



UMEÅ UNIVERSITY

RULES FOR INTERNAL PURCHASES AND SALES – EMPLOYEES

Type of document:	Rule
Date:	16 November 2021
Reg. no.:	FS 1.1-2394-21
Approved by:	Vice-Chancellor
Validity:	1 January 2022 until further notice
Field:	Governance, finance, planning and follow-up
Office in charge:	Planning Office
Replaces document:	Rules for internal purchases and sales at Umeå University – employees (FS 1.1-1550-19) approved by the Vice-Chancellor on 10 September 2019



Table of contents

Rules for internal purchases and sales – employees	1
1. Description	3
2. Background	3
3. Rules	3
3.1. Definition and application of rules.....	3
3.2 Internal purchases and sales of educational services by teaching staff	4
3.3. Other internal purchases and sales of staff services.....	5



1. Description

This document regulates internal purchases and sales of Umeå University employees' services. These rules are to be implemented for all purchases and sales of services within the University where two parties have not reached an alternative agreement to these rules. The rules clarify when internal invoicing or recoding of salary costs are to take place, how to calculate hourly rates and which joint costs need to be included. The document contains special rules for teaching staff and researchers, and technical and administrative staff, respectively.

2. Background

Collaborations within the University increase competitiveness and strengthen the quality of research and education. Exchanging ideas and experiences are an important element of operations and activities at Umeå University. Each of the University's organisational entities should enthusiastically share its expertise and experiences and spread information about their activities. The organisational entity should be open to looking for and requesting expertise and experiences from beyond their department, office or equivalent, especially in areas which are not part of their core competence. Before enlisting external providers, the organisational entity must first look for skills within Umeå University.

The overall objectives of these rules are to facilitate and encourage internal purchasing and sales and utilise internal competence at Umeå University.

The offices of the University Administration are not subject to these rules. There are special rules on purchases from internal suppliers for internal sales and purchases of goods and services from offices within the University Administration. Hence, they are not regulated in this document.

Student, work environment, collaboration, sustainability, accessibility, and international perspectives have been integrated into these rules. This policy document is not considered to have any consequences on gender equality at Umeå University.

3. Rules

3.1. Definition and application of rules

Internal purchases and sales refers to a financial transaction between a purchasing and a selling organisational entity at Umeå University. These can be divided into two main groups, internal purchases, and sales of educational services by teaching staff, and other internal purchases and sales of staff services.

The rules are to be applied between various organisational entities within Umeå University when there is no alternative agreement between the parties. The head of the organisational entity is able to reach alternative agreements to these rules, as long as both parties agree. This should be regulated in advance by a written agreement. When making long-term purchases of services, notice periods should be clearly stated in the written agreements.



UMEÅ UNIVERSITY

The buyer and the purchaser are the organisational entities, whose head takes the final decision on the purchase and sale respectively at Umeå University.

Parties in agreement refers to each head of department, office or equivalent.

Please note that if external expertise is being enlisted, rules on enlisting juridical persons for teaching as well as rules governing secondary employment must be observed. Special attention must be paid to disqualification and the risk of damaging public trust in the University. In conjunction with educational services, particular attention must be paid to the fact that all work being conducted by a University employee must take place within the framework of their employment, with remuneration in the form of a salary or compensation for overtime.

3.2. Internal purchases and sales of educational services by teaching staff

Internal purchases and sales of educational services by teaching staff refer to purchases of first- and second-cycle level teaching. As a rule, the following applies:

- Educational assignments are to be distributed via the allocation of direct government funding. If an organisational entity will be conducting at least 7.5 credits of a course, revenue should be allocated to the organisational entity.
- Recoding of salary costs should take place when an individual employee's assignment exceeds a continuous period of at least two months and at least 20 per cent of full-time employment. Generally, recoding must also include time for continuing professional development. The scope of continuing professional development as well as the administration of holiday pay and holiday supplement earned during the period are regulated in an agreement between the selling and purchasing parties. If the parties agree, salaries can also be recoded when the scope is lower.
- Internal invoicing is to be carried out for other purchases that are not regulated in the above points as follows:
 - The unit must be in hours and no additional amount will be allocated for planning time. The parties must agree on the level of planning time necessary and any supplementary work within the framework for the working hours agreement for each case.
 - There are two categories of hourly rates that must be applied – one for the skills of an assistant professor and above, and one for the skills of a lecturer and below.
 - No later than in November each year, the Vice-Chancellor will determine the hourly rates of the following year. These rates are published on the website for staff.
 - The hourly rates are calculated based on the current median salary from the previous year for each category. This amount is then adjusted upwards based on the calculated salary review for the forthcoming year as per the university-wide agreements. Social security contributions and holiday pay for holiday earned during the period, as well as



UMEÅ UNIVERSITY

holiday supplements are included in the calculation. The hourly rate is also based on the purchasing party paying for the individual employee's continuing professional development, based on the applicable working hours agreement.

- The hourly rate for all organisations conducting first- and second-cycle levels education (financed by direct government funding, grants, and contract education) includes university, faculty, and department-wide costs. The supplement for university-wide costs is a fixed percentage for the current year and is determined in the Vice-Chancellor's detailed budget. The supplement for faculty-wide costs is an average of the faculties' fixed percentage for the current year established in the faculties' respective budgets. For department-wide costs, the supplement is a percentage of the three previous years' percentages for department-wide costs throughout Umeå University.
- Costs for premises and cleaning services are not included in the hourly rate. If the salary costs of the task need to be recoded, as per the description of recoding of salary costs above, the parties must reach a consensus on if – and how – costs for the premises and cleaning services are to be regulated. Otherwise, the selling and purchasing parties are responsible for their own costs.
- The hourly teaching fee for librarians from the Umeå University Library is the equivalent as for the skills of lecturers and below for activities financed by direct government funding. The hourly teaching fee for staff from the Centre for Educational Development (UPL) is the equivalent as for the skills of an associate professor and above within activities funded by direct government funding. The revenue and costs of sales aimed at students must be recorded as category 97. The revenue and costs of sales aimed at employees must be recorded as category 91.

3.3. Other internal purchases and sales of staff services

Other internal purchases and sales refer to the purchase of services from researchers in research and services from technical and administrative staff. As a rule, the following applies:

- The purchase should be regulated in advance through a written agreement between the parties. The agreement should state on what organisational entity revenue and costs are to be recorded.
- Recoding of salary costs should take place when an individual employee's assignment exceeds a continuous period of at least two months and at least 20 per cent of full-time employment. If the parties agree, salaries can also be recoded when the scope is lower.
- The hourly rate is to be based on the current salary of the member of staff who has conducted the work. It must include social security contributions, holiday pay and holiday supplement earned during the task. Time for continuing professional development is usually included. The scope of the continuing professional development is regulated in agreements between the selling and purchasing parties. Hourly rates must include shared costs.



UMEÅ UNIVERSITY

The selling organisational entity's percentage for shared costs is to be used if no other agreement is reached in advance.

- For activities financed by direct government funding, grants, and contract education (with the exception of category 91), the hourly rate must include shared costs for all levels, i.e., university, faculty, and department-wide levels. Only the shared costs for faculty and department-wide levels are included in category 91. This exemption is due to the category not having any supplement for university-wide costs. As a rule, full cost coverage applies for organisations funded by grants or contract education.
- Already at the time of ordering, the purchasing organisational entity should stipulate on what project they will code the goods or service. Example: project 1111 22 333, category XX.