

The enumerated steps below detail the procurement process for
INTERNATIONAL Engagements re: Professional Services
for
\$5,000 or more

<p>Definition: An <i>international engagement</i> exists if services are being performed either:</p> <ol style="list-style-type: none">Outside the US, regardless of whether the service provider is US / Foreign; orBy a foreign individual / entity (within or outside the US).	<p><i>Funds are not to be promised to a service provider until a signed Purchase Order (PO) has been issued by Purchasing.</i></p> <p>Purchasing Authority: “Only authorized Indiana University personnel may commit University funds for goods and services.”</p>
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(**Note on TRAVEL:** This document is *not* applicable to primarily travel related purchases like transportation / lodging. Consult [Travel](#) for more information on travel related purchases. *See Also*, “Study Abroad – Standard Operating Procedure”.)

Vendor Setup

- Vendor must be in KFS and approved by Vendor Workgroup. If the vendor is not in KFS:
 - The Vendor Information Packet should be sent far in advance of when services are desired. This allows:
 - the vendor time to complete the paperwork; and
 - the vendor workgroup time to approve or deny the vendor.
 - Dept. or Purchasing sends the appropriate [Vendor Information Packet](#) to Vendor.
 - Vendor completes and returns the appropriate [Vendor Information Packet](#) to Purchasing (or Dept.).
 - Purchasing (or Dept.) creates vendor profile in KFS as PO vendor;
 - Vendor Name must match Name on the W-8 (included in the Vendor Information Packet) exactly.
 - The name should also be consistent with name on bank account to which payment is to be sent.
 - Payments made outside the US/CAN shall be made by wire transfer – international bank account information shall be submitted by the vendor with each invoice, not at the time of vendor setup. Failure to submit banking information with an invoice will delay payment.
 - Vendor Type must be “Purchase Order”; and a PO Address must be added.
 - Always include an e-mail address for vendor.
 - Purchasing (or Dept.) FAXES the completed Vendor Information Packet to the PO Vendor Workgroup: 812.855.7839. The coversheet should reference the KFS doc# of vendor profile created above.
 - PO Vendor Workgroup verifies the information received in the Vendor Information Packet.
 - Vendor profile routes to the Export Control Specialist in the Office of Research Compliance to check against the OFAC Specially Designated Nationals list for sanctions. Note is added to indicate if individual is on the sanctioned parties list and the profile routes back to the Vendor Workgroup.
 - PO Vendor Workgroup approves or denies Vendor in KFS.
 - If denied: Vendor cannot perform the service; and vendor is not eligible for any payments for any work performed without Purchasing authorization.

Requisition/Agreement request

- If Study Abroad - Dept. reviews the Study Abroad – Standard Operating Procedure Document (Copy attached, Addendum A).
 - Review the Study Abroad – Standard Operating Procedure Document – Determine if services could be processed through University Travel rather than Purchasing.
 - If services can be processed through University Travel that is the preferred process.
- Dept. submits REQUISITION:

- a. Far in advance (**2 month minimum**) of when services are desired, This allows:
 - i. Purchasing time to review, draft, negotiate a contract, and issue a PO; and
 - ii. [Accounts Payable](#) has at least thirty days to process payment upon receipt of an invoice.
- b. Dept. should specify the initials of the appropriate Contract Manager in the top description field.
 - i. For service providers in general: “**LB14**” (Linda Blair);
 - ii. For speakers / lecturers performing in the U.S.: “**KS32**” (Kathi Sipes);
 - iii. For Jacobs School of Music: musical performers working in the U.S.: “**LH17**” (Lisa Hardy).
- c. Each line item should be very detailed about:
 - i. Services, Deliverables, Due Dates, Goals, Expectations, . . .
 - ii. Payment Schedule: (After Completion / After Deliverables Received)
- d. Indicate where all services are performed. If the foreign vendor will be providing some services in the U.S. and some outside of the US – Put funds promised for services performed in the U.S. on separate line than funds for services performed outside the U.S.
- e. Payment Terms:
 - i. For payment outside the U.S. and Canada: select “Wire Transfer”.
 - ii. For payment inside the U.S. or Canada: Select “Net 30 Days from Receipt of Invoice”.

4. Dept. submits Agreement Request Document

Dept. completes the Professional Services form on the Purchasing Web Site:

<http://www.indiana.edu/~purchase/resources/edocs.php> and uploads any relevant proposals, statements of work, or agreement template (*See* below). Cannot use hourly rate or pay travel for International services.

- a. Preserve the *independent* nature of the relationship:
 - i. Six-month or less duration
 - ii. Be very specific about exactly what services are to be performed.
 - No vague statements that express services are at your department/professor’s discretion.
 - No direction or supervision of the Contractor
 - iii. Payment Triggers and Payment Schedules – NOT an hourly rate. Based upon:
 - Completion of all services; or
 - Delivery of specific deliverables; or
 - Milestones
 - Limit number of payments as much as possible. Never more than once a month.
 - iv. Individual must work independently (no oversight by IU – we tell them what we want and they control how they perform the services)
 - v. No regular work schedule – vendor controls
 - vi. Do not reimburse for expenses or equipment
 - vii. Services should not be in-line with the “mission” of IU: “Research” or “Teaching”.
 - Where you can *truthfully* clarify an engagement by referring to these services as “analysis” or “advising” it would be beneficial to do so.
 - For domestic engagements: it may be more appropriate to engage the contractor as an employee through HR.

