



**OP 65.04 SECURING AND PAYING FOR HONORARIUM, SPEAKERS,
CONSULTANTS, AND INDEPENDENT CONTRACTORS**

POLICY

The primary purpose of this policy and procedure statement is to guide the institution in three areas: (1) To properly classify employees, speakers, consultants, and independent contractors; (2) To properly establish, execute, and maintain honorariums, contracts, and consulting arrangements with non-MSU individuals/organizations; (3) To properly establish and execute intra-institutional consulting arrangements.

All MSU policies and procedure guides inconsistent with the policy and procedures contained herein are hereby rescinded.

It is the University's policy that an individual may not act both as an employee and an independent contractor for the institution. Therefore, an individual's status as an employee or independent contractor must be established prior to work/services being performed. Furthermore, no work shall be performed by a contractor, speaker, independent contractor, or consultant prior to the receipt of a properly approved services contract.

PROCEDURE

A. Procedures for Determining Contractor/Consultant Classification and Procuring Fee-Based Independent Contractor Services from E&G or Designated Funds

Determining contractor/consultant classification is part of the Bully Buy contract request process. The overall contract process is described more fully in the Contract Guidelines established by the Office of Contract Administration¹.

When an MSU department or unit wishes to enter an agreement with a contractor, speaker, independent contractor, or consultant (collectively referred to as "contractor"), the department checks to determine if the contractor is already a registered Bully Buy vendor. If not, a new Bully Buy vendor request must be completed before an agreement is initiated and before the contractor may perform any services for MSU.

Upon completion of the Bully Buy vendor request, the requesting department must submit a Bully Buy contract request. If contractor is an individual, the contract request will be forwarded to Human Resources Management ("HRM") for review and determination of classification.

¹ The MSU Contract Guidelines are available on the Office of Contract Administration website: <https://www.contracts.msstate.edu/resources/contract-guidelines>

In the event that HRM determines the individual to be an employee, the contract request will be denied. If the individual is deemed to be an independent contractor, HRM will approve the contract request and the request will progress to the next level of review.

B. Procuring Fee-Based Independent Contractor Services from Restricted Funding

If the contractor will be paid from restricted funding, the requesting department follows the Bully Buy contract request process described above and in the Contract Guidelines. In addition to the Bully Buy contract request, the Principal Investigator (“PI”) and/or department are responsible for the following:

1. Determine that the contractor was listed and approved on the original project budget. If not, a budget modification must be initiated with the Office of Sponsored Projects to have the contractor added to the budget. This revision may or may not require sponsor approval.
2. Coordinate with Department of Procurement services to ensure appropriate Federal purchasing rules are followed.
3. Prior to any payments, the PI shall determine that the contractor has performed the services he/she was contracted to perform and that all reports and other deliverables required by the sponsor are completed.

C. Processing Payments for Contractors, Speakers, or Consultant Services

The consultant/contractor shall submit a Statement of Services and expenses (Detailed Invoice), including applicable contract number(s), to the department. The department should submit the invoice for payment via a Bully Buy Direct Pay Order and link the appropriate contract to the Direct Pay Order. Payments in excess of the value of the services contract are unallowable unless the services contract is formally amended by Contract Administration.

D. Special Exempt Services (and related payment processing procedures)

Certain types of services do not require the use of a formal contract or purchase order. These services can be paid using the Bully Buy Direct Pay Order process. The exempt services are:

- Advertising of Employment Opportunities – Exception: All marketing agreements should be entered into with a contract and copies of the proposed advertisement should be submitted via a Bully Buy contract request
- Athletic Medical Services by Accredited Hospitals and Medical Clinics Athletic Officials (SEC or NCAA only)
- CVM Animal Lab and Medical Fees
- Employee Applicants – Reimbursement for actual expenses only
- Hospital EMT and CPR Training Services
- Postal Charges (i.e., to mailboxes, Campus & City Mail Services, etc.)
- Telephone Services
- Utilities

Further procedures for approval of exempt services may be required by the responsible division.

Refer to your division procedures for further guidance in this matter.

REVIEW

The Vice President for Finance and Administration and the Vice President for Research and Economic Development are responsible for the review of this operating policy every four years or as needed.

REVIEWED BY:

/s/ Les Potts 4/6/2026
Vice President, Finance & Administration Date

/s/ Scott Willard 4/6/2026
Interim Vice President, Research and Economic Development Date

/s/ Tracey N. Baham 4/7/2026
Associate Vice President, Institutional Strategy & Effectiveness Date

/s/ Joan Lucas 4/13/2026
General Counsel Date

APPROVED BY:

/s/ Mark E. Keenum 4/27/2026
President Date