INTERNAL OPERATING MEMORANDUM

Memorandum No. 16A.13

Subject: Review and Approval of Consulting Services

Authority: Sections 1001.74, 1001.75 and 1004.22, Florida Statutes, FAMU Policy entitled “Consultant Services”

Date: 07-19-10

Related References: 2 CFR Part 215, Office of Management and Business (OMB) Circular A-133 and OMB Circular A-21, FAMU Office of Sponsored Programs Manuals (Pre and Post Award Units)

Purpose: The purpose of this procedure is to provide guidance to University staff responsible for the procurement, management and payment of consultant services charged to sponsored projects.

Signature of Approving Authority: [Signature]

GENERAL INFORMATION

1.1 Review and approval of sponsored project expenditure requests is a crucial process in the administration of sponsored programs. Costs must be in accordance with the approved budget and must meet the allowability test. Four general tests for allowability of costs are:

1.1.1 Cost must be reasonable;
1.1.2 Cost must be allocable to sponsored agreements under the principles and methods provided in the circular;
1.1.3 Costs must be given consistent treatment through the application of generally accepted accounting principles appropriate to the circumstance; and
1.1.4 Cost must conform to any limitations or exclusions set forth in the Circular or in the sponsored agreement as to types or amounts of cost items.

1.2 All expenditure requests from sponsored projects have to be reviewed and approved by the Office of Sponsored Programs (OSP), prior to their referral to the processing area.

1.3 The OSP staff is also responsible for facilitating the execution of the agreement.

1.4 Average turnaround period of five (5) business days for review, approval/denial and referral of the document to appropriate area.

2.0 DEFINITION

2.1 Consultant is an independent contractor and not an employee of the University. Consultant services are rendered by persons who are members of a particular profession or possess a special skill. Such services may be advisory and are customarily temporary or intermittent.
RESPONSIBILITIES

3.1 Principal Investigator

3.1.1 The Principle Investigator (PI) is responsible for:

3.1.2 Determining that there is a need for consultant services to meet the requirements of the sponsored project and that there is no University staff available with the required expertise. Normally this is known at the time the proposal is developed. In this case, the proposal should include the following information:

3.1.2.1 Letter of Intent on official letterhead signed by a designated official authorized to commit the organization’s resources.

3.1.2.2 Rate of pay for services to be provided. Cost analysis must be provided to determine reasonableness of cost.

3.1.2.3 Statement of work must be provided, including any required travel for the completion of the services.

3.1.2.4 If the need for a consultant becomes known after the submission of the proposal the PI must request approval from the sponsoring agency for the use of a consultant. The request must be accompanied by a budget and budget justification and it must be submitted to the sponsoring agency through the OSP.

3.1.3 If there is any potential for a conflict of interest with any proposed consultant, the PI must inform the OSP of the details prior to preparing and executing any agreement.

3.1.4 Establishing a period of performance, scope of work and deliverables to be included in the consultant agreement. The deliverables must include an explanation of the services and the dates the deliverables are due and how the consultant is to invoice the University (e.g. monthly, quarterly, by set schedule). The consultant shall be paid for work performed.

3.1.5 Completing a consultant agreement, using the University form, prior to commencing performance. This form should be prepared in time to allow for all required approval, prior to the rendering of services. The PI cannot execute the consultant agreement on behalf of the University.

3.1.5.1 Reviewing and approving invoices to ensure compliance with the submission of reports as well as to determine if milestones have been met/delivered on a timely basis. If consultant has not performed as required by the agreement, the PI shall not approve the invoice for payment. Confer with the Office of Sponsored Programs and Office of General Counsel to demand compliance or terminate the Agreement, as necessary.

3.2 Office of Sponsored Programs (OSP)

3.2.1 The OSP is responsible for:

3.2.1.1 Reviewing and approving the consulting services to be included in the proposal.

3.2.1.2 Reviewing and approving documents provided by the PI.

3.2.1.3 Ensuring that all appropriate information regarding the use of consultants is included in the proposal, including the consultant’s resume, according to the sponsoring agency’s proposal guidelines.

3.2.1.4 Ensuring that rates of the consultant included in the proposal are in compliance with the funding agency requirements.

3.2.1.5 Verifying consultant has not been debarred or suspended.

3.2.2 Advising PIs on the appropriate procedure and requirements for consultant services.

3.2.3 Determining if agency/University approval is required and if so, reviewing and approving the request from the PI.
3.2.4 Review/approval of the consultant agreements being charged to a contract and grant account.
3.2.5 Reviewing and approving the e-requisitions request for the consultant agreement to determine that all required approvals have been received and the University and sponsoring agency guidelines have been followed; funds are available in the grant award to cover the entire cost of the agreement and the services are within the effective date of the sponsoring agreement.
3.2.6 Ensuring proper management and retention of documents.

3.3 **Controller Office**
3.3.1 The Accounts Payable section is responsible for processing the consultant invoices for payment and costs transfers in accordance with University policies and procedures.
3.3.2 The Controller's Office must ensure proper management and retention of documents.

