AUDIT & MANAGEMENT
AMAS
ADVISORY SERVICES

Audit Report

Campus Management of Independent Contractors and Consultants

Report No. SC-19-01
May 2019

Laurie Liao
Senior Auditor

Approved
James Dougherty, Director
Audit & Management Advisory Services

UC SANTA CRUZ

Table of Contents

I. EXECUTIVE SUMMARY

Audit & Management Advisory Services (AMAS) has completed an audit to evaluate the effectiveness of controls related to campus management of independent contractors and consultants. This audit was included in the FY2019 internal audit plan.

Overall, we found processes for campus management of independent contractors and consultants comply with key University of California (UC) and UC Santa Cruz (UCSC) policies, campus unit oversight of contract deliverables is reasonable, and contractors were paid timely and appropriately.

However, there are opportunities to improve the standardization of vendor invoices to better align with UC Independent Contractor Guidelines for Federal Tax Purposes and ensuring appropriate UC Terms & Conditions from the time of signing are referenced. We also found a need to formalize documentation of received deliverables and payment approvals.

As part of our work, we also surveyed campus units on their understanding and implementation of processes for the management of independent contractors and consultants. Results of this survey are summarized in Appendix B.

The following observations requiring management corrective action are identified below:

> **A. Contract Compliance with UC and Campus Policy**
> Although contracts overall contained appropriate documentation according to UC and UCSC policies, we found opportunities to improve compliance with policies and guidelines, and improve current practices for efficiency.
>
> **B. Campus Management of Contract Deliverables**
> Overall, deliverables were received, change orders were appropriately managed, and proper approvals were given prior to payment. However, we found opportunities for campus units to formalize documentation of received deliverables and payment approvals.

Agreement was reached with management on the recommended actions to address the risks identified in these areas. The observations and the related management corrective actions are described in greater detail in section III of this report.

II. INTRODUCTION

Purpose

The purpose of this audit was to evaluate the effectiveness of controls related to campus management of independent contractors and consultants. This audit was included in the FY2019 internal audit plan.

Background

Independent contractors are individuals subject to the direction or control of an employer only as to the end result, not as to the methods and means used to accomplish that result. Services performed by independent contractors are generally infrequent, technical, or unique functions performed by individuals rather than partnerships, firms, or corporations. Examples of such services include secretarial, drafting, technical editing, translation, and technical appraisals.

If the employer does not control either the manner of performance or the result of the service, and the individual is not an employee, then an independent consultant relationship exists. Independent consultants (hereinafter, "consultants") are a kind of independent contractor in which the university does not control either the result of the service or the manner of performance. Consultants are typically persons of professional or technical competence who provide advice to the university. Generally, the use of consultants is expected to be infrequent and is primarily used to solve clearly delineated problems.

The IRS recognizes that an individual may perform services for a single business in two or more separate capacities. A dual status worker performs one type of service for a business as an independent contractor, but performs a different type of service for the business as an employee. Such services must be separate and distinct, (e.g. there can be no interrelation either as to duties or remuneration in the two capacities).

Individuals who are a university employee or near relative of an employee may only be retained as an independent contractor after it has been determined that the services to be performed by an employee-vendor are not available from other sources. In addition, the work must not be the same or similar to work performed in the scope of a regular university employee.

It is important to determine the correct classification of workers as employees or independent contractors. This distinction is significant because an incorrect determination could result in the following:

• Loss of reimbursement under federal contract and grant funds.
• Penalties for violation of state and federal tax withholding laws.
• Penalties for violation of federal laws pertaining to the employment of aliens (Form I-9).

In general, the determination regarding employee versus independent contractor status is made by each campus location according to local policy. However, in cases where it is difficult to determine a worker's correct status the Human Resources Department or the Office of the President Payroll Coordination and Tax Services Office, in coordination with the Office of General Counsel, can provide assistance in determining whether an employer-employee relationship exists.

UCSC Procurement and Supply Chain Services

Procurement and Supply Chain Services (hereinafter, "Procurement Services") is a unit within Financial Affairs under the Business Administration and Services Division. Procurement Services is responsible for providing the tools and business processes for acquiring goods and services at UCSC. Some of the responsibilities for the unit include:

- Managing CruzBuy, which is the e-procurement system used by UCSC to procure goods and services from established suppliers.
- Conducting bid events and processing procurement transactions.
- Delivering procurement training programs.
- Providing consultation to help campus departments identify cost-saving opportunities.
- Establishing campus and UC systemwide supplier agreements.
- Advancing UC system wide procurement programs.

Generally, to request specific commodities when an item or service is not available through a CruzBuy catalog, the requestor fills in a requisition request using a CruzBuy form. To procure an independent contractor or consultant, the "services form" is used. The services form is required for products or services, such as advertising, design services, independent contractor/consultant services, professional services, software license or subscription, etc. Attachments to the services form typically include a statement of work, Independent Contractor Pre-Hire Worksheet, and a certificate of insurance or Employee-Vendor Relationship Disclosure Form when appropriate.

Once the requisition is approved, invoices are paid through Financial Administrative Services and Transactions / Accounts Payable (hereinafter, "FAST/AP"), which handles purchase related invoices, direct pays, reimbursements and the Pro-Card process. Procurement Services relies on campus units to appropriately track and manage the completion of work. At the time of our audit, Procurement Services had limited oversight as to how campus units manage independent contractors after requisition approval.

Scope

We conducted this audit by means of the following:

- Reviewed UC and UC Santa Cruz policies, best practices, and other relevant guidance to independent contractors and consultants. Our scope does not include construction projects.
- Reviewed audit or advisory reports conducted at UC campuses related to independent contractors and consultants.
- Interviewed personnel from Procurement Services, Arts Division, Disability Resource Center, Genomics Institute, and University Extension to gain an understanding of campus processes and procedures for management of independent contractors and consultants.
- Conducted a campus-wide survey regarding the processes and procedures for the management of independent contractors and consultants.
- Performed and documented a risk assessment based on the results of our preliminary work, such as campus-wide survey results, interviews, review of documentation, and other observations.
- Detailed testing that included selecting 4 campus units to perform steps listed below. Data selected for testing was limited to independent contractors and consultants in CruzBuy from FY 2018 through the beginning of January 2019:

- o From a sample of 40 purchase orders, determined whether each sample included appropriate documentation according to UC and UCSC policies.
- o From a sample of 40 invoices, determined whether deliverables were appropriately reviewed and approved prior to payment and that any change orders were appropriate.
- o From a sample of 40 invoices, determined whether contractors were paid timely, appropriately, and appropriate tax information was properly documented.

For additional details, please see Appendix B. Summary of Work Performed and Results.

III.   OBSERVATION FOR MANAGEMENT CORRECTIVE ACTION

A.	Contract Compliance with UC and UCSC Policies

We found opportunities to ensure referencing appropriate UC Terms & Conditions in CruzBuy, standardizing vendor invoices, and improving current practices to be more efficient.

Risk Statement/Effect

- Although it is possible to obtain historical versions of UC Terms & Conditions, there is a risk that this may be difficult to obtain for a review, audit, or other time-sensitive request. Not tracking or retaining the UC Terms & Conditions at the time of signing may require additional resources to obtain this information, which may not be available.
- Lack of standardized invoicing may lead to processing delays, clerical errors, or other inefficiencies, and may ultimately result in overdue payments and contract violations.
- Inefficient processes increase unnecessary burdens on resources, result in processing delays, and can cause noncompliance with UC policies and procedures.

Agreement

A.1	Procurement and Supply Chain Services will evaluate implementing a plan to achieve the following: - Ensure the UC Procurement Terms and Conditions at the time of signing are documented for future reference. - Establish standard requirements for vendor invoices. - Provide subject-based training for different types of purchases.	**Implementation Date** August 31, 2019 **Responsible Manager** Director, Procurement and Supply Chain Services

A. Contract Compliance with UC and UCSC Policies – Detailed Discussion

Opportunities to Improve Compliance with Policies and Guidelines

Although contracts overall contained appropriate documentation according to UC and UCSC policies, we found opportunities for improvement. Specifically, we found opportunities to improve compliance with policies and guidelines in the following areas:

- UC Procurement Terms and Conditions: For 25 out of 40 purchase orders, CruzBuy incorrectly referenced the UC Terms & Conditions as of February 2019 and not at the time of approval. Retaining all proper contract documents together would encourage more efficient procedures that are not reliant on historical knowledge of staff or outside units or entities.

- Vendor Invoice: All 40 invoices did not include all recommended criteria listed in the UC Independent Contractor Guidelines for Federal Tax Purposes (hereinafter, "UC Independent Contractor Guidelines"). Invoices did not provide consistent criteria or required staff intervention to provide information. Examples included the need for campus units to assign a purchase order number to invoices and to confirm the location of services performed. Requesting vendors to submit invoices with standardized criteria may improve

efficiency and timely processing of invoice payments. Although adhering to UC Independent Contractor Guidelines is not a requirement, it can serve as a best practice.

