Alfred University
Sponsored Projects Consulting Agreement Policy

Context:

Agreements to secure consulting services for a sponsored project are created when deemed necessary by the Principal Investigator/Project Director (PI/PD). A consultant is an independent contractor and not an employee of the University. A Sponsored Consultant is defined as any person hired in a professional capacity to provide specific expertise in the technical area of the project for a specified period of time under a sponsored agreement (grant, contact, cooperative agreement, etc.). The expertise the consultant is hired to provide is typically not available within the institution.

When hiring individuals as consultants/independent contractors, the designation of independent contractor status is governed by the Internal Revenue Service (IRS) tax code and common law. Significant tax penalties exist for incorrect classification of an employee as an independent contractor. It is important that common standards are applied in classification and contracting, and that each case is fully documented and auditable.

In addition, the contracts used to engage consultants/independent contractors are important legal documents that serve to clarify responsibility and expectations which are important protections to both parties in the contract.

Policy Statements and Procedures:

The University uses the same classification procedures prior to hiring a consultant or establishing a subaward. These procedures are designed to meet the criteria set forth in OMB Uniform Administrative Requirements 2 CFR §200.330 and are applied consistently to all outside sponsored awards regardless of the purpose or the source of funding.

After referencing the “Subrecipients, Contractors, and Consultants on Sponsored Projects Guidance” document prepared by the Office of Sponsored Projects (OSP), and consulting with OSP and Human Resources as necessary, PI/PDs will make a recommendation to contract for the services of the consultant.

A consultant contracted under a sponsored project may be compensated for services, and reimbursed for travel (including meals and lodging) and other miscellaneous expenses as outlined in the final executed agreement. Any payment made to consultants must comply with the University’s and the sponsoring organization’s regulations on compensation and travel.

Once an individual has been correctly classified as a consultant/independent contractor, a Sponsored Project Consulting Agreement should be prepared prior to any services being performed:

1) The PI/PD will complete the Sponsored Project Consulting Agreement Request form, attach a detailed scope of work for the services to be performed, and submit to OSP for processing
   - The Sponsored Project Consulting Agreement must include a scope of work and a budget that breaks down the costs to complete the scope of work. The work must be conducted and completed during the period of performance of the award
2) OSP will send the Sponsored Project Consulting Agreement to the consultant for partial execution
   - If necessary, OSP will negotiate terms of the Sponsored Project Consulting Agreement for the PI/PD

3) The consultant will return a partially-executed agreement to OSP

4) OSP will obtain required University signatures, and return a fully executed copy of the agreement to the consultant and PI/PD

5) OSP keeps the fully-executed agreement for the project file and consultant work may begin on the project