

The enumerated steps below detail the procurement process for
INTERNATIONAL Engagements re: Professional Services

Services with fees from \$0 to \$4,999.00

The majority of these orders can be process on a Requisition with no agreement needed. There are exceptions, and it you are not certain if your situation requires an agreement, contact Purchasing through the [BUY.IU Support Form](#)

Possible reasons an agreement would be needed for an order under \$5,000.00:

- Supplier is taking photographs or videos. We need to own the deliverables, an agreement would be needed at any level.
- Supplier is writing a document that will be included in a book, research, on a website, etc. We need an agreement to establish IU’s ownership of the deliverable.
- Supplier is contributing information that will be used in research. We need an agreement to establish IU’s ownership of the deliverable.

Services with fees of \$5,000 or more

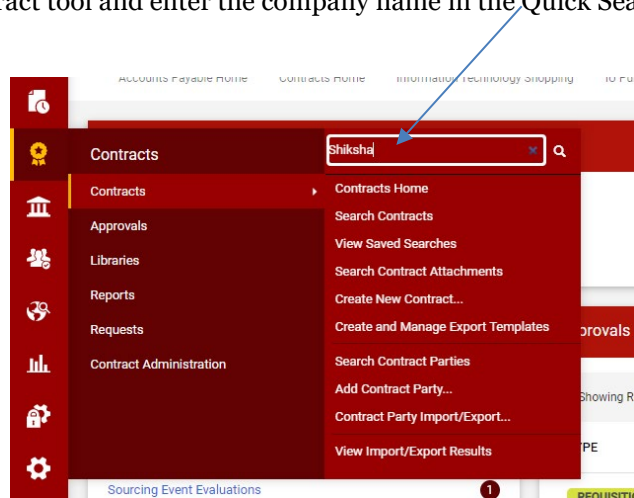
<p>Definition: An <i>international engagement</i> exists if services are being performed either:</p> <ol style="list-style-type: none"> Outside the US, regardless of whether the service provider is US / Foreign; or By a foreign individual / entity (within or outside the US). 	<p><i>Funds are not to be 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*, “Addendum A - Study Abroad – Standard Operating Procedure”.

1. Framework Services Agreement

Does IU have a Framework Services Agreement with the selected Supplier?

In BUY.IU go to the Contract tool and enter the company name in the Quick Search Box.



Review list of any contracts with the supplier that the system returns. If they have an MSA or FSA, that is a Framework Services Agreement.

Submit a Requisition with a detailed Statement of Work Attached.

2. Agreement Request

If there is no Framework Services Agreement with the selected Supplier; amount requested is over \$5,000 OR Purchasing contacts Department and indicates agreement is needed for other reasons.

- a. In BUY.IU: On the flyout (left side of screen), click *Contracts*, then *Requests*, and *Request Contract*.
 - i. Enter a Contract Request Name. Suggested format – “Supplier Name – Department”
 - ii. For “Select a Contract Request Template” select “*Purchasing Review Office Contract*”.
 - iii. Click Submit
- b. Instructions screen – Read notes and click *Next*.
- c. Details – Click *Next*.
- d. Attachments – If there is a Supplier contract document, attach it here as well as any relevant Supplier proposals, statements of work. Cannot use an hourly rate or pay travel for International services. (A CONTRACT REQUEST FORM IS REQUIRED FOR SUBMISSION OF A INTERNATIONAL SUPPLIER’S CONTRACT FOR REVIEW) - Click *Next*.
- e. Questions / Overview – Click *Next*.
- f. Questions – General Contract Information – Respond to all questions.
 - i. Tips
 - (1) For Contract Name, use the same name assigned to the Contract Request Name.
 - (2) Write down the Contract Name and the Form Number! (you will need this information later)
 - (3) Department Name – Add
 - (4) Second Party – This is the supplier.
 - Start typing the suppliers name in the text box:
 - If the name populates in the drop-down, click on the supplier’s name.
 - If the suppliers name does NOT populate in the drop-down, click Save Progress to save your work, then “Request New Supplier”.
 - You will be prompted to navigate to a new page. Click *Yes*, then select “Non-Catalog (Purchase Order)” from the drop-down list. Complete and submit the form.
 - Return to your contract Request Form. Go to the next entry “Second Party Name (if not found when searching)”, and enter supplier name there.
 - “Additional Second Party” is only to be used in the (extremely rare) instance when we are entering into a three party contract.
- g. Based on your responses on the previous screen, the next screen will be either Professional Services, Goods, or Performer / Speaker / Artist.
 - i. Click Next
- h. Complete all Questions
 - i. Click Next