UC Independent Contractor Guidelines for Invoices	
Recommended Invoice Criteria	Invoices Missing Criteria
• Purchase Order Number	7
• Remit To Address	8
• Payment Terms	12
• Description Of Services	2
• Period Of Performance	11
• State If Invoice Is A Progress Billing	33
• Location Where Service Was Performed	23

- Source Selection & Price Reasonableness Justification Form: Two out of three samples were not fully compliant with UC and UCSC policies regarding the documentation of a Source Selection & Price Reasonableness Justification Form (hereinafter, "Justification Form") for purchases of $100,000 or more. One sample was just missing documentation of the Justification Form. The second sample reached the $100,000 threshold through a change order and also did not include a Justification Form. Although both samples appear to qualify as a personal/professional service, the justification for not being required to competitively bid should be properly documented through the Justification Form. UC Policy BUS-43 and UCSC Procurement Guidelines states competitive bidding is not required if it is a personal/professional service, etc., but this exception should still be documented:

  o UC Policy BUS-43 states, "The Procurement/Supply Chain Managers must use the Justification and Approval (J&A) form for documenting exceptions to competitively bidding goods and services. This document sets forth the facts and rationale justifying the use of other than full and open competition, in accordance with BUS-43 and state laws. The J&A form can be found on the Procurement Services' website."

  o UCSC Financial Affairs site states, "For all purchases of $100,000 or more the department must provide a written Source Selection & Price Reasonableness Justification Form."

Opportunities to Improve Current Practices

Although we did not find any noncompliance in the following areas, we made a number of notable observations where it may be advantageous to review and improve current processes or procedures for the purpose of enhancing efficiencies. Specifically, we found:

- Conflict of Interest: One vendor had an employee-employee relationship, which required additional approvals and review. CruzBuy comments documented that the Business Contracts Manager reviewed and approved a conflict of interest statement provided by the vendor. We found CruzBuy comments from a separate 2015 purchase order with the same vendor, which discussed that general counsel was sought and made a determination. We did not find any formalized documentation.

- UCSC Independent Contractor Pre-Hire Worksheet: We found seven purchase orders that required additional efforts to complete or obtain this information for our fieldwork:

  o Six of our samples were purchase orders with the same vendor. However, only one out of six included this worksheet as part of CruzBuy attachments; the remaining five did not. It is our understanding that only one worksheet is filled out for every vendor annually.

  o Two worksheets were incomplete and were not signed. This did not affect the vendor classification as an independent contractor. We met with the campus unit and they updated their records. Although this was just one campus unit, there is a risk that this reoccurs and can affect the classification.

These issues were only able to be resolved through discussion with campus units and review of purchase orders outside the selected sample. We understand this information can be requested from Procurement Services or other sources, but this may be difficult to obtain for a review, audit, or other time-sensitive request, especially if key staff separate from the university.

Overall, these issues could have been mitigated through better campus unit understanding of the procurement process and awareness of relevant policies. Based on interviews, we observed that campus units solely relied on Procurement Services and CruzBuy to guarantee purchases are compliant. We also observed that there was a general lack of awareness regarding relevant policies. Providing campus units with subject-based training can introduce relevant policies in addition to campus procedures, which could improve oversight and efficiency in all processes.

B.	Campus Management of Contract Deliverables	
There were opportunities for campus units to formalize documentation of received deliverables and payment approvals.		
Risk Statement/Effect		
The lack of properly documenting received deliverables and approvals may contribute to difficulties in tracking and managing vendors, and ensuring they are adhering to the agreed upon contract.		
Agreement		
B.1	Procurement and Supply Chain Services will evaluate implementing a plan to provide guidance or best practices to campus units for the management of independent contractors regarding the tracking, review, and approval of deliverables prior to paying an invoice.	**Implementation Date**
		July 31, 2019
		Responsible Manager
		Director, Procurement and Supply Chain Services

B. Campus Management of Contract Deliverables – Detailed Discussion

Documentation of Deliverables and Approvals

We identified opportunities for campus units to formalize the documentation of received deliverables and payment approvals. The results of our detailed work show:

- Deliverables: We found 18 instances where receipt of deliverables was not properly documented. However, we understand one campus unit had been experiencing a high level of turnover. Specifically, we found:

  o Two samples did not include documentation that deliverables were received prior to payment. This was due to separation of staff managing the purchase order; at the time of our audit, staff in this campus unit were not aware of details regarding these samples.

  o For 16 samples, the review of deliverables was not formalized or clearly documented for future referencing.

- Change Orders: As mentioned above, one change order increased the purchase order by $50,000, which caused the new total to reach the $100,000 threshold for requiring a Justification Form. Although this does not appear to violate campus guidance for change orders, this order still required appropriate documentation according to UC and UCSC policies for purchases of $100,000 or over.

- Documented Approval: We found 14 instances where approval prior to payment was not properly documented. Specifically, we found:

  o One sample did not have any documented approval to pay. In this case, invoices were automatically sent to Accounting for payment without any review or notification to the campus unit. Outside of separated staff, campus units were unaware of what was being automatically paid for.

  o For 13 samples, proper approval was not formalized or clearly documented for future referencing. For these samples, we interviewed departments for confirmation of their approval procedures.

Establishing and documenting procedures for the tracking of deliverables could help contribute to a more transparent and standardized process. This could allow for the ability to easily determine whether a deliverable was received, even with staff separation. Campus units with limited experience managing independent contractors or consultants could further strengthen their controls with knowledge obtained from best practices.

Other Observations

We also found a few varied, minor exceptions or notable observations, which are detailed below:

- For three of our selected units, staff were new to their positions or key staff had separated and there was no central repository to obtain sought information other than through laborious research, such as searching emails or requesting documentation from sources outside of the unit. This issue contributed to the overall difficulties in locating relevant, supporting documentation for our samples. While some units had attached the majority of their documentation in CruzBuy, this is largely dependent on the unit or requestor experience.

- During our review, we heard requests for Procurement Services to increase the level of communication with campus units during negotiations with vendors. Some campus units perform their own negotiations with the vendor to set an agreed upon price prior to formalizing the agreement with Procurement Services. However, Procurement Services had further negotiations with the vendors, which resulted in agreements that were not what campus units originally anticipated. There was a concern that this may result in an inferior product or missing items. Although it is a Procurement Services objective to save the campus money, more open communication may provide additional reassurance to campus units that they will receive what they originally anticipated.

APPENDIX A. SUMMARY OF WORK PERFORMED AND RESULTS

Preliminary Analysis	
Work Performed	**Results**
• Rreviewed UC and UC Santa Cruz policies, best practices, and other relevant guidance.	1. We identified the most relevant policies and guidance: • University of California (UC) Policy BFB-BUS-43 Purchases of Goods and Services; Supply Chain Management • UC Independent Contractor Guidelines for Federal Tax Purposes • Local UCSC Guidance: Consultant Payment, Contractor Payment, Business Contracts, How to Buy, and Procurement Guidelines 2. We reviewed the following local policies: • UCSC Policy MM0001 Purchasing Common Goods and Services • UCSC Policy MM0002 Purchasing Conduct and Ethics Through review of the local policies above, we noted that they referenced UCSC Policy MM0003: Employee-Vendor Relationships and Conflict of Interest (undergoing revision); MM0004: Purchasing Personal and Professional Services; and BUS0003: Independent Consultants, which were not available to the campus units at the time of the audit.
• Reviewed relevant audit or advisory reports conducted at UC campuses related to independent contractors and consultants. • Interviewed and communicated with personnel from Financial Affairs and Procurement Services. • Conducted a campus-wide survey and obtained responses.	• Gained an understanding of campus processes and procedures for management of independent contractors and consultants. • Developed a risk matrix and audit program to address the risk areas identified. • Consolidated survey results into a table. For additional details, see the following table "Campus-Wide Survey."

Campus-Wide Survey	
Work Performed	**Results**

We conducted a campus-wide survey regarding the processes and procedures for the management of independent contractors and consultants. This involved the following work:
 	
• Procurement Services provided CruzBuy data for purchase orders with a UCSC Independent Contractor Pre-Hire Worksheet.
 	
• This was further limited to purchases with account codes for outside consulting services and miscellaneous outside services.
 	
• Developed a survey with 25 questions.
 	
• Vetted the survey with key personnel from Procurement Services for suggestions and any changes.
 	
• Identified best contacts for each campus unit to receive survey.
	• Received at least 1170 lines of data for the period: July 1, 2017 – January 17, 2019.
	• Judgmentally selected 18 campus personnel from various units to receive the survey based on price and activity:
	  o Center for Agroecology & Sustainable Food Systems
	  o Arboretum
	  o Arts Division
	  o Colleges, Housing and Educational Services
	  o Disability Resource Center
	  o Enterprise Financial Services
	  o Genomics Institute
	  o Humanities Division
	  o Institute of Marine Science
	  o Office of Campus Provost / Executive Vice Chancellor
	  o Physical & Biological Sciences
	  o Office of the Registrar
	  o Title IX Office
	  o UCSC Extension
	  o University Relations
	• We sent out 18 surveys and received 17 responses from our original transmittal. Of the responses, we received a total of 16 completed surveys:
	  o One campus unit provided an additional survey.
	  o Based on the response of one campus unit, we determined this to be out of scope, which does not include construction projects.
	  o We did not receive a response from one campus unit after contacting several staff.
	• Data will be consolidated into Appendix B.