3.4 **Purchasing**
3.4.1 The Purchasing Office (PO) is responsible for:
3.4.2 Determining that the consultant agreement conforms to the University’s procedures and specifically to the procedures outlined in the Purchasing Department, Contractual Services Manual.
3.4.3 When appropriate, preparing a solicitation, bid/solicitation exemption form or sole source justification, in consultation with the PI and OSP, if consulting agreement exceeds the University’s bid threshold amount, in accordance with Florida Statutes and University Rules.
3.4.4 Procuring consulting services.
3.4.5 Encumbering the funds for consulting services.
3.4.6 Ensuring proper management and retention of documents.

3.5 **Organizational Development and Training**
3.5.1 The training team is responsible for the development and coordination of training on regulatory requirements for all individuals with responsibilities in the procurement, management and payment of consultant services charged to sponsored projects, including but not limited to PIs, OSP staff, C&G staff and grants administrators.

3.6 **General Counsel Office**
3.6.1 The General Counsel Office is responsible for the review and approval of consulting services agreements to ensure their compliance with University regulations, Florida Statutes and any other applicable law.

3.7 **Vice President for Research**
3.7.1 The Vice President for Research is the authorized signatory of the University, designated by the President, for the approval of consultant agreement agreements funded by sponsored projects.

4.0 **Procedures**

4.1 **General Procedures**

4.1.1 **Pre-Award**
4.1.1.1 Review and approve proposed consulting services:
4.1.1.1.1 Review rate of pay,
4.1.1.1.2 review scope of work,
4.1.1.1.3 ensure that all appropriate information regarding the use of consultants is included in the proposal, according to the sponsoring agency's proposal guidelines,
4.1.1.4 review consultant rates included in the proposal to be in compliance with the funding agency requirements, and
4.1.1.5 ascertain that consultant is not on the list of debarred or suspended vendors.

4.1.2 Post-Award
4.1.2.1 Review approved budget and agreement to determine allowability of cost.
4.1.2.2 Review available balances through PeopleSoft (PS) to determine availability of funds.
4.1.2.3 All expenditure requests must be signed/approved by the Principal Investigator (PI).
4.1.2.4 If the document cannot be processed, the staff must call the PI and let him/her know that the expenditure request will be returned. Explanation for the decision to return must be provided to the PI.
4.1.2.5 The consultant should normally not be an employee of the state during the time period covered by the Agreement.
4.1.2.6 Faculty cannot be paid as consultants.
4.1.2.7 All parties prior to the initiation of any work must approve the consultant agreement. Any contracts initiated after services have begun are subject to non-approval by the OSP. It is recommended that the agreement be submitted to the OSP at least ten (10) working days prior to its effective date.
4.1.2.8 If the services are initiated prior to the execution of the agreement an After-the-Fact justification form must be completed by the PI and submitted to the OSP along with the agreement.
4.1.2.9 The PI must enter an e-requisition for the consulting services in PS.
4.1.2.10 A “consulting services short form” must be completed for services under $5,000. A “long form” must be completed for services in an amount equal or higher than $5,000.
4.1.2.11 When the cost of services exceeds $75,000, the contract will be subject to competitive solicitation requirements by the Purchasing Department or a Sponsored Research Purchase Exemption is required.
4.1.2.12 If the document cannot be processed, the staff must call the PI and let him/her know that the document will be returned.

4.2 Payment of Invoices
4.2.1 Invoices must be submitted to the PI by consultant in order to receive payment.
4.2.2 Invoices must be reviewed and approved by the OSP and the PI.
4.2.2.1 Invoice must be in accordance with the deliverables and due dates included in the agreement.
4.2.2.2 Deliverables must be met prior to the approval of the invoice.
4.2.3 If OSP receives an invoice from the consultant, the invoice is clocked by the receptionist and referred to the staff in charge of the account.
4.2.4 The staff reviews the invoice to verify allowability and availability of funds.
4.2.5 The staff completes the Consulting Invoice Review and Payment Authorization Form (CIRPA) and refers it to the PI for review and approval.
4.2.6 PI sends back the approved and signed invoice and (CIRPA) to OSP staff.
4.2.7 Staff approves invoice and refers it to Accounts Payable for payment.
4.2.8 The Office of Contracts & Grants (C&G) is responsible for invoicing to the sponsoring agency and preparation of fiscal and financial reports.

4.2.9 **DISTRIBUTION OF DOCUMENTS**

4.2.9.1 To return documents, the staff will either place them in the pick-up tray in the front desk or refer them to the Grants Specialist to mail them back to the PI. Documents that are picked-up must be logged-out in the Tracking System by the staff in charge of the account. A letter signed by the OSP Director accompanies documents that are returned through campus mail. The staff uses the return letter template available in the DSR-Post Award Database.

4.2.9.2 Approved/disapproved consulting service requests are referred to the Grant Specialist for referral to the Purchasing Office or Department/PI.

4.2.10 **RECORDS**

4.2.10.1 A copy of the agreement is kept in the project file.

4.2.10.2 Copies of the signed CIRPAs are kept in the project file.

4.2.10.3 The appropriate record retention guidelines should be followed for the retention and disposition of documents. Generally, documentation should be maintained for three years following the submission of the final financial report unless sponsoring agency requires it to be maintained for a longer time period.