



## University Policies and Procedures

### 08-03.30 - CONSULTANT POLICY

#### Purpose

Towson University has established this policy and these procedures by which an individual or organization may provide professional advice or services to Towson University for a fee. Consultants may be utilized when Towson University employees, within the scope of their function, cannot provide expertise adequately. The process of obtaining consultant services is considered a procurement, unless specifically excluded pursuant to USM Procurement Policies and Procedures, <http://www.usmd.edu/Leadership/BoardOfRegents/Bylaws/SectionVIII/VIII300.html>. The Procurement Officer is delegated authority to determine whether or not the services fall within one of the listed exclusions. This policy is applicable for all consultants hired. It is not intended for use when paying an honorarium (see [08-03.40, Honoraria Guidelines & Procedures](#)) or a stipend to an individual or when engaging a visiting scholar.

#### Consultant Policy

##### I. Consultant – Defined

- A. A consultant is an independent contractor (a non-University employee), an established business concern, and/or individual who receives a payment for services as defined below.
- B. In order to be classified as an independent contractor and not as a University employee, the relationship between the individual and the University must be such that the University does not have a right to direct and control the means and details of the work performed by the individual. To help determine whether or not a consultant meets the classification of an independent contractor, see IRS Independent Contractor Test, Appendix D. A link to this test is posted at <http://www.towson.edu/adminfinance/fiscalplanning/procurement> under Department Information, Helpful Links, IRS.
- C. Consultant services generally fall within the USM definition of *Services*: “The rendering of time, effort, or work rather than the furnishing of a specific physical product, other than reports incidental to the required performance. It includes, but is not limited to, the professional, personal and/or contractual services provided by architects, engineers, attorneys, accountants, physicians, consultants,

appraisers, land surveyors, and where the service is associated with the provision of expertise or labor, or both.”

## II. Hiring a Consultant

- A. If the contract amount is \$500 or more, a written agreement is required. Before entering into an agreement with a consultant, the Procurement Officer will ensure that certain criteria are met and explained in writing in the request to hire the consultant (form can be found in the Forms Directory, <http://wwwnew.towson.edu/adminfinance/fiscalplanning/financialservices/Forms-Directory.htm>). The consultant will be required to execute a standard, University approved consultant agreement which must be requested from the Procurement Department. The following information must be included in the request submitted to the Procurement Department:
1. Why the expertise of the person is needed and cannot be met by a current University employee within the context of his/her function.
  2. An estimate of the fee for the consultant services and a statement that the fee is appropriate considering the qualification of the person to be hired and the nature of the services to be provided.
  3. That the Consultant’s services will be procured in accordance with the governing USM and TU Procurement Policies and Procedures.
  4. There is no apparent conflict with the State Ethics laws.
  5. The complete description of the work to be performed by the consultant, including all required reports or other submittals. Reimbursables shall be in accordance with applicable State policies, (see Financial Services website: <http://www.towson.edu/finserve/>) and are to be included in the consultant’s fee; separate reimbursements will not be provided. Miscellaneous vouchers for reimbursables are not acceptable.
  6. The term of the agreement must be specified. No employment arrangements or repeated or extended engagements will normally result. Prior use of a consultant must be disclosed including dates and amounts. In cases of repeated or extended arrangement with a consultant, the reasons why a recurrence is considered necessary must be explained.
  7. That the funds for a consultant are available in the requesting department’s budget.
  8. Approval for utilizing a consultant must be obtained from all appropriate University representatives before the consultant begins their assignment.

- B. If the contract amount is less than \$500.00, the same procedures should be followed, except that a consultant agreement form is not required. The request to hire a consultant does not have to be submitted through the Procurement Department, but must be submitted through Accounts Payable (see <http://wwwnew.towson.edu/adminfinance/fiscalplanning/financialservices/AccountsPayable-Welcome.htm>).

III. Consulting agreements exceeding \$500 must:

- A. Use the standard Towson University “Consultant Agreement Form,” and/or the Towson University Purchase Order;
- B. Include a detailed work statement;
- C. Pursuant to IRS regulations, include in the fee for services any and all reimbursable expenses, including travel;
- D. Be signed by the consultant;
- E. Be executed by an authorized representative of the University (note: pursuant to the USM governing Procurement Policies and Procedures, the University shall be the final signatory on all consultant agreements), and
- F. A copy shall be provided to the department and the consultant, an original copy of the agreement shall be kept on file in the Procurement Department.

IV. Payment for Consulting Services

All payments for consultant services shall be made in accordance with standard Towson University policies. The consultant must submit an invoice to Accounts Payable. The invoice must reference the Consultant Agreement and/or Purchase Order number and include the consultant’s Federal Tax ID number or Social Security Number; the consultant must submit a completed IRS Form W-9. The project manager who will attest that the services have been successfully provided by the consultant shall approve the invoice. The invoice shall also include an authorized signature. Miscellaneous expense vouchers will not be accepted. All reimbursable expenses must be included in the invoice amount and if an IRS Form 1099 is issued to the consultant, reimbursables will be included on the amount, pursuant to IRS requirements.

Responsibility: Procurement Department  
Authorization:  
Date: 04/08/05  
Effective Date: 04/08/05