Fieldwork	
Work Performed	**Results**
• Using CruzBuy data for the period July 1, 2017 – January 17, 2019, we selected four campus units based on price and activity. • From these units, selected a sample of 40 purchase orders and 40 invoices to perform detailed testing, which will be described below.	We chose the following campus units: • Art Division • Disabilities Resource Center • Genomics Institute • University Extension

From a sample of 40 purchase orders, determined whether each sample included appropriate documentation according to UC and UCSC Policies:

• Employee-Vendor Relationship Disclosure Form / Conflict of Interest	• One sample documented and attached the Employee-Vendor Relationship Disclosure Form in CruzBuy. • One sample was identified as an employee-employee relationship conflict of interest that was reviewed by counsel and approved.
• If over $100,000, UCSC Source Selection & Price Reasonableness Justification Form	We found three purchase orders that reached the $100,000 threshold: • One purchase order had appropriately documented a Justification Form. • Two purchase orders did not document a Justification Form, one of which reached the threshold through a change order.
• UCSC Independent Contractor Pre-Hire Worksheet	• 33 out of 40 purchase orders completely filled out this worksheet and was an attachment to the appropriate purchase order in CruzBuy.
• Quotation/ Detail of work/ Statement of Work	• A statement of work was documented in all 40 purchase orders.
• UC Procurement Terms and Conditions	• All 40 samples documented appropriate terms and conditions or referenced the UC Terms & Conditions document in CruzBuy. However, 25 of these referenced postdated UC Terms & Conditions.
• Change orders were properly managed.	• We identified 17 purchase orders had change orders, which we found were all appropriate according to campus guidance.

From a sample of 40 invoices, determined whether:

Fieldwork	
Work Performed	**Results**
Deliverables were received.	• 22 out of 40 samples clearly documented that staff confirmed deliverables were received prior to paying an invoice.
There were proper approvals by authorized or appropriate individuals with knowledge of the contract.	• 26 out of 40 samples clearly documented that staff approved an invoice prior to sending for payment.
From a sample of 40 invoices, determined whether:	
Invoices included adequate information	• All 40 invoices were missing various elements of the UC Independent Contractor Guidelines.
Contractors were paid timely	• Out of 40 invoices, we identified one late payment. • Two invoices were paid prior to invoice issued date. We determined this to be a clerical error. • 18 out of 40 invoices had a due date (other than "due upon receipt") in which payment date in InfoView was posted prior to the invoice due date. • One unit observed invoices with UCSC42 catalog number have been automatically paid without unit approval.
Contractors were paid appropriately	• For all 40 invoices, the organization code, fund and account in CruzBuy matched InfoView data.
Any travel expenses were appropriate	We identified seven invoices included travel expenses: • Five invoices included travel as substantiated mileage reimbursement, which was incorporated into the contract. • For two invoices, travel was substantiated and billed as a separate line item on the invoice and appears to comply with UC Policy G-28 Travel Regulations.
Appropriate tax information was properly documented	• 37 out of 40 invoices were identified as 1099 vendors in Banner, the UCSC Financial Information System. • The vendor for one invoice was not identified as a 1099 Vendor in Banner. • The vendor for two invoices was not identified as a 1099 Vendor in Banner, but we found this vendor is based in a foreign country.

APPENDIX B. SURVEY RESULTS

Question 1
How often does your division/unit contract with independent contractors or consultants for professional services?

Comments:
Included in these totals are 001010 (services – consultants) & 001260 (misc. services) coded requests. FY16 = 28 FY17 = 36 FY18 = 43 FY19 (to-date) = 26 Vendors are providing services such as preparing marketing materials, supplying portable toilets, rentals for events, irrigation services, translation services, as well as facilitating educational workshops.
3-5x a year
Often in the division department managers, department assistants, program managers & professors engage with independent contractors for various services.
Faculty and staff members often use independent contractors for a variety of services
The colleges often have them more than other departments with performers and DJ's etc. for student programming events.
We contract with consultants often. We hire designers, writers, web developers, photographers and videographers to help field all of the requests that come to us. At any given time we are working with half a dozen contractors/consultants.
3 - 10 times per year.
Weekly
Frequently
3-5 per month
Approximately twice a month ~20 in a fiscal year for the division
Infrequently, approx. 1 – 2 times per year.
I ran a few reports, attached email.
It varies based on campus projects, at most once or twice a year. We also have consultant work through ITS (especially with AIS consultant work).
Regularly.
Approximately 1-2x year

Question 2	
Does your division/unit have local or desk procedures covering the process for procurement of independent contractors/consultants?	

Comments:
An SOW is submitted to CruzBuy along with an Independent Contractor Pre-Hire worksheet.
The Business office directs CruzBuy requestors to the online Procurement policy guidelines. We have a link on our divisional web page to the Procurement website.
The Independent Contractor Payment Guide can be found on the Financial Affairs website and we also have a link on our divisional page to https://financial.ucsc.edu/Pages/Payments_IndependentContractor.aspx
No separate policy. Follow financial /procurement process.
We submit CruzBuy requisitions, approvals are via email rather than directly within CruzBuy
No, we do not.
The process that Procurement has defined is what is followed.
We use the procedures as published on the Financial Affairs website.
Our department plans to formally document our procedures. If a procedure document is available that could be provided to us, that would be helpful.
Information - Hiring and Paying an Independent Contractor There are three steps to hiring and paying an independent contractor (this is posted on our website see (pg. 6): We email the PI the following: 1) Commit UCSC funds by creating a CruzBuy requisition that describes the scope of services - I can create the requisition. I will need an email from you stating that you give your approval to use your funding, 2) Procurement sends a purchase order to the contractor. 3) Services are performed and the contractor submits an invoice. The PI is consulted to verify the work has been completed. Tier 2 approval is obtained and the invoice sent to FAST for payment processing. Please Note: a) There is only one way to pay an independent contractor and that is through a purchase order process. You may not pay an independent contractor with a direct payment to the vendor or use your Pro-card or pay out of your own pocket. b) Service cannot begin until a purchase order has been issued to the vendor via our CruzBuy System. Otherwise you may assume liability. What I would need from you is your permission to use your FOAPAL, Independent Contractor Pre-Hire Work Sheet and a Scope of Services. There is no training offered at UCSC on hiring independent contractors. At least not that I'm aware of. I send this to faculty who want to hire an independent contractor: https://financial.ucsc.edu/Pages/PSCS_Newsletter_2018_Spring.aspx#simple-statement-of-work
Defer to Purchasing

That process is done at the procurement level.
https://financial.ucsc.edu/Pages/Payments_IndependentContractor.aspx
https://financial.ucsc.edu/Pages/Payments_Consultant.aspx
The person works with procurement and completes the pre-hire worksheet to attach to their requisition.

We do not have local procedures, but we work with Procurement when we need to obtain services.

Request scope from contractor, draft contract (template approved from General Counsel and Procurement), have contractor review, forward to Counsel for final approval, signed by director and contractor.

Question 3	
Is your division/unit aware of the UCSC consultant and contractor payment guides available to campus?	
Comments:	

Yes, our business office staff are well versed, and when unsure consult with FAST regarding payment processes.

I can only speak to the awareness of the unit as of Sept 17, 2018; when I came on board.

Yes, we are aware of the guide: https://financial.ucsc.edu/Pages/Payments_IndependentContractor.aspx

Defer to Purchasing

Yes. They are clearly outlined at the FAR site and we defer to FAR if there are additional questions.
https://financial.ucsc.edu/Pages/Payments_Consultant.aspx#cbefore
https://financial.ucsc.edu/Pages/Payments_IndependentContractor.aspx

No. Working with Procurement on all contracts, we rely on their assessment of consultant payment guidelines.

We would appreciate any guidance you can provide.

https://financial.ucsc.edu/Pages/Payments_Consultant.aspx#cways

Question 4	
Is your division/unit aware of the UC systemwide guidance on Independent Contractor Guidelines for Federal Tax Purposes, effective January 17, 2018?	

Comments:
We reference the Independent Contractor Payment Guide on the Financial Affairs website when I have a question.
Rely on Procurement services/ CruzBuy for procedure.
We rely on the guidance of Procurement.
If integrated into campus procedures, our staff would be aware of the guidance.
I can only speak to the awareness of the unit as of Sept 17, 2018; when I came on board.
We are aware of what is provided in the online guide; the vendor must fill out the 204 as they see fit.
No
Defer to Purchasing
No, again the subject matter experts are in FAST/AP and Procurement
No. Like above, we rely on Procurement to be aware of the guidelines.
We read it this morning.

Question 5	
Does your division/unit obtain approval from Procurement Services prior to contracting with independent contractors or consultants?	

