

PRESIDENTIAL MEMORANDUM #46

SUBJECT: Professional Fees (Honorariums, Consultants, and Special Contracts)

DATE: April 24, 1975

The purpose of this memorandum is to establish policy and procedure relative to the documentation requirements concerning payments to individuals or firms performing services for the University, but who are not filling an established position or otherwise classified as a full or part time employee.

By definition, this may be interpreted as being applicable to the payment for professional service fees rendered by firms (such as physicians, attorneys, booking agencies, consultants, honorariums, etc.).

The specific reason for this policy is to insure compliance with the cited deficiencies of the Auditor General, i.e.,

"In many cases, payments made for consulting fees and honorariums were documented only by an internally produced form which was not signed by the payee. The forms were signed only by a department head who indicated, in most cases, that the warrant was to be forwarded to the office of the requesting department for distribution. In most cases, contracts were not an integral part of the voucher documentation supporting these payments."

The resolution recommended by the Auditor General is as follows:

"I recommend that the University require written contracts for all consultant fees and honorariums, setting forth the nature of the services, tangible product, if any, the period of time over which the service is to be rendered, and the rate of compensation. The signature of the payee should be required. All payments should be corroborated and approved by a higher authority as well as the requesting department head."

For this reason, the [attached] form entitled "Request for Professional Services" (F & A-67) must be completed. This form must be submitted with the University's Special Services Invoice (F & A-17).

Exceptions

1. Copies are required on continuing contracts each time a payment is submitted to the Controller.
2. Special contracts with booking agencies, entertainment groups, etc., do not require this special form. However, a copy of the contract bearing the approval of the

Director of Procurement must be attached.

Glenwood L. Creech
President

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