

MISSISSIPPI STATE UNIVERSITY

SECURING AND PAYING FOR HONORARIUM, SPEAKERS, CONSULTANTS AND INDEPENDENT CONTRACTORS POLICY

I. 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, maintain and execute honorarium, 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All MSU policies and procedure guides inconsistent with the policy and procedures contained herein are hereby rescinded.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. Further, no work shall be performed by a contractor, speaker, independent contractor or consultant prior to the receipt of a properly approved services contract.

II. PROCEDURE:

A. Procedures for determining contractor/consultant classification

If the contractor/consultant/speaker is an individual, the [Classification Checklist, HRM 323](#) must be completed prior to the individual performing any services for the University. Upon completion, the Classification Checklist must be forwarded to Human Resources Management for review and determination of classification. Contact HRM if the proposed consultant is a PERS retiree.

In the event that HRM determines the individual to be an employee, a copy of the checklist will be forwarded back to the department for initiation of the appropriate employment paperwork. If the individual is deemed to be an independent contractor, a copy of the checklist will be routed back to the department. The department will then follow the procedures for obtaining appropriate institutional approvals to engage a speaker, consultant or independent contractor as outlined below.

B. Procuring Fee-Based Independent Contractor Services from E&G or Designated Funds

After the [Classification Checklist, HRM 323](#), has been approved by HRM, a services contract may be initiated and approved following the [Contract Guidelines](#) established by the Office of Procurement and Contracts.

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

After the [Classification Check List, HRM 323](#), has been approved by HRM, the PI (Principal Investigator) and/or Department are responsible for the following:

1. Determine that the Contractor/Consultant was listed and approved on the original project budget. If not, a budget modification must be initiated with Sponsored Programs Administration to have the consultant added to the budget. This revision may or may not require sponsor approval.
2. Determine whether there is a specific sponsor or university cap for Consultants and make sure the consultant falls into that range. Some agencies list the cap in the proposal guidelines.
3. Determine that the consultant has not been debarred by checking the federal website www.epls.gov
4. A services contract may be initiated and approved following the [Contract Guidelines](#) established by the Office of Procurement and Contracts.
5. Prior to any payments, the PI shall determine that the consultant has performed the services he/she was contracted to perform and that all reports and other deliverables required by the Sponsor are completed.

D. 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. If the invoice does not include the contract number, the department shall attach the documentation from the Contractor/consultant along with a copy of the [Classification Checklist, HRM 323](#) or the approved PERS check list if the contractor/consultant is a PERS retiree, to the AP-DP form (Accounts Payable - Direct Pay Form) and submit to Payment Services for processing. If the invoice includes the contract number, the HRM-323 will not be required as they will be part of the electronic contract file maintained by Procurement and Contracts. Payments in excess of the value of the services contract are unallowable unless the services contract is formally amended by Procurement and Contracts.

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

There are certain types of services that do not require the use of a formal consulting/contractor/speaker agreement. For non-MSU employees, these services may be procured using the MSU APDP, and, as necessary, the MSU form A-08. The following Exempt Services may be transacted in this manner:

Advertising

Appraisal Services by certified/licensed appraisers

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

Moving/Transportation Services

No-Fee Based, Non-MSU Personnel Travel

Outside Catering Fees

Postal Charges (i.e. to Mailboxes, Etc., Campus & City Mail Services, etc...)

Project/Subject Participants

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 of Budget and Planning](#) and the [Vice President for Research and Economic Development](#) are responsible for the review of this operating policy every four years or as needed.

This policy has been superseded.

RECOMMENDED BY:

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APPROVED BY

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This policy has been superseded.

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