Comments:
The Division requires that all requests are input in CruzBuy by the CruzBuy requestor and approved as a PO by Procurement before contracting begins between the requestor and the independent contractor.
It is required to have a requisition put in and approved and a PO created prior to engaging in any contract.
Yes
A purchase order is generally in place prior to services provided. I am aware of some instances, prior to my arrival, where 504 accommodations had to be meet so services were started in conjunction with a PO's creation, but as I understand it, this is no longer an issue as we've established a more solid base of contractors to minimize this situation.
We submit a Services Form request through CruzBuy for review and PO approval from Procurement.
Approve requisition in CruzBuy which routes to Purchasing.
Yes, the requisitions go through Procurement and they issue the purchase order.
Yes, with every consultant hired.
Our understanding was that the approval came from Counsel's office.
Contracts are written and/or negotiated by either Procurement Services or Campus Counsel.

Campus Management of Independent Contractors and Consultants   Report No SC-19-01

Question 6	
Does your division/ unit retain a statement of work or quote from the independent contractors/ consultants? If yes, who is responsible for developing and approving the statement of work? Is Procurement Services involved in reviewing the statement of work?	

Comments:

Yes, we work directly with Business Contracts and/or Procurement to finalize the scope of work, proposal to do the work, and the UCSC PO. This happens before a vendor begins working with us.

Office senior managers

The CruzBuy requestor is responsible for uploading the scope of work and defining the job scope. The CruzBuy requestor works with the independent contractor to define the business arrangement. The business office reviews the statement, verifies the fund type and appropriateness/policy compliance and sends it to Procurement to review the contract terms and statement of work before a PO is issued.

Yes, a scope of work is attached at the time of the requisition being submitted. The Business Office reviews and approves the requisition based on the scope of work and Procurement must also approve before creating a Purchase Order

The unit requesting the contractor provides the scope of work. All scopes of work are attached to the CruzBuy requisition and reviewed/approved by procurement.

The director level people in our unit are responsible for approving SOW's and Procurement is involved in reviewing through CruzBuy. All approval, SOW, and quote documents are retained in CruzBuy.

Our office retains a statement of work. All should be attached to the purchase requisition for review by Procurement Services. Who develops the statement of work depends on the project. For organizational support projects, I develop the scope. For general projects, I would develop or guide the development of the scope.

Previously, SOWs were not kept as they can be retrieved from the requisitions. I have instituted keeping them in our shared drives so that we have a running record & quickly reference w/out searching through requisitions. The SOWs are fairly straight forward, and were developed before I arrived, but if they would need to be adjusted it would be my position's responsibility to adjust, which I would do in consult with Procurement and the contractor who is coordinating the other contractor services.

I am responsible for developing/approving the Statement of Work. Yes, Procurement Services is involved in reviewing the Statement of Work.

Pie chart: No 6%, Yes 88%, No Response 6%.

19

Final Report No. SC-19-01 Campus Management of Independent Contractors and Consultants May 2019.docx

SOW is developed with the project manager (PM) associated with this project, the associated grant administrator and independent contractor. SOW is attached in the requisition in CruzBuy for review by Tier 1, Tier 2 and Business Contracts.

Yes, we collect the statement of work/quote directly from the vendor or from the faculty PI who wants to hire the vendor. We submit the statement of work to Procurement via the Services From request in CruzBuy. Procurement is responsible for reviewing and approving the statement of work.

My unit only approves requisitions in CruzBuy. We do not contract the work.

Not our unit but I believe Procurement does. If there is a document like this it would be attached to the requisition. When you get into services with a SOW integral to the grant SOW then we would ask them to talk with OSP about whether or not it should be a subaward and OSP has some info on determining this: https://officeofresearch.ucsc.edu/osp/award-mgmt/subaward-vs-vendor-guidance.html

Person responsible for developing and approving the statement varies by project, e.g., project manager or principal analyst. Procurement Services is involved in reviewing the statement of work.

The statement of work is provided by the contractor and is incorporated into their contract and reviewed by campus counsel.

Question 7	
Are there any contracts outside of CruzBuy?	
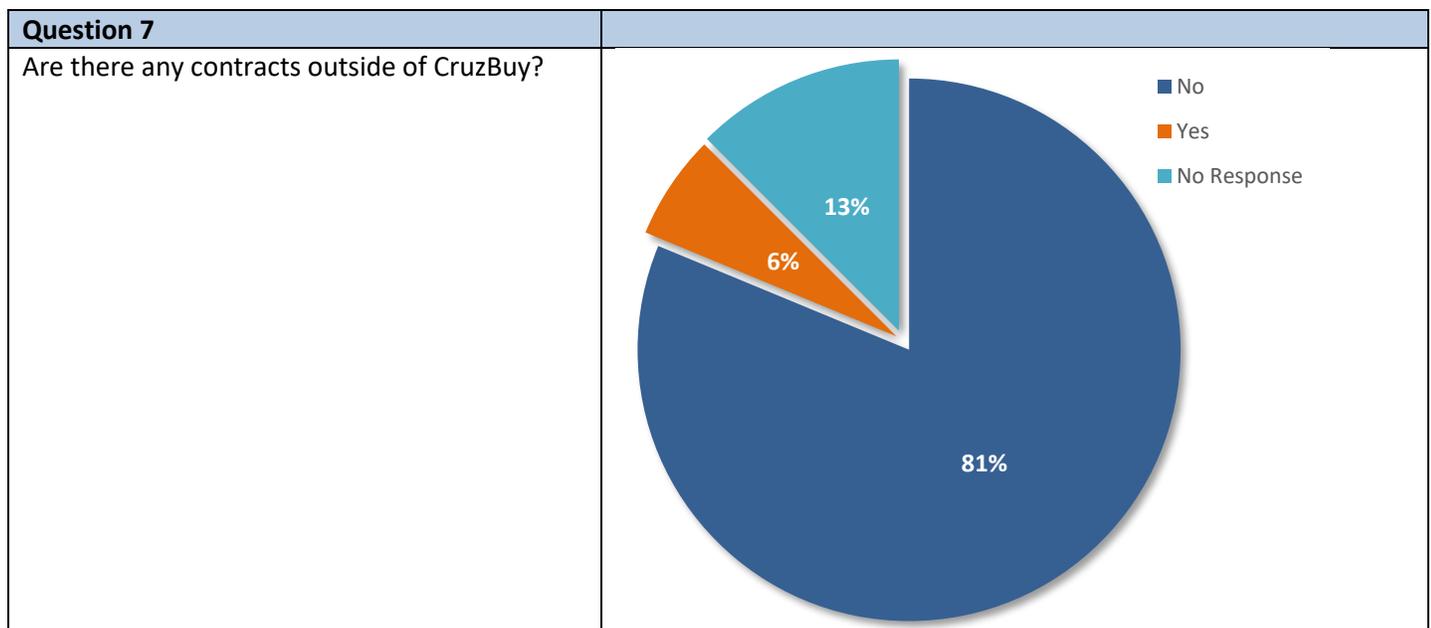
Please explain

All contracts including grant subcontracts route through CruzBuy.

There should not be.

Not that I am aware of.

Recently, there have been a few contracts outside of CruzBuy via the CTE credit card. We've been sending these credit card authorization forms and agreements to businesscontracts@ucsc.edu for approval and signatures.

Not that I can think of but maybe there are circumstances when this happens.

No.

Typically, revenue agreements.

Question 8	
Are conflict of interest policies made known to staff involved in selecting independent contractors/consultants?	

Please explain
If the Business Office is aware of any relationship between the CruzBuy requestor and the independent contractor, an Employee Vendor Relationship form is required to be uploaded to the requisition by the CruzBuy requestor.
An Employee/Vendor Relationship form must be included if there is any conflict of interest involved.
Yes
Not formally, but when I came on board, I had a discussion with the independent contractor who coordinates the selection process; conflict of interest policies was a topic in that conversation.
Not sure. Faculty are usually the ones involved in selecting independent contractors.
We do not contract with consultants.
We defer to OSP, which has a conflict of interest process for subawards: https://officeofresearch.ucsc.edu/compliance/services/coi8_subawards.html And for consultant POs, the pre-hire worksheet addresses conflicts of interest.
Due to the specific nature of consultants we need, the issue has never come up. There are questions concerning conflict of interest we answer when setting up a vendor in CruzBuy.
Unknown by our office.

Question 9	
Is your division/unit aware of the UCSC consultant and contractor payment guides available to campus?	

Comments:
The Division tries to maintain this practice however Procurement is not always consistent with this requirement.
Whenever contracting for a new service the pre-hire worksheet is absolutely completed.
I would need "engaging" clarified before I can specifically answer. Pre-Hire Worksheets are filled out when we've determined an independent consultant is needed/identified, and we're in process of generating a requisition for a PO.
Yes
We do not hire independent contractors.
Yes, if it goes through CruzBuy.
Unknown by our office.
Yes, when transaction goes through CruzBuy.

Question 10	
Do all independent contractors/consultants fill out the UCSC Employee-Vendor Relationship Disclosure Form?	

