

Policy Manual

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12. Consultant and Professional Services

In order to distinguish consultant and professional services from work performed as an employee; these services must be based on self-directed work towards an objective determined by a CARES Investigator. Such services will be arranged by contractual agreement with CARES.

Certain IRS criteria distinguish an employee relationship from a contractor relationship. An investigator considering establishing an agreement for a consultant or other professional service provider should review the criteria with CARES staff. For informational purposes, please see the 20-point test that the IRS has promulgated to distinguish an employee from an independent contractor.

If the consultant or independent contractor is a non-resident alien, payment may be prohibited or subject to tax withholding based on INS or IRS rules.

Acquisition and payment for any service to be provided by technical, consultative or professional individuals or groups in support of investigator research programs or educational activities must be authorized by CARES Executive Director in advance of receipt of such services.

The following list highlights the details needed to complete a service or consultant agreement.

1. Contractor's name, address and phone number.
2. Contractor's social security number.
3. Contractor's relevant licenses.
4. Description of contractor's qualifications (a CV or resume may be used where appropriate).
5. Period of the agreement.
6. Cost basis and rate of pay (cost reimbursement basis or fixed fee), for example: \$___ per hour x ___ hours = \$___ total cost, or 1 job @ \$___.
7. A "not to exceed" amount, if other than the total cost above. This is particularly important if estimates are involved.
8. Description of work to be performed. This should be specific and should include end results or product desired; where work is to be performed; any technical requirements; a description of what measures will be used to determine the degree of completion by the contractor. A statement indicating that "the contractor's work will be self-directed to meet the goals and objectives as set by the Principal Investigator" should be included.

9. Justification of the use of the contractor, including (a) a certification by the investigator that such services are not available through existing R&D resources, and (b) how this work is related to the principal investigator's VA-approved R&D program, citing specific studies by title and RDIS number where possible.
10. Delivery and invoice/payment schedule.

Investigators or their designees will certify such services have been received before reimbursement or payment to the vendor is initiated.

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