100% of the work must be supported through a timesheet.
   2. The individual with signature authority for the org code where payments will be made must sign with their approval for the use of funds.
   3. For Projects/Special Assignments, the employee performing the work should sign acknowledging their role in the agreement.
   4. For Projects/Special Assignments, the Requesting and Home Institution Controllers must provide their approval for the agreed upon transaction.
      1. The Home Institution Controller is not required to sign the MOU for workshops and trainings, but should agree to the arrangement for ongoing advisory board agreements.
   5. For Projects/Special Assignments, the Home Institution Human Resources Director must provide their approval, indicating their agreement that the arrangements is appropriate for the identified employee, including consideration for all applicable FLSA matters. This includes approval that the employee should be provided supplemental pay vs. performing the work as part of their regular position responsibilities.\*
      1. The Home Institution Human Resources Director does not need to provide their approval for workshops, trainings or advisory boards but should be provided with a copy of the executed MOU for their records.

\*Will this individual be participating in this project as part of their regular job function (e.g. during their regular scheduled work time)?

* + - If yes – not eligible for supplemental pay, but eligible to complete the work if the college allows
    - If in addition/outside their regular work
      * Is this employee eligible for OT?
        + Yes – not eligible to participate as an additional assignment
        + No – eligible for supplemental pay

Completing the MOU

The MOU is a fillable form. The form includes three types of fields:

* + 1. Text entry field: enter the information requested.
    2. Drop list field: select the down arrow at the side of the field and choose one of the options from the drop down list.
    3. Date field: select the down arrow at the side of the field and choose a date using the drop down calendar.

1. Once you have completed the form, review the MOU to be sure it includes all the required information.
2. Print one original of the MOU and sign as the requester. Attach a copy of any supporting documentation.
3. Complete and print one copy of the MOU Routing Slip from [the internal website's Finance Page](https://internal.cccs.edu/finance/) > Miscellaneous Forms
4. Obtain the signature of the Org Code Owner or delegate with sufficient signing authority to approve the full amount of the MOU.
5. Send the MOU Routing Slip and the MOU original (including supporting documentation) to your Controller.
6. The Controller at your institution will initiate the routing of the MOU for signatures. When all signatures are complete, the MOU is returned to the requestor.
7. You should provide an electronic copy of the fully executed MOU to all applicable parties.
8. If the MOU is set up so that the employee is paid as an overload, and the payment(s) is based on completing the project or phases of the project, the Requester must notify the home institution finance and human resources offices in writing as the work is completed so that the home institution can process payment to the employee in a timely manner. This can be done by email or the employee can create a time sheet showing the hours or work completed to the requester who approves it and forwards it to the Human Resources department at the home institution.
9. The Home Institution must process payment for the employee on the next available payroll. Payments for work conducted through an MOU should not be requested through a supplemental pay process (e.g. CHOP).

For assistance with MOUs, contact your Human Resource or Finance Department.