21.0 Purchase of Services

State and University purchasing procedures require competition for the procurement of professional and nonprofessional services when the estimated cost exceed departmental delegated purchasing authority. However, if a current contract exists, then that contract should be used.

Services can be categorized as follows:


These services are specifically defined in Virginia law as the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, medicine, dentistry, optometry, pharmacy, and professional engineering. The procurement of professional services is accomplished by competitive negotiation. Concurrence and/or approval from other State agencies may be required. Contact the Department of Procurement and Contracts for assistance regarding the procurement of professional services.

21.2 Nonprofessional Services.

All services not listed as professional services are considered nonprofessional services. Specific procedures and competitive methods are required depending on the dollar value and the type of service. Departments must determine their specific service needs sufficiently in advance to allow the Department of Procurement and Contracts adequate time to comply with the competitive requirements.

Often the purchase of services will require the Contractor to provide a Certificate of Insurance and/or to hold a Contractor’s License. Departments procuring services less than $5,000 that require the contractor to perform work on the campus must coordinate this purchase with the Department of Procurement and Contracts to ensure appropriate regulations are followed. For more information, contact the Director of Procurement and Contracts at 831-6118.

21.3 Independent Contractors.

Departments often engage the services of individuals who are not employees of the University, including consultants, guest lecturers, entertainers, suppliers, and others. When engaging the services of an individual, the Internal Revenue Service (IRS)
requires the University to properly classify the individual as an independent contractor or employee. The determination of the correct classification must be made before a contract is signed or any other commitment is made by the department on behalf of the University.

21.3.1 Independent Contractor Defined
At its basic level, an independent contractor is an individual who provides service to the University and is not an employee: namely, a worker whose pay would be reported under an IRS Form 1099 and not an IRS Form W-2. More specifically, it is a worker who:

a) is engaged in an independently established profession or business;
b) provides a service outside of the University’s usual course of business; and,
c) is free from the University’s control or direction when providing services.

While the above may seem straightforward, the determination as to whether a worker is an independent contractor versus an employee can be difficult and unclear in many cases. This procedure provides guidance and resources for making this determination.

21.3.2. Typical Independent Contractors
Typically, the University treats the following service providers as independent contractors when the providers are not otherwise employees of the University:

- Any individual providing services under existing State or University contracts
- Artisans/Artists
- Athletic Officials (officiating at intercollegiate athletic contests)
- Caterers (if allowable under the Food and Beverage Policy)
- Disc Jockeys
- Performing Artists (public events, theatre or musical productions, workshops, readings)
- Guest Speakers
- Musical Instrument Tuners/Repairers
- Photographers/Videographers
- Translators/Interpreters (Foreign Language or Hearing Impaired)
- Writers
21.3.3 Determination of Classification (i.e. Independent Contractor versus Employee)

For individuals performing services listed in Section 21.3.2, and who are not otherwise employees of the University, departments do not need to document a determination of classification.

For individuals performing other services, a determination of classification must be documented by the following steps in advance of making any commitments for payment for services by the University:

a) Obtain a signed COVA Form W-9, Request for Taxpayer Identification Number and Certification, from the individual.

b) If the Entity Type on the COVA Form W-9 is marked Individual, Sole Proprietorship, or Disregarded Entity, then continue with the steps below. Otherwise, no further action is required.

c) Complete the Independent Contractor/Employee Status Form and send it to the Tax Compliance Officer (Campus Box 6923 or rmah@radford.edu) for review and approval.

d) If the classification is determined to be employee, the department must follow hiring procedures established by the Department of Human Resources.

e) If the classification is determined to be independent contractor, the department must enter an eVA Purchase Requisition (PR) in accordance with procurement procedures. An approved copy of the Independent Contractor/Employee Status Form must be attached to the eVA PR along with a completed University Services Contract.

21.3.4 Non-US Citizens

If the individual performing services is a non-US citizen, contact the Tax Compliance Officer (rmah@radford.edu or 540-831-7020) immediately before taking any action.

References:

Appendix R: Independent Contractor/Employee Status Form (Form R13)