

Policy Name: Professional Services Policy		
Effective Date: 02/01/2015	Revision Date: 08/31/2016	Department/Area/Division: PRS/FN/FA
Department/Area Policy #:		Departmental Contact: Kevin Stevens, Director of Procurement Services

Purpose:

The purpose of this policy is to set forth the requirements that must be followed when a University department seeks to obtain professional services from an outside party. Professional Services exempt from the [State of Alabama Competitive Bid Law](#) include contracts for the securing of services of attorneys, physicians, architects, teachers, artists, appraisers, engineers, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part. This policy applies to all University colleges, departments and divisions.

Policy Statement:

While most services necessary for the University’s day-to-day operation are either performed by University employees or acquired through standing bid contracts, there are occasions when outside professional services are needed. The following are examples of why professional services would be required:

- limited or one-time use of specialized or creative skills are needed
- the provider has unique areas of expertise
- the purchase provides rapid access to the latest technology and the provider has experience with its application
- the provider has access to unique problem-solving alternatives

In most cases, these services are of a specific project nature, and are not a continuing, on-going responsibility of the department, except in the broadest sense.

This policy will assist University departments in complying with Internal Revenue Service (IRS) regulations, State of Alabama laws and ethics rules, when seeking to acquire professional services.

Policy:

For many routine and recurring services, the competitive bid laws of the State of Alabama will apply; therefore, standing contracts have been established for these services. Departments should refer to the Purchasing website for the current list of [Approved Contracts](#).

This policy is intended to address situations for which there is no standing contract that would cover the service. Professional services are customized services consisting of specialized intellectual or creative expertise based on personal skills or ideas provided for a fee. Some

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examples of professional services may include: artistic design, editorial services, architects, attorneys, engineers, software programmers, real estate appraisers, performers/entertainers, guest speakers/lecturers, and outside review/evaluation.

In obtaining professional services, University departments must follow the steps outlined below.

1. Independent Contractor (IC) approval

If the service provider is an individual (or sole proprietor), the [Independent Contractor Policy](#) will apply.

The department must complete the [IC Form](#) and have it approved by the Tax Office **before** an agreement is made or work is performed. This step is necessary to ensure compliance with IRS rules regarding the classification of individual workers as either employees or independent contractors.

Refer to the Tax Office website for further details on [Independent Contractors](#).

2. Contract Approval

As a general rule, a contract must be executed prior to an individual or company performing professional services for the University.

Only individuals authorized by the Board of Trustees may sign contracts on behalf of the University. Contracts must be routed to the Contract Management Office for signature after approval of the IC Form, if applicable.

To aid departments in meeting this requirement, the following templates are available on the Contract Management website:

- [Professional Services Agreement \(PSA\)](#)
- [Guest Speaker Agreement \(GSA\)](#)

The department must either use the appropriate agreement template with no alterations, additions or omissions, or use a contract that has been reviewed and approved by Contract Management (or the Office of Counsel, when required).

Certain types of services will have additional requirements, such as insurance or specific contract provisions. These will be listed in the [Professional Services Matrix](#) on the Procurement Services website. Departments should refer to the matrix for the most up-to-date guidance on various types of professional services.

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For professional services that do not have specific requirements listed,

- If fee is \$5,000 or less, a detailed invoice may be submitted in lieu of a PSA or contract. The invoice must be dated and contain a statement of work performed, including deliverables.
- If fee is \$5,000.01 - \$50,000, a PSA or contract is required.
- If fee exceeds \$50,000 - instead of using the standard PSA template, a formal contract is required and must be reviewed through the Contract Management Office.

For guest speakers/lecturers:

- GSA or other detailed documentation is required

If the contract includes the payment of reasonable travel expenses to the provider, the expenses shall be paid in compliance with UA's [Travel Policy](#).

3. Vendor Registration

If the service provider is not already registered in the University's system, the provider will need to complete the online [Vendor Registration](#) process. Registration must occur before payment can be issued.

4. Conflicts of Interest / Disclosure Statement

If a service provider is related to a UA employee (or in the case of a company, one of the members/owners is a UA employee or is related to a UA employee), this must be disclosed as applicable on the IC Form, the Vendor Registration, and/or the Disclosure Statement.

The Human Resources [Nepotism Policy](#) will apply, as well as State of Alabama Ethics Commission rules www.ethics.alabama.gov.

5. Payment Processing

Requests to pay professional service fees should be submitted to Accounts Payable using the Miscellaneous Disbursement Voucher (MDV). As documentation with the MDV, the following should be attached as applicable:

- agreement/contract and/or invoice*
- approved IC form, if required
- expense documentation/receipts (if expenses are reimbursed in addition to the fee)

**When funds from a state of Alabama grant or contract or federal agency passed to the University through a state agency are used to pay for professional services, an invoice from the professional is required as documentation, in addition to the other requirements of this section.*

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Refer to the [Professional Services Matrix](#) for a summary of documentation requirements, based on the type of service and the amount of the fee.

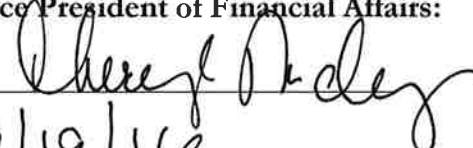
Payment of professional service fees cannot be made in advance. Although completed paperwork may be submitted to Accounts Payable in advance, the payment will not be issued until the completion date of the service (or installment date as specified in contract).

Definitions:

Guest Speaker - A non-employee engaged by the University to lecture, present, or otherwise speak on a subject about which s/he is considered to be an expert. Examples include speakers/presenters at conferences, symposiums, or lecture/speaker series and/or guest lecturers in classes or other training events.

Independent Contractor – Refer to the [Tax Office](#) website

Office of the Vice President of Financial Affairs:

Approved by: 

Date: 9/19/16