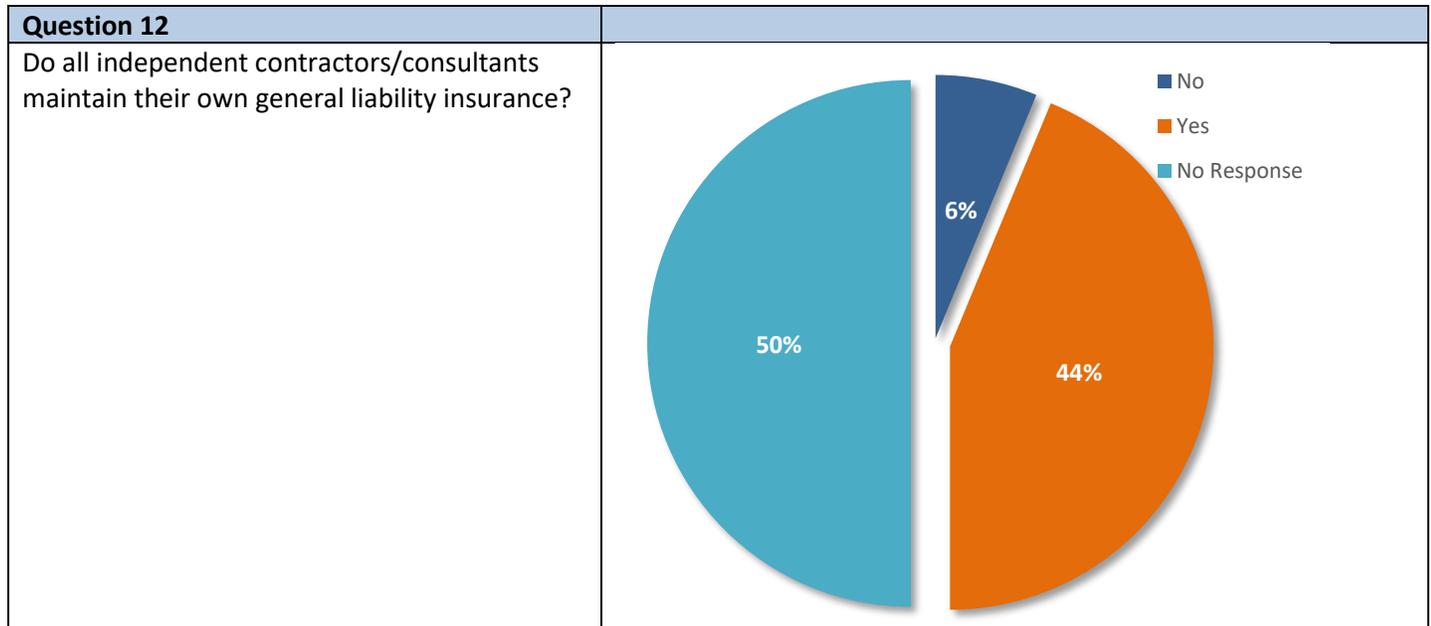| Comments: |
|---|
| Some contractors are businesses, not individuals. |
| Only if the CruzBuy requestor reveals to the business office knowledge of a relationship. |
| No, this is only done if there is knowledge of a conflict of interest |
| If applicable |
| Procurement has prompted us when needed. |
| Yes |
| It's not a step specified in the Procurement guidelines. |
| Doesn't this only apply to university employees and/or near-relatives of a university employee? |
| We do not hire independent contractors. |
| I'm not sure if/when Procurement requires this but it is one of the forms listed under Procurement on the FAST site: https://financial.ucsc.edu/Pages/Forms_Directory.aspx |
| We believe this is part of Procurement's process. |
| Unknown by our office. |
| This is not standard practice even with Procurement Services. |

Question 11a	
Has your division/unit contracted with former employees or consultants? If yes, what steps are taken to prevent the same consultant from bidding on their own follow-on recommendations?	

Comments:

A vendor was hired 4x since 2016 for harvesting wheat, writing grower guides, & training staff on farm infrastructure. In this case, the unit seeks out the vendor's specialized services.

An Employee Vendor Relationship form is required to be uploaded by the CruzBuy requestor to the requisition request. The CruzBuy requestor is asked by Procurement to either provide a source selection and price reasonableness justification for quotes above $100K, or if under $100K to provide additional competitor quotes to the CruzBuy request.

An Employee/Vendor Relationship form is required to be submitted with the requisition. Procurement will ask for competitor quotes to validate the quotes provided.

If there are follow on recommendations that fall outside the initial SOW we would get second opinions and then get quotes from other firms to fulfill those requirements.

Projects usually do not overlap. We are very careful at the beginning when scoping to communicate with the supplier the parameters of the contract, and that follow-on contracts will not be allowed.

This isn't an issue as we don't use consulting contractors. Our contractors are ASL interpreters and captioners, most of which we've contracted with in previous years. The sole contractor that does the coordinating of these services has no overlapping work in any recommendations.

Based on current knowledge, we have only contracted with a former employee once. In this case, we discussed the conflict of interest extensively with campus and UC counsel, and the dean before getting to the point of creating the SOW.

Possibly. We've used the same freelance graphic designer for years. And sometimes we've contracted with former students.

We do not hire independent contractors.

I'm sure this happens occasionally. I'm not sure what is being asked in the first question. What are their follow-on recommendations? Recommendations they made while they were a UC employee? Or recommendations made while they were hired by an independent consultant? Also, if they are providing recommendations it sounds like they should be a sub awardee not a contractor.

We have contracted with former consultants in the context of purchasing additional software services or upgrading existing software services where implementation and customization services were required. We have not contracted with former employees other than the situation noted above. We have not had a situation where a consultant would have been able to bid on their own follow-up recommendations.

But we are in the process of setting up a contract with a former employee.

Possibly. Unknown at this time. More evaluation needed.

Question 11b	
Are you familiar with the UC guidance provided on Revolving Door Policies?	

Comments:
Yes, we are familiar with revolving door situations and this does not fall into that category.
We are familiar with Revolving Door Policies.
Yes
Once creating the SOW, we ensured all work entered was pertinent and to avoid a successor contract situation.
Not familiar with UC guidance provided on Revolving Door Policies and can't find it on the Financial Affairs website.
We do not hire independent contractors.
No, again the subject matter experts for this level of inquiry are FAST/AP and Procurement. Procurement has a How To Buy Guide that includes info on buying from a UC employee or an independent contractor https://financial.ucsc.edu/Pages/PS_How_To_Buy_Guide.aspx#indi_over. If a former employee wants to be an independent contractor and perform the same work they had been performing as an employee a period of time needs to have passed but I don't know how much time needs to have passed. FAR has referred to this as a cooling off period
Know that the 2015 Post Employment and Revolving Door Guidance PDF can be found on the UCOP website.

Question 12	
Do all independent contractors/consultants maintain their own general liability insurance?	6% 44% 50% No Yes No Response

