

CONTRACTUAL SERVICE AGREEMENTS

Overview

Occasionally it is necessary to contract with individuals (or businesses) through the use of a Contractual Services Agreement to provide professional or technical expertise, perform a service, or render an opinion or recommendation. Such work may include professional advice and assistance or services based upon specialized skill or technical ability that are **not available through existing district employees and/or departments**. Contractors provide the service according to their own methods without being subject to the control of the District, except regarding the results to be accomplished.

To be considered a contractor rather than an employee, the following criteria must be met:

- 1) The individual/business will be performing work that is not typically covered by a District employee, **and**
- 2) The individual will be performing work based on their expertise, without requiring specific training and/or instructions from the District on how to perform the work; **and**
- 3) The individual/business will be free from the type of direction and control the District would have on an employee (work schedule, methods by which work is performed), **and**
- 4) The individual/business holds themselves out to the public as providing contract services and is registered to do business in the State of Washington, **and**
- 5) The individual/business maintains their own set of books dedicated to the expenses and earnings of their business and files a tax return with the Internal Revenue Service for the business.

If an individual does not meet the criteria for a contractor, they should be paid as a “casual employee”. Casual employees are people who perform services for the district on an occasional or one-time basis. They are employees of the district, but are not hired for an established, posted position, but rather for a finite period of time to perform a specific task. Casual employees perform specialized services, but do not routinely offer their services to the public or hold a business license to do so.

To help determine whether an individual is to be paid as a contractor or casual employee, they first must complete a [Contractor vs. Employee Questionnaire](#). If the individual answers **YES** to **ALL** of the questions on the questionnaire, they can be paid as a contractor through Accounts Payable (*See Contractor Packet below*). However, if they answered **NO** to **ANY** of the questions, they are most likely an employee and should be paid as an employee through the District’s payroll system (*See Casual Employee Packet below*).

Retired District employees who are returning under contract to provide services should familiarize themselves with the regulations of their retirement plan as it pertains to the number of hours that may be worked, when they can be available to work after retirement, etc.

Listed below are common school district transactions and whether they should **typically** be paid as an employee or contractor:

Type of Work	Typical Method Of Payment
Line Judge – Sporting Event	Employee
Statistician – Sporting Event	Employee
Debate Judge	Employee
Data Entry Clerk	Employee
Musical Accompanist	Employee (if no UBI#)
Choreographer	Employee (if no UBI#)
Sports Referee (w/ UBI#)	Contractor
DJ for School Dance (w/ UBI#)	Contractor
Assembly Speaker or Performer (w/ UBI#)	Contractor
Curriculum Consultant (w/ UBI #)	Contractor
Staff Training (w/ UBI#)	Contractor

Casual Employee Packet

Completing the Packet

Individual(s) deemed to be casual employees must be paid through district payroll. Employees are required to complete and submit a Casual Employee Packet prior to services being rendered and receiving their first compensation.

District staff can direct casual employees to access this packet at the following link: [enter link here](#)

Required documents include:

- 1) [Contractor vs. Employee Questionnaire](#) (completed by both employee and school/department)
- 2) [Casual Employee Contract](#) (completed by both employee and school/department)
- 3) W-4 Form (only needed if first time employment with District)
<http://www.irs.gov/pub/irs-pdf/fw4.pdf>
- 4) Form I-9 (original documents to be verified and copied by an authorized agent of Puyallup School District; only needed if first time with the District as an employee)
<http://www.uscis.gov/files/form/i-9.pdf>
- 5) [Disclosure Release](#) (only needed if first time employment with District)
- 6) Fingerprinting (only applicable if employee works with minor children in an unsupervised capacity). See [Fingerprinting Instructions](#)

Submitting the Packet

The completed packet should be submitted by the Casual Employee to the school/department with whom they are working at the District. The school/department will forward the packet to Human Resources for processing. Casual Employees may not begin work until approval has been received from Human Resources.

Payment of Casual Employees

The employee will complete a [Payroll Timesheet](#) each month, to be signed and budget coded by the person with authority over the transaction. Timesheets will be forwarded to the Payroll Department by the 10th of each month for processing and payment.

Contractor Packet

Completing the Packet

Individual(s)/businesses deemed to be contractors must be paid through accounts payable. Contractors are required to complete and submit a Contractor Packet prior to services being rendered and any payments being made.

Required documents include:

- 1) [Contractor vs. Employee Questionnaire](#)
- 2) [Contractual Services Agreement](#) (must be approved by board prior to services being rendered)
 - A) Upon agreement of terms, the school/department will complete the "Contract Information" and "District Approval" portions of the Contractual Services Agreement, detailing the following:
 - a. Services to be provided
 - b. Dates of service
 - c. Hourly, daily, lump sum or other fees (e.g. travel, mileage, printed materials) to be paid

- d. Total contract cost
 - e. Administrator signature with budget authority for the contract cost
 - f. Account code(s) the contract will be charged to
- B) Forward the agreement to the contractor for completion of the “Contractor Information & Approval” portion of the agreement. The contractor’s portion includes:
- a. Address
 - b. WA State Business License Number (UBI#)
 - c. Social security or federal ID number
 - d. Phone number
 - e. Email address
 - f. Contractor’s signature
- 3) Form W-9, request for Taxpayer Identification Number.
A W-9 form must be submitted for all contractual services. The W-9 needs to be submitted only once per contractor unless there is a change in information or the IRS requires resubmission.
<http://www.irs.gov/pub/irs-pdf/fw9.pdf>
- 4) Fingerprinting (only applicable if Consultant works with minor children in an unsupervised capacity). See [Fingerprinting Instructions](#) . For more information, refer to Contractual Services Agreement Terms & Conditions #6.

