 Instructions - PSA Consultant/Independent Contractor - greater than $5,000

A Standardized Professional Services Agreement (SPSA) is used to contract for a variety of professional services when the payment for service rendered exceeds $5,000. There are two SPSA agreements: one for a contract with an **individual** and one for a contract with a **company**. The terms and conditions are slightly different for an individual service provider versus a company so there is a separate form for each type of Supplier. Select the SPSA that reflects the status of the service provider providing service.

The agreement incorporates a Departmental Certification and the contract Terms and Conditions. Part I, the Services Profile, includes scope of work and the criteria used in the selection of the independent contractor. Part II, the Establishment of Employer/Independent Contractor Relationship, provides questions to facilitate determination of the correct employment status. Part III, the Professional Services Agreement, identifies the contractual provisions between Brown and the independent contractor.

Parts I, II and III (two originals for part III) are to be completed by the appropriate Academic or Administrative Department Head or Manager. The SPSA, including both originals of Part III, are forwarded to the independent contractor. He/she must sign and date both copies of the SPSA (prior to performance of services), thereby signifying acceptance of the contractual agreement. Upon return to the department, the authorized Department Head or Manager must sign Part III indicating the agreement is acceptable and ready for final approval and processing.

Payment for services in this category will only be processed using the Brown University Purchase Order process initiated through Workday. Attach the SPSA (signed by the contractor) along with three competitive bids or a sole source justification to the Create Requisition process in Workday.

Consultants/Independent Contractors providing services to Brown on the SPSA are responsible for their own travel arrangements. The Contractor may invoice Brown for these expenses. Payment for services and expenses will be processed by the Accounts Payable Department once the department has indicated that services have been received using the Workday process for receipts.

The contractor will receive an IRS Form 1099 MISC from the University that includes the fee, travel and other related expenses.

The independent contractor will need to complete the Supplier and Individual Payee Registration on the Purchasing website. [www.brown.edu/purchasing](http://www.brown.edu/purchasing). It is important that the address information provided in the registration process match the address that will be used for billing from the contractor. When there is a different address used on the contractor’s invoice, they must include that address on the registration form in the “Address for Invoice Payments” section.

In addition, individuals to be compensated for professional services in an amount greater than $5,000 and, who will be engaged for a period of more than 30 continuous days must provide the university with the completed “Notice of Designation as Independent Contractor” form or proof of workers compensation insurance prior to approval of the professional services agreement. This requirement applies to individuals providing services or individuals using a business name but using their individual social security number ("doing business as" or “d.b.a.”).