Purchasing Review

5. Independent Contractor (“IC”) Approval Required:

- a. For *individual* US Citizen ICs (not entities) performing in the U.S.: Dept. must submit an [Independent Contractor Questionnaire \(ICQ\)](#) to TAX.
- b. For non US Citizen ICs: The Purchasing Contract Manager or Legal Counsel will determine whether we can contract with payee as an IC. Some common relevant factors are listed below:
 - i. **Travel / Expenses should not generally be reimbursed. Contractor should consider (include) these costs when quoting a service fee. “Per diem” is not appropriate for independent contractors.**
 - ii. **Payment Schedule should be based on:**
 - Project price / deliverables / milestones / completion;
 - NOT: hourly / monthly / arbitrary periodic payments.
 - iii. **Duration of engagement should be limited to less than 6 months.**

iv. Contractor should pay his/her own taxes, and provide tools / equipment (like a computer).

6. Purchasing may require that Dept. obtain other applicable approvals.
 - a. Purchasing will help Dept. determine which approvals are applicable.
 - b. Dept. must contact applicable approvers: ([Examples of commonly required approvals](#))
 - c. Dept. must forward e-mail approvals to Purchasing.

Contract Drafting / Review / Offer / Negotiation / Signature / Purchase Order

7. Purchasing drafts the Foreign Agreement.
8. Purchasing seeks approval of drafted agreement from Dept.
9. Dept. approves of drafted agreement (*or works with Purchasing to make changes*).
10. Purchasing/Department offers agreement to Vendor for signature.
 - a. Purchasing negotiates proposed changes.
 - b. If changes relate to price or services, Purchasing requests Dept. approval.
 - c. Purchasing revises drafted agreement, and reoffers agreement to vendor for signature.
11. Vendor signs agreement and returns it to Purchasing.
12. Purchasing signs agreement.
13. Purchase Order is coded, processed, and approved by Purchasing.
14. Purchase Order breezes through additional approvals in KFS *if* Dept. acquired them.
15. **Purchase Order is issued by Purchasing**: Agreement becomes effective.

Performance May Begin | Invoicing / Payment / Accounts Payable (“AP”)

16. Vendor may begin performance / Invoice for payment.
 - a. Dates of performance may not precede the term of the signed contract and Purchase Order.
 - b. Invoice Requirements (*Radact any/all banking information*):
 - i. Vendor submits invoice preferably by PDF file attached to an email to invoice@indiana.edu.
(Vendor may mail invoice to Indiana University, IU Accounts Payable, 400 E 7th Street, Room 021, Bloomington, IN, 47405-3003)
 - ii. *PO number must be on the Invoice*
 - iii. An Ideal invoice has these attributes:
 1. Vendor name in header of invoice (a match for the name to whom the PO was issued);
 2. A “Remit To” Address;
 3. PO#, Vendor invoice#; invoice date; Billing Name: “Indiana University”; Billing Amount;
 4. Payment terms matching the PO payment terms; and
 5. Sufficient itemization to know what goods / services were provided.
 - c. Wire Transfer Forms must be submitted to Accounts Payable via FAX# 812.856.4452.

ADDENDUM A

Study Abroad – Standard Operating Procedure

- I. Determine whether the transaction should be processed through Travel or Purchasing according to where the **majority** of transaction falls:

TRAVEL	PURCHASING
<ul style="list-style-type: none"> • Airfare • Lodging • Ground Transportation • Parking • Meals • Internet (as part of lodging) • Visa (excludes employment visa) • Entrance Fees (i.e. museum, parks) • Tour Guide, Interpreter, – when the services of that individual are specific to one venue and normally included with the entrance fee • Driver Registration fee • Baggage fees • Contract for services of a U.S. or foreign Travel Agency or U.S. or foreign Destination Management Company (DMC) 	<ul style="list-style-type: none"> • Rental of Meeting Rooms/Classrooms • Rental of Equipment (i.e. laptop, projector) • Printing/Duplicating • Guide books, instructional supplies • Mobile phone for IU use only • Classes • Catering/Receptions <p style="color: red; font-weight: bold; margin-top: 10px;">If the vendor is providing any of the following professional services, the transaction MUST go through Purchasing:</p> <ul style="list-style-type: none"> • Internship/Internship Coordinator • Lecturer / Speaker / Presenter / Trainer • Security Services/Guard • Tour Guide, Interpreter or any other professional services – when hired for the entire trip, not specific to one venue where normally included in entrance fee/vehicle reservation

- II. Follow applicable Travel or Purchasing procedures

TRAVEL	PURCHASING
<p>Student Group Travel Corporate Meeting Card or DV for Pre-paid Group Travel</p>	<p>If < \$1,000 DV for Professional Services or If > \$1,000 Requisition/PO following the International Service Provider/Consultant procedure</p>