Submitting the Packet

The completed packet should be submitted by the Contractor to the school/department with whom they are working at the District. The school/department then needs to do the following:

- 1) Review the packet to ensure all required documents have been submitted and are complete.
- 2) Create an on-line purchase requisition in BusinessPlus for the contracted services. Enter a requisition code of “X3” for contract management on your purchase request. Be sure to note the purchase request number at the top of the Contractual Services Agreement. For contracts that will be paid by the ASB, an ASB requisition/purchase order should be prepared and student approval obtained.
- 3) Send the completed packet to the Purchasing Department at 109 for processing.

The Purchasing Department will review and process each contract for school board approval. Purchasing should receive the contract documentation no later than two weeks before the desired Board meeting. Upon receipt of Board approval, Purchasing will send a copy of the approved contract and purchase order to the requesting school/department. **Contractors are not authorized to perform services until notice of contract approval is received from the District’s Purchasing Department.** For more information, see Board [Approval of Contracts](#) section below.

Other considerations:

- a. Verify sufficient budget capacity exists to cover the contract prior to beginning the process.
- b. If the contractual services are to be paid from grant funds, you must verify that this is an allowable charge and within the grant budget.
- c. If the contractor is being paid by **federal** grant funds, adequate quotes (or sole source documentation) are required along with proof that the contractor has neither been suspended nor debarred according to the Excluded Parties List System (www.epls.gov) . For more information,

refer to the Federal Procurement Form:

<http://intranet.puyallup.k12.wa.us/geninfo/forms/Accounting/AcctFederalProcurementForm.pdf>

Payment of Contractors

After completion of services, the vendor is required to submit an invoice which includes vendor name and remit address, purchase order number, dates of service and invoice total.

The invoice should be sent to the Accounts Payable Department for processing and payment:

Puyallup School District
ATTN: Accounts Payable
PO Box 370
Puyallup, WA 98371

Contract Revisions

Contracts may be revised, but the revision must be issued for the same scope of work or project. Contact the Purchasing Office for assistance (x6502).

Board Approval of Contracts

Only the Board of Directors of a school district have the authority to establish contracts that legally bind a district. Regardless of the type of contract, it is important to ensure that the District and individual employees are protected from any liability associated with improperly executed contracts. There are no dollar thresholds associated with this process. All contracts must be reviewed and approved by the Board.

Contracts fall into two categories – those related to purchasing goods and services; and those relating to other district business.

Contracts – Purchase of Goods and Services

Examples:

- Consultants
- Assembly speaker
- Agreement to provide staff training
- Conference facilitation
- Agreement to provide a service or good over a period of time
- Bid awards

Contracts – Other

Examples:

- Student teacher contracts with universities
- Interlocal or interagency agreements
- Interdistrict agreements for providing special education services
- Grants

Procedures for Approval – Contracts for Purchase of Goods and Services

- 1) Each school/department works with vendors and consultants to identify needed goods and services.

- 2) Upon agreement of terms, the vendor and district administrator will complete and sign the Contractual Services Agreement. At this point in the process, it is important that the vendor or consultant is informed that the signed document must receive Board approval prior to being considered a binding contract. The school/department representative can provide the vendor with a [Vendor Information Letter](#) that explains the District's contract approval process.
- 3) The contractor completes other required paperwork (see [Contractor Packet](#)) and returns the completed Contractor Packet to the school/department with whom they are working.
- 4) The school/department creates an on-line purchase requisition in BusinessPlus for the contracted services. A requisition code of "X3" for contract management should be entered on the purchase request. The purchase request number should be noted at the top of the Contractual Services Agreement.

ASB Contracts: For contracts that will be paid by the ASB, an ASB requisition/purchase order should be prepared and student approval obtained. A **copy** of the approved ASB PO should accompany the contract upon submission to purchasing. The school should retain the original ASB PO for the purposes of processing payment after services are rendered.

- 4) The original signed contract and other required documentation shall be forwarded to Purchasing for review and school board submission. Purchasing should receive the contract documentation approximately two weeks before the desired Board meeting. Cutoff dates are posted online: <http://intranet.puyallup.k12.wa.us/edsupport/accounting/>
- 5) Upon receipt of board approval, Purchasing will send a copy of the approved contract and purchase order to the vendor and the requesting school/department.

ASB Contracts: For contracts that will be paid by ASB, purchasing will stamp the ASB PO copy with "board approved" and return the documents to the school. The school should include this copy with the payment documentation as confirmation of board approval.

Procedures for Approval – Other Contracts/Agreement

- 1) Contracts/agreements entered into by District staff for purposes other than purchasing goods and services shall be submitted by their own department for board approval.
- 2) After board approval, a copy of the interdistrict, interagency or interlocal agreement must be sent to purchasing as these documents are required to be posted on the District's website. The date of board approval must be noted on the agreement.
- 3) Purchasing will post the contract or agreement to the Support Services\Purchasing section of the website: <http://www.puyallup.k12.wa.us/ourdistrict/departments/purchasing/index.cfm>