



## **Professional Services Policy**

### **I. Policy Statement**

The purpose of this policy is to provide criteria for engaging and paying an External Service Provider (i.e., consultant, including independent contractor) for Professional Services in a manner that complies with federal and state law.

### **II. Scope**

This policy applies to anyone employed by WPI wishing to contract an External Service Provider to provide Professional Services to WPI; the policy does not apply to the use of external grant funding for Professional Services.

### **III. Definitions**

***“Contract”*** means legally binding agreement between WPI and an External Service Provider, signed by authorized representatives of both parties.

***“Competitive Bidding Process”*** refers to WPI’s process for selecting an External Service Provider. Bid records contain the specifications of the project or details of the products and services to be purchased. WPI’s Competitive Bidding Process is described [HERE](#).

***“External Service Provider”*** refers to an organization or individual (e.g., an Independent Contractor) who provides a Professional Service to WPI for a fee per a written Contract. The External Service Provider is qualified by education, experience, and/or technical ability to provide the service.

***“Independent Contractor”*** means a self-employed individual in an independent trade, business, or profession who offer their services to the general public under a Contract. Typically, independent contractors supply their own workplace and tools, are not supervised, control their own work schedule, and have a particular set of skills not found elsewhere within WPI. These individuals are not eligible for employee benefits and are not covered under WPI’s workers’ compensation program. WPI may require a proof of adequate insurance from independent contractors. An Independent Contractor must maintain such status throughout the entirety of the services being performed.

***“Internal Area of Expertise”*** means an office or department of WPI that specializes in or has the required skill set to perform a particular function. WPI’s current Internal Areas of Expertise and examples of corresponding professional services are in Exhibit A.

***“Professional Services”*** refers to customized service(s) provided by an External Service Provider (e.g., organization or an independent contractor) who utilizes specialized intellectual or



creative expertise for a fee. These services are unique, technical, and/or infrequent. In most cases, these services are of a specific project nature, and are not a continuing, ongoing responsibility of the institution.

**“Requisition”** refers to a Workday process used to request a purchase of goods or services prior to contracting with an External Service Provider. The requisition must be created and routed through Workday to acquire the necessary approvals. A purchase order is automatically generated from approved purchase requisitions for submittal to the External Service Provider.

#### **IV. Roles**

##### **University department/employee seeking Professional Services**

- Understands and complies with this policy and any supplemental or more restrictive policies, as applicable.
- Contacts OGC to determine whether review and negotiation of the contract is required before service begins.
- Ensures that all expenditures are appropriate, reasonable, and consistent with the business needs of WPI.
- Ensures all expenditures are assigned accurate Workday Worktags.

##### **Talent & Inclusion**

- Provides support as necessary in reviewing whether an employee or independent contractor.

##### **Office of the General Counsel**

- Reviews and negotiates the applicable contract as necessary.

***Note: If you need expertise on grant agreements, contact the Office of Sponsored Programs.***

##### **Internal Area of Expertise/Approver**

- Understands, communicates, and complies with this policy when reviewing and approving expenditures, including any supplemental or more restrictive policies as applicable. (e.g., grants and gifts restrictions).
- Consults purchasers regarding internal expertise available.
- Develops relationships with and provides access to preferred External Service Providers when internal expertise is not available.
- Ensures all expenditures are assigned accurate Workday Worktags.
- Reviews and approves procurement documents (spend authorizations, expense reports, requisitions, invoices) as part of Workday workflow approval in a timely manner.
- Evaluates performance of External Service Providers if needed and applicable.



## V. Policy

This policy supersedes all previous policies. Any policies and procedures mandated by federal and state regulations, donors, or departments, where more restrictive, take precedence over this University policy.

1. Retain an External Service Provider **only when the professional services skills are not available or able to be provided by a WPI Internal Area of Expertise.**
2. **Consult with the appropriate Internal Area of Expertise** to determine the feasibility of providing the professional service(s) using the talent and time of WPI employees. See Exhibit A
3. If the Internal Area of Expertise cannot perform the service, whether because of resources or a required timeframe, and both the requesting party and the Internal Area of Expertise agree the service is necessary, the Internal Area of Expertise will assist the requesting party in engaging—or will approve a chosen—External Service Provider. The Internal Area of Expertise reserves the right to engage with, and evaluate the effectiveness of, the External Service Provider and the Professional Services they provide to WPI.
4. Before engaging with an External Service Provider to provide Professional Services, the requesting party must fill out the [IRS 20 Rule Test for Establishing Employment Relationship](#) to ensure compliance related to proper worker classification, payment, and tax withholding. The U.S. Department of Labor, as well as the IRS tax code define whether an individual can be classified as an Independent Contractor or must be classified as an employee. Improper classification of an employee as an Independent Contractor may subject WPI to significant tax penalties as well as penalties under other federal regulations. If there is any question or assistance needed regarding the classification, the requesting party must contact the Division of Talent & Inclusion.
5. When engaging an External Service Provider (whether classified as an Independent Contractor or an organization), depending on the value of the Professional Services, the following steps must take place:
  - a. Professional Services with **an estimated value of \$5,000 or more** require consultation with and approval by the corresponding Internal Area of Expertise,  
  
AND
  - b. Professional Services with an **estimated value of \$10,000 or more** require adherence to the [Competitive Bidding Process](#) and the [Workday Requisition process](#).



6. To confirm acceptable completion of the Professional Services Contract and initiate payment to the vendor:

- a. [Receipt must be created in Workday](#) and if there is a requisition, the invoice should be forwarded to [accounts payable@wpi.edu](mailto:accounts payable@wpi.edu)

OR

- b. [Supplier invoice request](#) must be generated in Workday when a requisition is not used.

## VI. Questions

If you have any questions about this policy, please contact [eproc@wpi.edu](mailto:eproc@wpi.edu).

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**Policy Sponsor:** Chief Financial Officer

**Responsible Department:** Office of Finance and Operations

**Effective Date (i.e., date of Presidential Approval):** June 10, 2021



**Exhibit A**

**Internal Areas of Expertise Overview**

As services may change, or if you are unclear whether WPI has internal expertise for your area of need, contact [eproc@wpi.edu](mailto:eproc@wpi.edu)

<b><u>Internal Areas of Expertise</u></b>	<b><u>Professional Services (By Spend Category)</u></b>	<b><u>Contact</u></b>
Advancement, including External Relations & Partnerships	Fundraising; lobbying	<a href="mailto:AdvancementProfServices@wpi.edu">AdvancementProfServices@wpi.edu</a>
Campus Police	Police and security	<a href="mailto:police@wpi.edu">police@wpi.edu</a>
Controller	Audit and accounting; tax services	
Facilities	Architect/engineer design services; cleaning and janitorial; maintenance and repairs of buildings and grounds; moving services; pest control; snow and trash removal	<a href="mailto:facilities@wpi.edu">facilities@wpi.edu</a>
General Counsel	Legal services	<a href="mailto:ogc@wpi.edu">ogc@wpi.edu</a>
Information Technology	IT professionals/consultants	<a href="mailto:ITS@wpi.edu">ITS@wpi.edu</a>
Marketing Communications	Advertising and promotion; graphic design; photography/videography; promotional writing	<a href="mailto:marketing@wpi.edu">marketing@wpi.edu</a>
Student Affairs	Medical and clinic counseling services, career counseling (for students)	<a href="mailto:dean-of-students@wpi.edu">dean-of-students@wpi.edu</a>
Talent & Inclusion	Job advertising/recruiting; staffing and search firms	<a href="mailto:talent@wpi.edu">talent@wpi.edu</a>