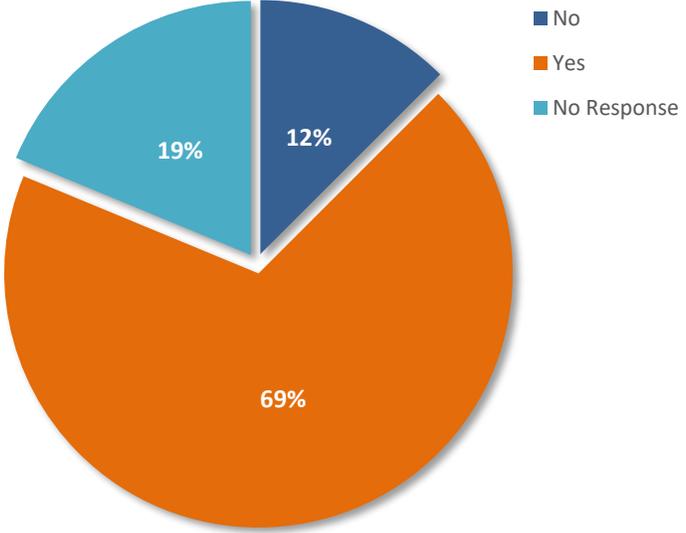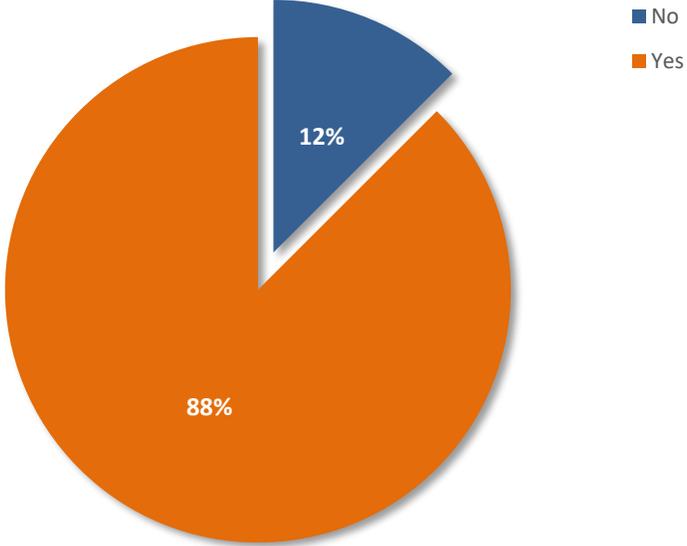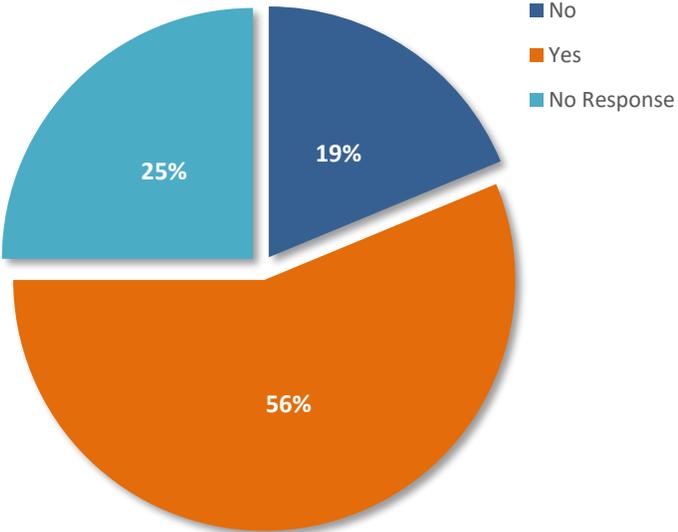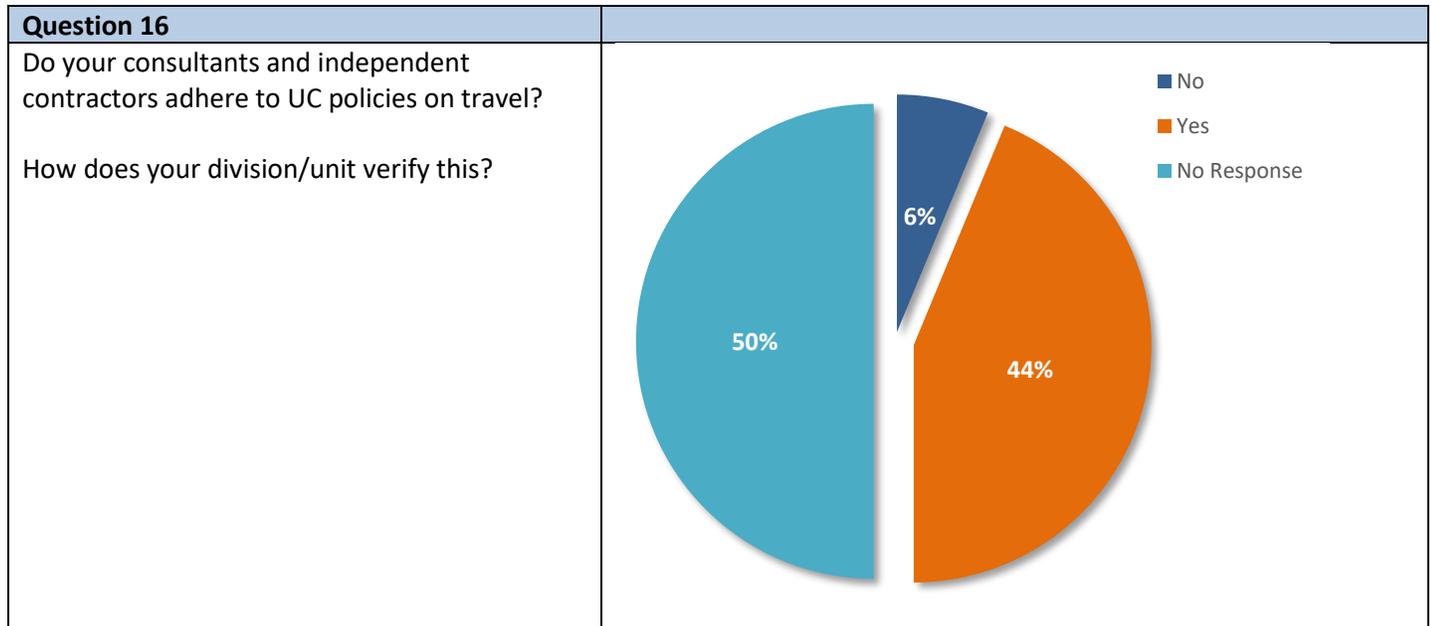| Comments: |
|---|
| I am unsure and would expect Procurement to review this as necessary before approving a PO request. |
| Does Procurement check this as they do with other service providers? |
| The business office does not know the general insurance liability status of every independent contractor. Procurement maintains that relationship when and if needed at various levels of need per the Business Contracts Guide. |
| We do not handle the details of insurance policies at the Business Office level, Procurement is involved with the independent contractors in that aspect |
| I don't believe we have liability insurance for writers. |
| As required |
| Due to the pressing need and challenge of finding ASL interpreters due to a shortage in the area, Risk Services has waived this requirement for some contractors. |
| This is handled by Procurement Services. |
| They are supposed to according to the pre-hire worksheet but we (on a divisional level) do not verify it with the vendor, we assume Procurement does so. |
| We do not hire independent contractors. |
| I'm not sure what UC requires? This would be a question for Procurement. |
| We follow Procurement Services advice as to required insurance, which is incorporated into the contract. |
| Not certain what this question actually means...versus who other than the supplier would "maintain" their GL insurance? |

Question 13	
Has your division/unit procured independent contractors or consultants for over $100,000 annually in value?	

Comments:
Unless building the Hay Barn should be counted, then yes, this project was <$100,000
We have been involved with negotiations/contracts.
Yes
Not sure. Is this $100K for one individual contractor – then no. If it's over $100K for all contractors hired on our foapal then yes. We recently had large contracts. Since our institute is an umbrella unit for most research centers and grants we tend to process many independent contractor agreements for multiple and separate projects.
I'm not sure, I think we'd have to ask Procurement for this data.
We have had contracts that specified consulting services over $100,000, but this has been over a year period.

Question 14	
Does your division/unit request change orders from Procurement Services when the amount to be paid exceeds the original agreement with independent contractor/consultants? If yes, is this common? Please provide an estimate of how often this occurs.	

Comments:
Not common
Infrequently
This decision is left up to the CruzBuy requestor and the business agreement whether or not a job scope needs revision or extension.
It depends on the dollar amount that it exceeds the contract by as well as the details of the scope of work. It is not very common
This occurs very rarely.
As needed
Yes, we always process change orders.
I cannot speak to previous years' frequency, but understanding the nature of the needs would figure infrequently – and would depend on the number of Deaf/Hard of Hearing students enrolled. This year was more common as SHR used our contractor POs for employee services causing them to run out quickly. I've since worked with SHR to have them create their own POs to maintain.
Only occurs when contract is being extended.
C/O are only requested when the due dates needs to be extended, when funding sources need to be corrected or when additional milestones need to be added
This happens rarely: 2 x a year if at all.
It depends. If it is going to be significantly more then yes, a change order could be requested to add more funds to the PO. If it is not significant, and this would be determined by AP/Procurement, then they may be able to just use the original PO. I'm not sure what dollar threshold AP uses to make this determination.
We request an extension of time or money for the contractors.
Estimate unknown at this time.

Question 15	
Does your division/unit ensure travel expenses incurred by independent contractors or consultants are included as part of the pre-negotiated fee?	No ■ No 19% ■ Yes 56% ■ No Response 25%

Comments:
The division business office has the requirement listed on our Division Business hiring website that service providers must include travel in initial invoice quotes.
Yes, the requirement is listed on our divisional page as well as our link to the Independent Contractor Payment Guide.
Included as part of the pre-negotiated fee in cases where travel is needed.
No, not always. We do not know the duration or frequency of visits, and cannot scope the travel.
In the statement of work, mileage expenses are outlined.
Travel expenses are the responsibility of the contractor or consulting agency. We do not pay them separately.
Not common to have travel be listed in the contract, but it has happened a few times, and only actual costs are reimbursable.
Most of the travel is part of doing business and should be included in their fee. On specific grants that are budgeted with travel as part of the payment to the IC or consultant, then a separate line item for travel is entered on the requisition. Procurement always asks us about these and we supply them with the budget from the grant. Sometimes we pay them on a UC post travel. These are for ICs or consultants who are traveling to an event on our behalf to perform services. The services are paid by PO.
Defer to Purchasing
I'm not sure that this would be part of a contractor or consultant service or how Procurement would analyze this. If it were a subaward, yes, they would include this in their budget. https://financial.ucsc.edu/Pages/Payments_Consultant.aspx#creimbursement
Yes, but it varies with the contractor and is included in the statement of work.
Unknown by our office.
Dependent on the Scope and SOW, travel reimbursement could either be part of the fee/hourly rate or a separate line item on the purchase order for Travel Reimbursement.