- i. Questions – Contract Work – Respond to all questions
 - i. Preserve the *independent* nature of the relationship:
 - (1) Six-month or less duration
 - (2) 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 Supplier
 - (3) Payment Triggers and Payment Schedules – NOT an hourly rate. Based upon:
 - Completion of all services; or
 - Delivery of specific deliverables; or
 - Milestones
 - Limit the number of payments as much as possible. Never more than once a month.
 - (4) Individual must work independently (no oversight by IU – we tell them what we want and they control how they perform the services)
 - (5) No regular work schedule – Supplier controls
 - (6) Do not reimburse for expenses or equipment
 - (7) 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.
 - (8) For domestic engagements: it may be more appropriate to engage the Supplier as an employee through HR.
 - ii. Click Next
- j. Questions – Purchasing – Respond to all questions
 - i. Tips:
 - (1) **Effective Contract Start Date** – Your contract may start the day the contract is signed for the supplier to plan and arrange a trip. The actual trip may start months later. Use this field for the actual trip start date.
 - (2) **Travel Approvals** – New requirements implemented during the COVID pandemic. You must attach the required approvals to the Contract Request Form before submitting.
 - (3) **Name and email address of individual in the department with a business need to view the final contract** - IU Agreements are being locked down, not everyone in the department will have access to signed documents.– This will generally be the department Fiscal Officer, who may need to see the contract to approve the Requisition or future invoices.
 - ii. Click Next
- k. Review and Complete Screen
 - i. If there is a green check on the line for all of the pages listed under “Section”, click *Complete Request*.
 - ii. If one or more of the lines listed under “Section” does not have a green check, click on the line for the section that is not complete and go back to complete the questions for that section. When all green checks on this screen, click *Complete Request*.
- l. “Are you sure you are ready to complete your new contract request?”
 - i. Click *Yes*

3. Requisition

- A. If Study Abroad - Department reviews the Study Abroad – Standard Operating Procedure Document (Copy attached, Addendum A).
 - a. Determine if services could be processed through University Travel rather than Purchasing.
 - b. If services can be processed through University Travel that is the preferred process.
- B. Are Federal Funds being used to pay for the services?
 - a. No – Proceed to #3 - Department submits Requisition.
 - b. Yes – Cost is under \$250,000 –
 - i. Under \$10,000? – Proceed to #3 – Department submits Requisition.
 - ii. Does IU have a Master Services Agreement with your provider? If yes, proceed to #3 – Department submits Requisition.
 - iii. Over \$10,000, under \$250,000?
 - (1) For international study abroad pass-through fees do not count toward the Uniform Guidance mandated amounts. [Pass-through fees – Supplier making the purchase and passing the fee on to IU without markup. (hotel, classroom rental, student housing, travel cards, etc.)]
 - (2) Purchasing will need some documentation that the pass-through fees are reasonable for the location. This can be price lists or quotes from other hotels, etc. Attach this documentation to your Requisition.
 - (3) Proceed to #3 – Department Submits Requisition.
 - c. Yes – Cost is over \$250,000. Contact Purchasing (Linda Blair, liblair@iu.edu) for an IU Purchasing processed Request for Proposal.
 - i. Deduct pass-through fees from your Supplier price.
 - ii. If fee is less than \$250,000 after deducting pass-through fees move to #3.
- C. Department submits REQUISITION:
 - a. In advance (2 month minimum) of when services are desired, This allows:
 - i. 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. Each line item should be very detailed
 - i. Services, Deliverables, Due Dates, Goals, Expectations
 - ii. Payment Schedule: (After Completion / After Deliverables Received)
 - c. Indicate where all services are performed. If the foreign Supplier will be providing some services in the US. and some outside of the US – Put funds promised for services performed in the US on separate line from funds for services performed outside the US
 - d. Deposit Required
 - i. Check the “Order Restricted? Box in the General section.
 - ii. Complete **Special Payment Instructions** –
 - (1) If payment is to be made by Wire or Draft, select appropriate ‘stated in’ option.
 - (2) Only set your Campus code if you are picking up the check. Otherwise, leave it blank

