Recruitment Agreements

University of Mississippi Medical Center
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Reviewed by: Office of Integrity and Compliance/Accounting/Legal/Human Resources
Recruitment Agreement Process

When a candidate for an administrative position or faculty position is being recruited, it often becomes necessary to offer recruitment incentives or relocation costs. A recruitment agreement must be signed between the recruit and the University of MS Medical Center (UMMC).

Recruiting incentives require a work commitment from the recruit. If the work commitment is not fulfilled, the recipient must repay the proportion of the incentive associated with the unfulfilled work agreement. As the work commitment is fulfilled on a monthly basis, the proportionate repayment amount of the incentive promissory note is forgiven. As stated in the Recruitment Agreement, this forgiven amount is reported in the employee’s W2 as additional taxable income. It is the responsibility of the recruiting department to explain to the recipient the tax treatment of the recruitment incentive.

Completing the Recruitment Agreement

School of Medicine (SOM) Recruits:

1. If a new hire is being routed through the faculty on-boarding system, the Department Business Administrator will generate the Recruitment Agreement (RA).
2. After the RA has been generated, it will be included in the packet to be sent to the Recruit.
3. Once the signed RA has been returned from the Recruit, the Department Business Administrator (DBA) will deliver the RA to the Office of the Vice Chancellor in order to obtain the Associate Vice Chancellor’s signature. The DBA will be called to pick up the RA once it has been signed.
4. The department then scans the RA to the SharePoint site.
5. A purchase requisition should be prepared by the department for the amount of the RA made payable to the Recruit. A copy of the RA, which includes the signed Promissory Note, should be attached.
6. The original RA should be returned to the Office of Integrity and Compliance for filing.
7. Accounting will mail the check to the Recruit.

All other Recruits:

1. Once the amount of the incentive and/or relocation costs has been determined, complete the Recruitment Incentive Checklist. The Recruitment Incentive Checklist is located on the Office of Integrity and Compliance webpage> forms> Recruitment Incentive Checklist. (Webpage: www.umc.edu/compliance)
2. Submit the completed form to Nikki Smith in the Office of Integrity and Compliance.
3. The RA will be generated and returned to the point of contact listed on the Checklist.
4. The RA should be sent to the Recruit to obtain his/her signature.
5. Once the RA is returned, hand-deliver the document to Nikki Smith in the Office of Integrity and Compliance. Ms. Smith will obtain the Associate Vice Chancellor's signature.

6. After the appropriate signature is obtained, the department contact will be notified for pick-up. A copy of the RA will be given to the department. (The original RA will be maintained in the Office of Integrity and Compliance.) The department should make a copy for their files.

7. A purchase requisition should be prepared by the department for the amount of the RA made payable to the Recruit. A copy of the RA, which includes the signed Promissory Note, should be attached.

8. Accounting will mail the check to the Recruit.
Fair Market Value of the Incentive and/or Relocation Costs

In keeping with all federal and state rules and regulations, the amount of all recruitment, retention and relocation costs must be within fair market value. UMMC uses industry standards to benchmark against when assigning these values.

Clinical Providers:

In order to determine if the amount you would like to offer is within fair market value, please contact the Office of Integrity and Compliance.

All Other Faculty and Staff:

In order to determine if the amount you would like to offer is within fair market value, please contact the Human Resources Office.
Recruitment of PostDocs

(Recruits who are not going to be at UMMC the required three (3) years under a state recruitment agreement.)

• These costs cannot be paid from a state account because they do not meet the requirement for a RA under the state law.
• These costs must be paid from a foundation account or grant account (for research), if allowed by the sponsor.

Completing the Payment Process

1. A purchase requisition should be prepared by the department for the amount of the relocation expenses made payable to the recruit. All original relocation receipts must be attached to the requisition. Based on IRS rules, non-qualifying moving expenses reimbursed could be taxable to the recruit.
2. Accounting will mail the check to the Recruit.
Recruitment Repayment Process

1. The Office of Integrity and Compliance (OIC) is notified of all employee separations. These will be cross-checked biweekly against the recruitment list.
2. OIC will contact the Comptroller’s office to determine the amount owed back for those that appear on the recruitment list.
3. A letter detailing the amount owed will be sent to the last known address via certified mail from the Accounting Office with a copy sent to Human Resources, the Legal Department and OIC.
4. If payment or contact is not made by the former employee within 15 days after the first scheduled payment, the Accounting Office will notify the Legal Department.
5. The Legal Department will contact the former employee to discuss resolution of the matter.
Questions & Answers

1. Who needs a recruitment agreement?
   If you are offering a recruitment incentive or relocation costs, a recruitment agreement is needed.

2. Does an administrator need a recruitment agreement?
   If you are offering a recruitment incentive or relocation costs, a recruitment agreement is needed.

3. How do I obtain a recruitment agreement?
   For SOM faculty new hires, a recruitment agreement is generated through the faculty new hire process.

   For all other faculty and employee new hires, complete the Recruitment Incentive Checklist form located on the Office of Integrity and Compliance webpage (once there select Forms). Submit this form to Nikki Smith in the Office of Integrity and Compliance.

4. Why is the recruitment agreement for three years?
   The state statute allows UMMC to pay recruitment incentives as long as a recruitment agreement is signed. The statute requires the recruit to commit to working for UMMC for three years.

5. Why is the payback term only two years on the Promissory Note?
   In the event Recruit (Maker) fails to complete the Forgiveness Period, Recruit (Maker) will be responsible for the remaining balance, which must be paid on demand, but if no demand, within twenty-four (24) months. In addition, this is the statutory requirement.

6. What happens if a recruit leaves UMMC that signed a recruitment agreement?
   If a recruit leaves UMMC during the three (3) years of the recruitment agreement period, he/she must pay the pro rata share owed to UMMC.

7. Does a recruit have to pay all of the relocation and incentive payment back if they leave?
If a recruit leaves UMMC during the three (3) years of the recruitment agreement period, he/she must pay the pro rata share owed to UMMC.

8. If a recruit leaves, how is he/she notified about the repayment requirement?

UMMC sends notification to the recruit to set up payment arrangements.
References

**MS Code § 37-115-25** University Hospital; University of Mississippi Medical Center and University Hospital authorized to enter into faculty physician and staff recruitment agreements.

**42 U.S.C. § 1395nn(e)(5)** Limitation on certain physician referrals – exception for physician recruitment.