

NUMBER: BUSF 3.09
SECTION: Business and Finance
SUBJECT: Contracts and Grants-- Consultant Services
DATE: March 21, 2007
Policy for: All Campuses
Procedure for: All Campuses
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Issued by: Contract and Grant Accounting

I. Policy

Grant or contract funds may be used to pay fees to consultants (from both inside and outside the University System) under the conditions and by the procedures described below. Charges may include fees, travel and per diem or subsistence where applicable. This policy applies regardless of the source of support.

II. Procedure

A. Contracts and Grants Involving Federal Funds

1. Procurement of Services

Procurement of consultant services must be made in accordance with applicable University, State and Federal regulations.

- a. Approval for services from University or other State Employees comes through the Personnel Department.
- b. Approval for services from non-USC personnel (independent contractors) comes through the Purchasing Department to Comply with State Procurement Regulations.

2. Documentation

- a. Documentation that the following standards have been met must be attached to the appropriate University Documents before consultant fees may be paid. These Standards are also found on the back of the Direct Expenditure for Personnel Services (DEPS) form.
 - (1) There must be evidence that the services to be provided are essential and cannot be provided by persons receiving salary support under the grant or contract.
 - (2) There must be evidence that a selection process has been employed to secure the most qualified person available and that the selection has been approved by a senior officer of the University.

- (3) There must be evidence that the charge is appropriate considering the qualifications of the consultant, his/her normal charges and the nature of the services rendered.
- b. In addition, special conditions apply to educational institutions such as the University.
 - (1) If the consultant is an employee of the University System, the consultation must be across departmental lines and in addition to the consultant's regular departmental workload.
 - (2) At the grantee level, only the head of the institution or his/her designated representative may determine compliance with the above provision.

Note: When consultation is not across departmental lines, the granting agency must give specific approval.

3. Processing Charges

- a. For University or other State employees, process consulting charges through the Personnel Department and the applicable Dual Employment procedures (see PSER 1.18).
- b. For all non-USC personnel, process consulting charges through the Purchasing Department to comply with State Procurement Regulations.
- c. Generally, consultant fees for an employee of the Federal Government are not paid from Federal funds.

B. Contracts and Grants Not Involving Federal Funds

For non-Federal grants or contracts, the applicable standards or regulations apply for that particular award. The procedures for Dual Employment and/or the State Procurement Regulations still apply.

- C. For additional information and prior coordination, consult the Personnel Department or the Purchasing Department as applicable. For additional clarification, call Contract and Grant Accounting or the Office of Sponsored Award Management.

II. Reason for Revision

Update contact information and departmental name change.

Send comments to: [Tony Huggins](#)