- (3) Enter “Expedite – DEPOSIT” in the instructions Text 1 box;
 - (4) Enter “Call Departmental User at XXX-XXX-XXXX in the instructions Text 2 box **ONLY IF YOU NEED TO PICK UP THE DEPOSIT CHECK FOR RUSH DELIVERY.** If not, leave this box blank.
 - (5) DO NOT CHECK THE “SPECIAL HANDLING REQUESTED” BOX. This will force *all* future payments against *this* PO for special handling).
 - (6) Format of text in Instructions Box is important for searching. Always start with “Expedite” as your Instruction text.
 - (7) Supplier Portal will indicate if the supplier has requested payment in USD or another currency. If our agreement is to pay them a specific amount in USD, and their supplier portal indicates payment in foreign currency contact Purchasing at [BUY.IU Support Form](#)
 - (8) Add a note in COMMENTS section – “DEPOSIT of XXX.XX is required with order” and attach any supporting documentation. AP requires a note that indications how the payment is to be issued. Payment is to be made in US Dollars converted to Euros upon receipt. Or Payment is to be converted to Euros before issued to supplier.
- iii. Use only one line for the PRODUCT DESCRIPTION. Supplier must submit an invoice for the deposit amount.
- e. Comments – Add the name and the Form # for the Contract Request Form related to this Requisition. Purchasing will NOT be aware there is a Contract Request Form if you do not add this note. The Contract Request Forms
 - f. Submit Requisition.

4. Purchasing Review

- A. Independent Contractor (“IC”) Approval Required:
 - a. 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. Supplier 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:
 - (1) Project price / deliverables / milestones / completion;
 - (2) NOT: hourly / monthly / arbitrary periodic payments.
 - iii. Duration of engagement should be limited to less than 6 months.
 - iv. Vendor should pay his/her own taxes, and provide tools / equipment (like a computer).
- B. Purchasing will require that Department obtain other applicable approvals.
 - a. Purchasing will help Department determine which approvals are applicable.
 - b. Department must contact applicable approvers. ([Examples of commonly required approvals](#))
- C. Department must forward e-mail approvals to Purchasing.

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

- A. Purchasing drafts the Foreign Agreement from the Contract Request Form.
- B. Purchasing submits agreement to Supplier for signature through the Supplier Portal.
 - a. Purchasing negotiates proposed changes.
 - b. If changes relate to price or services, Purchasing requests Department authorization..

- c. Purchasing revises drafted agreement, and resubmits agreement to Supplier for signature.
- C. Supplier signs agreement and returns it to Purchasing through the Supplier Portal.
- D. Purchasing signs agreement.
- E. Purchase Order is coded, processed, approved by Purchasing, and routed for additional approvals.
- F. Purchase Order breezes through additional approvals in KFS *if* Department acquired them.
- G. Purchase Order is issued by Purchasing: Agreement becomes effective.
- H. Agreement is available to the supplier on their Supplier Portal.

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

- A. After Agreement is signed and Purchase Order is received, Supplier may begin performance / Invoice for payment.
 - a. Dates of performance may not precede the term indicated on the signed contract and Purchase Order.
 - b. Supplier submits invoice
 - 1. Preferably through the Supplier Portal.
 - 2. Email to invoice@IU.edu.
 - 3. Supplier may mail invoice to Indiana University, IU Accounts Payable, PO Box 4527, Scranton, PA 18505
 - 4. No Faxed invoices

7. Contract Renewal/Extension – Expiration Notification

- A. Stakeholder will receive an email 3 months and 1 month prior to the contract expiration date.
- B. Stakeholder checks with the individual in the department who requested the contract to see if services will be completed by the end date or if an extension is needed.
- C. If an extension is needed:
 - a. If Extension of time and no additional fees needed:
 - 1. Submit a Change Request from the PO updating the PO End date in the Recurring Payments section.
 - b. If Extension of time with additional fees needed:
 - 1. Fiscal Officer must add a comment to the Purchase Order indicating the new end date and authorizing the addition of \$xxx to the Agreement. Tag the Contract Manager in your Comment so a Notification is sent to the appropriate Purchasing member.
 - 2. Purchasing will prepare an Amendment to Agreement and send to supplier for signature.
 - 3. After the signed Amendment is received, Purchasing will email the Department to submit a Change Request from the PO to update the PO End date in the Recurring Payments section and add the additional funds.

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 US or foreign Travel Agency or US 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>If the Supplier 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 align="center"> Student Group Travel Corporate Meeting Card or Pre-paid Group Travel </p>	<p align="center"> Requisition/PO following the International Service Provider/Consultant procedure </p>