

Post-Award Perspective on Consultant Agreement (s)

Ruth E. Torres
Director of Finance
CUSON Finance &
Administration

Post-Award Perspective on Consultant Agreement (s)

Goals and objectives:

- Give a brief overview on consultant agreements
- Discuss how in the post award process, the type of relationship determines the form of payment
- Explain school's standard operating procedures
- Review policy changes due to occur in FY 2009
- Introduce the administrative contacts in CUSON Finance & Administration

Post-Award Perspective on Consultant Agreement (s)

What or who is a consultant? A brief overview

- An individual/firm/organization which provides professional advice/services for a fee
- Is an independent business with its own IRS tax ID number
- Provides goods & services within normal business operations
- Provides these similar goods & services to many different purchasers & operates in a competitive environment
- Is removed from any programmatic decision-making
- If affiliated with another institution, is paid directly & services rendered are outside of institutional time & commitment, resources, etc.

Post-Award Perspective on Consultant Agreement (s)

It is all about the type of relationship

If the terms of your relationship/agreement:

- does NOT allow the entity ownership of publication rights, the work is warranted, is bound to abide to ascribed deadlines, and has the potential of exposing the hiring institution to a certain level of risk (e.g., unlawful methods to deliver a good), then this is a **CONSULTANT AGREEMENT**
- grants the entity ownership rights, publishing rights, has a restricted budget, performs the work under “best efforts”, and is free to publish findings, then this is a **SUBCONTRACT**.

Post-Award Perspective on Consultant Agreement (s)

Before we determine how your consultants are to be paid...

Before consultants are paid our office ensures that business activity/payment is:

- classified under appropriate IRS tax codes
- compliant with Office of Management and Budget University policies (OMB A-110 and A-21)
- not compromising 501c3 (tax free) status
- not considered a risk (if so, determine type of warranty)
- meeting grant budgetary and programmatic requirements

Post-Award Perspective on Consultant Agreement (s)

Standard Operating Procedures

- Contact Maribel Pachay or Ruth Torres to evaluate the situation and determine best form of payment
- Depending on the situation, the consultant can receive:
 - honoraria
 - check (processed via Invoice with/without agreement)
 - paycheck (casual)

Please note: there are instances where service providers are exempt from the consultant contract requirement

Post-Award Perspective on Consultant Agreement (s)

Service Providers Exempt from the consultant Agreement Requirement

These individuals are exempt from the consultant agreement requirement (**This policy is subject to change in FY 2009**)

- Photographers
- External Audio/Visual editors (must not be utilizing CU resources to perform work)

Post-Award Process: Consultant Agreement (s)

Service Providers Exempt from the Consultant Agreement Requirement on a Limited Basis

These individuals can be paid up to 3 times per year without a consultant agreement (This policy is subject to change in FY 2009)

Examples:

- Writers and translators
- Literary editors, indexers, & interviewers
- Advisory Board members on a grant (they receive honoraria)

Post-Award Perspective on Consultant Agreement (s)

When Consultant Agreements are a Must

- **Contract Template (short & long form 9703) protects university:**
 - Indemnification (losses)
 - Limitation of liability (risk)
 - Use of confidential information
 - Work product (deliverables)
 - Ownership rights
- **Worksheets (Parts A & B):** addresses tax issues and determines adequate form of payment (e.g. payroll or honoraria)
- **Source justification (Part C of worksheet):** federal government OMB 110 requires that all procurement be researched for quality of service and optimal prices. This form documents the rationale that governed the choice process (e.g. single, sole, competitive bid, and/or preferred).
- **Scope of Work:** summarizes on period of performance, pricing, deliverables, & duration of project
- **Client Brochure:** establishes provider legitimacy (is company reputable?)
- **Vendor online questionnaire:** stores important provider data on university database; data is used by university to measure risk and look for better ways of doing business
- **Insurance - professional liability:** protects university against 3rd party liability (evidence of insurance-accord certificate)
- **HIPAA compliance certificate:** if working with human subjects, consultant must take online course and provide copy of certificate

Post-Award Process: Consultant Agreement (s)

CUSON Standard Operating Procedures (Continued)

Maribel Pachay (or Ruth Torres) collects documentation:

- Prepares purchase requisition online
- Sends approved requisition & documentation to consultant division in Purchasing Dept
- Paperwork is reviewed & if acceptable, a contract purchase order number is assigned
- Consultant invoices are received & processed

Post-Award Process: Consultant Agreement (s)

Latest Updates from Purchasing Dept

Coming soon!

Under executive review for FY 2009, the policy will be revised to emphasize a reduction of burden (paperwork) and an increase in value:

- **Purchase orders instead of standard template will be used; will accentuate**
 - Quality in the scope of work
 - Proposed pricing
 - Special terms & conditions (e.g., ownership of work product)
- **New proprietors (only) will be required to submit**
 - Proprietor worksheet (for sole proprietors only)
 - Online vendor questionnaire
 - Brochures & resumes
- **All consultants will have to carry insurance, BUT only those consultant activities requiring a contract will have to submit the evidence/certificate of insurance**
- **Exceptions will no longer be processed through accounts payable; to ensure compliance with IRS withholding policies, purchase orders will be required.**

Post-Award Perspective on Consultant Agreement (s)

Administrative Contacts & Their Duties:

- Barbara Wallenstein, Director of Operations: liaises with Purchasing Department to resolve complex matters
- Ruth E. Torres, Director of Finance: manages financial operatives of the school
- Maribel Pachay, Administrative Assistant: processes consultant set-up requests

Post-Award Perspective on Consultant Agreement (s)

Thank you for your time!

If you need to contact Ruth E. Torres, Director of Finance, she can be reached at:
ret2@columbia.edu or
212-305-3052.