



POLICY STATEMENT 5 RENUMERATION FOR PROFESSIONAL, PERSONAL, OR CONSULTING SERVICES

POLICY DIGEST

Monitoring Unit: Finance & Administration
Initially Issued: May 12, 2003

I. PURPOSE

To specify the policy governing payment to an individual or business entity qualified by definition as an independent contractor rendering a professional, personal or consulting service to the University.

II. DEFINITIONS

- A. *Independent Contractor*: An independent contractor is an individual engaged to perform a service not readily available within the University and the performance of which does not constitute an employee-employer relationship.
- B. *Remuneration*: Payment for services rendered by an independent contractor.
- C. *Professional Service*: Work rendered by an independent contractor who has a professed knowledge of some department of learning or science used by its practical application to the affairs of others or in the practice of an art founded on it including, which independent contractor shall include, but not be limited to lawyers, doctors, dentists, veterinarians, architects, engineers, landscape architects, accountants and claims adjusters. A profession is a vocation founded upon prolonged and specialized intellectual training which enables a particular service to be rendered. The word "professional" implies professed attainments in special knowledge as distinguished from mere skill. For contracts with a total amount of compensation of \$50,000 or more, the definition of "professional service" shall be limited to lawyers, doctors, dentists, veterinarians, architects, engineers, landscape architects, accountants, claims adjusters, and any other profession that may be added by regulations adopted by the Office of Contractual Review of the Division of Administration.
- D. *Personal Service*: Work rendered by individuals which requires use of creative or artistic skills, such as, but not limited to graphic artists, sculptors, musicians, photographers, and writers, or which requires use of highly technical or unique individual skills or talents, such as, but not limited to, paramedicals, therapists, handwriting analysts, foreign representatives, and expert witnesses for adjudications or other court proceedings. A foreign representative shall mean a person to represent the Department of Economic Development in such foreign country.
- E. *Consulting Service*: Work, other than professional or personal, rendered by either individuals or firms who possess specialized knowledge, experience, and expertise to investigate assigned problems or projects and to provide counsel, review, design, development, analysis, or advice in formulating or implementing programs or services, or improvements in programs and services,

including but not limited to such areas as management, personnel, finance, accounting, planning, data processing and advertising contracts, except for printing associated therewith.

- F. *Employee-Employer Relationship*: The employee-employer relationship is distinguished from the independent contractor relationship by the degree of employer direction and control over the way work is done, both as to the final results and as to the details of when and how the work is to be done. Control need not actually be exercised; it is sufficient that he or she has the right to do so.

III. GENERAL POLICY

In making arrangements for guest lecturers/performers and other independent contractors performing similar short-term services for the University, payment in addition to reimbursement of expenses may be required.

- A. Where grant and contract funds are used for such purposes, it is the budget unit's responsibility to ascertain if remuneration to independent contractors may be charged to the grant or contract, and, if specifically required by the granting agency, to get written approval.
- B. Documentation is required which indicates why the particular expertise is not available in the University and why the particular individual was chosen.
- C. Arrangements for professional services of attorneys are to be made through the LSU Systems Office. Arrangements for professional services of architects or engineers are to be made through the Office of Facility Development.
- D. The State of Louisiana Code of Governmental Ethics provides that No former public employee shall, ... for a period of two years following termination of his public employment, render, on a contractual basis to or for the agency with which he was formerly employed, any service which such former public employee had rendered to the agency during the term of his public employment. This is applicable whether the individual resigned or retired from service. The Commission on Ethics for Public Employees has rendered an interpretation which clarifies that in the case of the University, the term agency refers to the department level unit wherein the individual was employed on the campus.

IV. OPERATING PROCEDURES

The procedures for processing Contracts for Professional, Personal or Consulting Services are established and monitored by the Purchasing Office.

Information required by the Purchasing Office must be submitted prior to the commencement of services. Services are not to commence until approval is received from the Purchasing Office.

If travel expenses are being reimbursed to (or being provided for) the individual or business entity in addition to payment for services, the estimated travel expenses must be included in the information presented to the Purchasing Office.

If, however, a visitor will be reimbursed for his or her travel expenses, but will not receive any additional remuneration for services provided, payment processing will be in accordance with guidelines established by the Office of Accounting Services, Accounts Payable Division. In this

specific instance, Purchasing Office approval is not required.

If services are being provided by, and payment to be made to, an individual who is not a citizen of the US, compliance with FASOP: AS-04 must be met prior to contracting. Questions concerning remuneration to foreign visitors are to be addressed to the Office of Accounting Services, Accounts Payable Division.

Questions concerning payment for Professional, Personal, or Consulting services are to be addressed to the Purchasing Office. Questions concerning travel expenses are to be addressed to the Office of Accounting Services, Accounts Payable Division.

V. SOURCES

Purchasing Office, Personal, Professional and Consulting Services
(<https://www.lsu.edu/administration/ofa/procurement/a-z-policies-procedures/professional.php>);

PUR-GOC Guidelines and Object Codes for Professional, Personal and Consulting Services
(<http://www.fas.lsu.edu/purchasing/PDFs/GOC.pdf>);

Division of administration, Office of Contractual Review (<http://www.doa.state.la.us/ocr/ocr.htm>);

La. R.S. 42:1113 Prohibited contractual arrangements; La. R.S. 42:1121 Assistance to certain persons after termination of public service; Accounting Services, Travel Department
(<http://www.fas.lsu.edu/AcctServices/travel/default.htm>);

PM-13 University Travel Regulations; FASOP: AS-04 Nonresident Alien Consultant, Contractor, Scholarship and Fellowship Payments (<http://www.fas.lsu.edu/fas/procedures.htm>)