

JACKSONVILLE STATE UNIVERSITY
Manual of Policies and Procedures

POLICY NUMBER: I:02:07:01

DATE: January 2003

REVISION/REVIEW DATES: February 2003, June 2013, March 2014, March 2015, May 2018, September 2023

SUBJECT: Consulting Contracts

APPROVED: Dr. Don C. Killingsworth, Jr., President

PURPOSE

Activities by non-university consultants are very beneficial to the intellectual environment of the University. Involvement in the approval process by Deans and Directors enhances control and quality of consulting services and advances the learning and research, and supports missions of the University. Consultants also help in establishing valuable contacts with industry and governmental units.

POLICY

The positions listed below have been determined to be independent contractors and may be paid via the accounts payable system rather than through the payroll system.

Athletic officials (e.g. referees, umpires, time keepers, etc.)
Performing artists (not teaching)
Public address announcers
Radio announcers
ASL Interpreters and Captionists for the deaf and hearing impaired.

Guest speakers for:

- Commencement
- Commemorations
- Cultural events
- Diversity issues
- Historical observances

Stipends*

Judges for:

- Pageants
- Art exhibits
- Musical competition
- Oratorical contests

Talent contests
Other competitions

The University has a legal duty to report to the Retirement Systems of Alabama (RSA) individuals who are considered working retirees under RSA. RSA has the duty to determine whether a working retiree who performs services for the university is an independent contractor to whom the pension suspension rules do not apply, or an employee to whom they do apply. If a retiree is working in violation of the pension-suspension rules, which state that a working retiree cannot be full time or make more than \$23,000, the law requires RSA to suspend the retiree's pension for the duration of that employment.

No individual or entity may be engaged as a consultant until the appropriate contract has been approved ([Form #20](#)). If the consultant is determined to be an employee, normal personnel payroll policies will apply. The following is the procedure for hiring consultants:

1. The Dean/Director will determine if an individual consultant is an employee or independent contractor by using [Form #20](#), Professional Services Contract, found in the University Policies and Procedures Manual. If there is any uncertainty about the classification, contact the Office of Human Resources or the Payroll Office.
2. If the individual or entity is an employee, payment will be made through the normal employment process. The Dean/Director should keep Form #20 for their files.
3. If it is determined that the individual or entity is an independent contractor, complete the top portion of the Professional Services Contract ([Form #20](#)) and hold until the service is completed. After all services have been performed, the Budget Manager should sign the Fulfillment of Services portion of the Professional Services Contract and forward it to the Office of the Controller for payment.

RESPONSIBILITY

The Senior Vice President for Finance and Administration is responsible for this policy.

EVALUATION

This policy will be evaluated at least every five (5) years by the Office of the Controller.

Individuals may be paid an honorarium or stipend for a speech or a visit, but only if they are **not required to teach or work. The Internal Revenue Service considers an honorarium to be a gift that represents a token payment to an individual who would otherwise be compensated substantially more for services rendered. If they are part of the instruction program, they must be paid as employees.*