Question 16	
Do your consultants and independent contractors adhere to UC policies on travel? How does your division/unit verify this?	No 6% Yes 44% No Response 50%

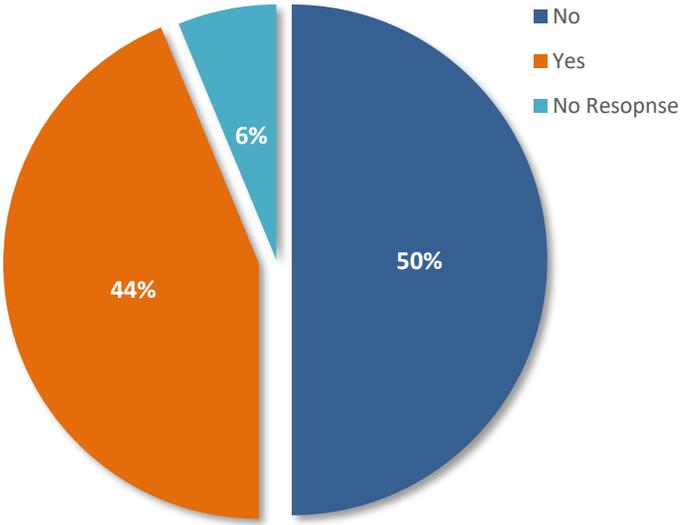| Comments: |
|---|
| I am unsure. |
| The Division Business office asks the requestor to obtain travel receipts from the independent contractor for proof of policy compliance. |
| The requestor obtains travel receipts from the independent contractor to adhere to policy. |
| UCSC travel policies are included in all contracts. Receipts are required and reviewed prior to approval of all invoices. |
| In the past, Procurement has provided guidance when travel does not adhere to policy. |
| All travel expenses are reconciled against travel policy. Through our normal processes. As a note, the organization works very closely with Accounting on travel expense processes because we are verifying all of the campus's senior leaders' travel expenses, which is sometimes complex. |
| Unsure how to answer; only mileage is charged and it does not exceed the reimbursable mileage per UC Travel policy. These charges are reviewed on the invoices. |
| Travel expenses are the responsibility of the contractor or consulting agency. We do not pay them separately. |
| If this is a situation where travel was to be paid, we request all backup as we would from employees and review for allowability and allocability. |
| Yes, if they do a post travel reimbursement then we have oversight on whether they are adhering to UC travel policies. But, we also audit their travel when paid on a PO as a separate line item. |
| I'm not sure what is provided to sub awardees about travel parameters in their subaward budgets. |
| Unknown, but we assume the contractors are adhering to UC travel policies through the contract negotiation. |
| Unknown. |
| All contracts include a legal condition that mandates suppliers adhere to UC travel policies. If the supplier is directly reimbursed for travel, FAST (A/P) ensures reimbursements are strictly based on UC policies. |

Question 17	
Are any independent contract or consulting services for performances, speaking engagements, or other one-day events?	

Comments:

There are educational workshop facilitators hired as miscellaneous services.

Typically no. We fund events hosted by other organizations, but typically do not contract with speakers directly.

Yes, sometimes guest speakers are paid via a contract and a PO, usually paid to their agency.

Possibly? This would be in the Div/Dept side of the house. I don't think we've had this type of contract on the research side. Speaking engagements or one day events are often paid to recipients as honoraria with no contract signed. https://financial.ucsc.edu/Pages/Payments_Honorarium

Question 18
Generally, how is the successful completion of the contract determined?
Comments:

Staff are satisfied or not.

The CruzBuy requestor would be following the CruzBuy workflow request from beginning to PO completion. The CruzBuy requestor would be in contact with the vendor to verify the deliverables were met and receive the final invoice to send to accounting for payment.

The requestor monitors all steps throughout the workflow and ensures work is complete, finishing by submitting the invoice for payment to accounting.

This is determined by the department who initiated the services.

Delivering what is outlined in the SOW.

Typically via a report at the end of the project.

Assignments completed

Work has been performed.

PI/PM work with the contractor to determine if the milestones are completed as expected
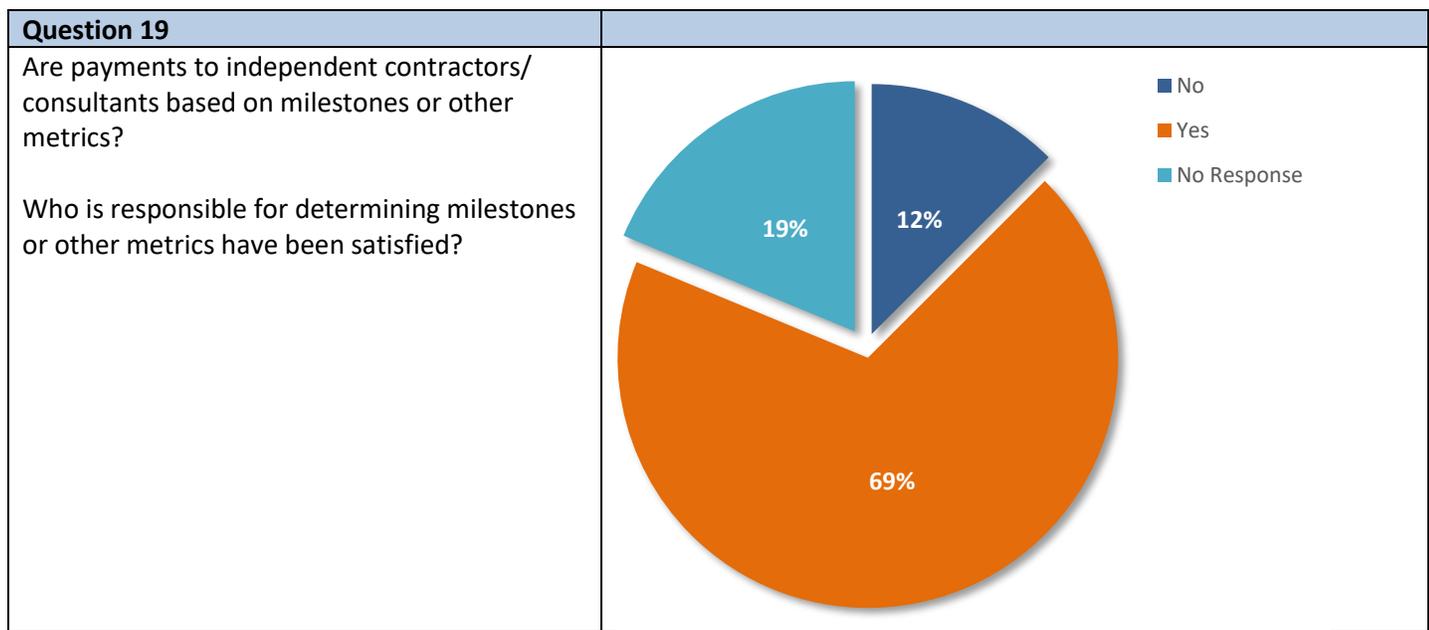
Contractors are generally paid after services are completed. If it's a guest speaker they are paid after the event. If it's a service provided to a faculty PI then we ask the faculty member if the service has been completed and we ask for their approval to pay invoices.

Defer to Purchasing.

The PI works with the contractor on this, we don't get into these details. We approve the requisition and once the PO is sent to the vendor they can invoice against it and the invoice is paid. We and the PIs don't review or approve these invoices because we approved the requisition already. With subawards however, the PI must review and approve each invoice and then we approve each invoice and send to FAST/AP for payment.

Acceptance criteria varies by project and is generally incorporated into the Statement of Work.

Contractors submit a written report.

Question 19	
Are payments to independent contractors/ consultants based on milestones or other metrics? Who is responsible for determining milestones or other metrics have been satisfied?	
Comments:	

Legend: No, Yes, No Response

Pie chart values: No 12%, Yes 69%, No Response 19%

Comments:

If there are deliverables, they will be tied to a timeline. Most, if not all, services provided are one-time. As in facilitating a workshop.

The payment agreements would be negotiated between the CruzBuy requestor and the independent contractor if a pre-payment deposit was needed or a specific monthly, weekly, or bi weekly payment schedule was required. The invoices should be sent to the CruzBuy requestor to verify milestones are being met in order for the independent contractor to receive payment.

This would depend entirely on the work being provided and the agreed upon terms with Procurement and the Independent Contractor. The requestor would be the contact person to review each invoice for accuracy and completion of each milestone.

Most independent contractors are for one-time events: i.e. DJ for one dance, speaker for one event. But there are some tied to milestones/tasks. These are reviewed by all managers prior to approval/submittal to pay.

Milestones. The person who commissions the work signs off as line items or services are completed.

The individual who understands the scope and the milestones verifies completion.

Completion of assignment. The Coordinating Contractor assigns the interpreters work based on need and their availability. Since we know the student's class & section schedule, and access to the Interpreter calendar, so we can verify there are no erroneous charges; the students let the department know if they would like to coordinate outside of class services and we in turn approve it/notify the Coordinating Contractor.

Invoices are by milestones. Invoices are approved by the PI/PM to determine if the work was completed correctly.

Yes. The PI usually determines if milestones or other metrics have been met and we ask them to approve invoices before they are paid.

Defer to Purchasing.

This is something the requisitioner (PI) has to stay on top of and they often know when the consultant is going to submit an invoice because they have been in contact with the consultant about their progress. It may be that in some cases AP would contact the PI when they receive an invoice if there are any questions about this.

Generally, the initiator of the engagement is responsible for determining if the milestones or metrics have been met. Generally, metrics are tracked by project manager.

Payments are made monthly, after approval from department director.

Yes, if the SOW and contract is written to include them. UNEX Project Manager and/or Department Manager

Question 20
How does your division/ unit approve payments to independent contractors/ consultants?
Comments:

The staff person involved in requesting the contractor will review and submit the invoice for payment.

Reviewed by director before submitted for payment.

An invoice should be sent from the independent contractor to the CruzBuy requestor who has a personal relationship with the project or service the independent contractor is hired to complete. The CruzBuy requestor verifies the invoice and sends the invoice to Accounting for payment.

The requestor would receive the invoice from the independent contractor and review for accuracy before sending to Accounting for payment.

For some smaller payments, the invoice goes directly to FAST for payment. Most contracts, the invoice is sent directly to the unit and a UC42 is initiated with procurement for the unit for review before payment.

Via email with the bill and the SOW.

Frankly, I am not sure. We might have moved from a sign off on a physical invoice to an email confirmation. But the survey has prompted me to look into it!
We indicate on the purchase order that if the contractor submits the invoice to FAST directly, our business staff must be contacted for approval to pay the invoice. Our staff outreach to the project lead to assure we are not paying for services before they have been rendered and that the product meets our expectations.

The Coord. Contractor submits all invoices to me for review; if I approve, I forward to AP for payment. If I have question, I don't submit until charges are clarified.

I approve all payments.

Invoices are sent to the PI/PM for review and approval. We enter UCSC42 in the requisition so that invoices cannot be automatically paid without PI/PM approval.

PI (or UCSC project manager) is consulted to see if work was completed according to PO and timeline. Research accountant or finance director give final Tier 2 approval on invoices that are sent to FAST.

Unit approves invoice.
Via the approval of the requisition. I have had PIs have the vendor send the invoices to them then they submit them to me and I submit them to AP. But because the PO's contain invoicing instructions, typically the invoices are sent directly to FAST.
Generally, the initiator of the engagement is responsible for approving payments, in consultation with the office manager
After a contractor submits an invoice, the director confirms the time and approves it for payment.

Question 21
What procedures are in place within your division/ unit to help ensure independent contractors and consultants are properly paid?
Comments:
All request route through the assistant directors to insure need and funding. If needed & allowable, the vendor is hired and paid as agreed-upon.
Invoice reviewed by director, paid via FAST.
The above statement is the correct process. The division business office also sends out open encumbrance reports to the various departments, professors, and program managers (CruzBuy requestors) to verify if there is an open lien to an independent contractor. The CruzBuy requestor would address the issue of either the requestor needs to obtain and invoice from the independent contractor and send it into accounting for payment or the lien needs to be liquidated if the work has been completed.
The Business Office will send out Open Encumbrance reports to Department Managers and Faculty to verify if the work has been completed and if all invoices for the work being done have been submitted.
Most invoices are set for UC42 and sent directly to the unit to review/approve prior to submittal for payment. We also complete monthly ledger reviews for accuracy and timeliness.
When a bill comes in, it is approved by the team member responsible making sure it is tied to the right PO.
I am not sure what this means? A contract specifies milestones or other terms of payment would prompt us to make a payment when an invoice is received.
The Coord. Contractor has a spread sheet of invoices tracking (which I have access to) submission to me via email. I save the invoices to a folder once I forward to AP. I have a spread sheet of all the POs and I run an encumbrance report weekly so I should see the total encumbrance amount reduce by the total dollar amount of the invoices I submitted. I can also spot check vendors in FIS to see where AP is in paying invoices.
I review invoices and authorize payments.
An internal worksheet is kept to track deliverables and invoices. FIS/Infoview is checked for prior payments before submitting new invoices for payment.
We submit payment requests to aphelp@ucsc.edu (or send to FAST). We also review our unit's financial reports and PO encumbrance reports each month.
Defer to Purchasing
Ask Procurement? Right. The same Procurement and AP procedures used for any PO are also used for contractors/consultants.
We follow up with the vendor when we do not receive an expected invoice.
Contractors submit their time monthly, it is reviewed by the director and approved for payment.

Staff tracks progress and deliverables. Staff makes sure deliverables are met before submitting invoices to senior managers for approval. Senior managers won't approve invoice without verification from staff. -   Once senior manager approves invoices, accountant sends to financial managers for approval before sending to FAST Office. FAST Office won't process invoices without department approvals

Question 22	
Is the original vendor invoice obtained prior to submitting for payment?	(Pie chart: No 6%, Yes 94%)
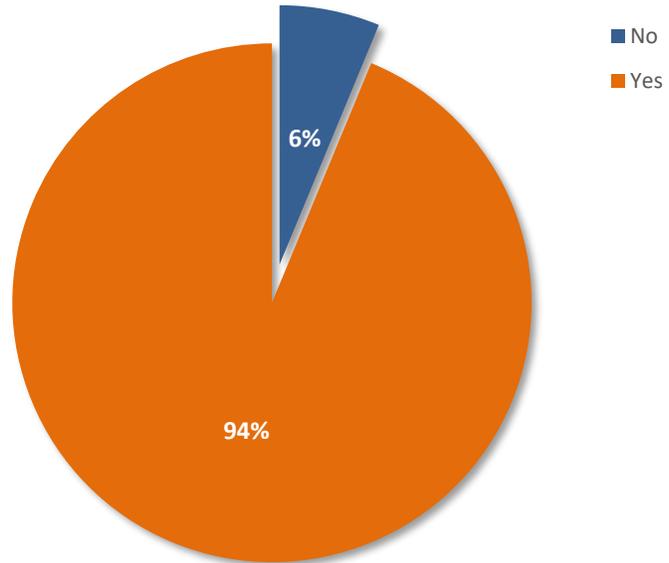
Comments:

Sometimes a quote will be used to reference the request. An invoice will follow the service being rendered.

The original invoice for the completed work should be sent to the CruzBuy requestor.

In most instances, the purchase order is set up so that the invoice is sent directly to the unit for review before payment.

We see the invoice and then approve to pay.

Yes

Yes, via email.

Yes, invoices are sent to FAST/AP and they process the payment based on the invoice.
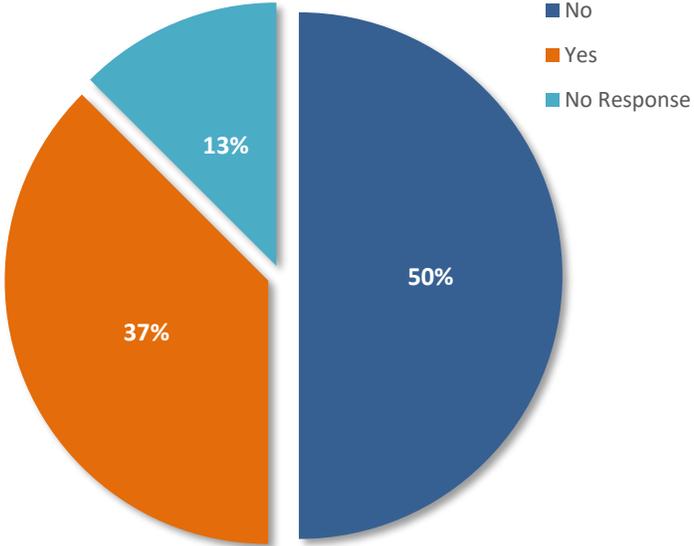
Contractors submit a monthly invoice.

Question 23	
Who is responsible for processing and paying independent contractors/consultants?	
Comments:	

The accounting (FAST) office.

Office Manager

The CruzBuy requestor would receive the invoice and know personally if the work has been completed then send the invoice to Accounting for payment.

The requestor reviews the invoice and Accounting would issue the payment.

The campus' accounts payable department, FAST.

We have people in our division who work with Procurement to get things processed and paid.
Our Business Office processes all payment and reimbursement transactions through FAST.
My position; admin analyst.
FAST/AP processes all payments.
Finance Analyst is responsible for getting the PI/PM approval and sending the invoice to APHelp.
FAST A/P
FAST
Fast/AP
Business and Operations Manager
Currently the operations office forwards the approval to Accounting. However we have recently assumed responsibility for Financial Affairs and will be doing this ourselves.
FAST (Accounts Payable)

Question 24	
Are any payments to independent contractors/ consultants made through Pro Card?	
Comments:	
No.	
I don't think that would be allowed.	

Question 25	
Have there been any instances of After the Fact purchases with independent contractors/consultants?	

Comments:	

It is not campus policy however there are some instances where the division business office is sometimes notified after the fact of a business relationship. The business office has continuously sent out division wide emails regarding this out of policy practice. The last email sent to the entire division regarding this issue was dated 1/8/19.

We have had requisitions submitted After-the-Fact, which is against policy, and the requestor must attach an AFT Justification form to the requisition before it can be approved by either the business office or Procurement.

A few minor things have happened due to speed with which a job needed to get completed.

Not to my knowledge.

As I mentioned earlier, 504 accommodations had to be meet so services were started in conjunction with a PO's creation.

We try our best to avoid this.

Yes, on rare occasion there have been delays in submitting and/or getting requisition approvals in CruzBuy resulting in ATF requests. This is due to being short-staffed. The requisition is entered on time but the approvals take longer and can result in an ATF situation which we attempt to avoid at all costs.

I'm not sure, this would be another good question for Procurement.

Not that we are aware of.

None that we know of at this point in time.

Summary of Survey Results