



Michigan State University Personal Services Contract

For engagement with a United States individual and the contract is for **\$2,500.00** or more in total. Work performed by an independent contractor (IC), should be requiring specialized knowledge, or experience where MSU has no control over how the work is done, only the final product. Form should be completed **before** work commences. See the Manual of Business Procedures Section 76 for guidance.

Instructions for processing:

1. Complete the Personal Services Contract form.
2. Obtain Tax ID number (SSN) from the vendor. **Please keep this information on file (and secure) until Purchasing calls to obtain it. Documents containing SSNs should not be attached to the requisition, as they are considered sensitive information.**
3. Verify the PSC for accuracy and collect signatures from the vendor and the requesting department.
4. Initiate a requisition within KFS. Attach the completed PSC and any supporting documentation for services (single/sole source letter, scope, narrative, statement of work, deliverables, etc.).
5. The requisition will route for Fiscal Officer approval and then route to Purchasing for a buyer to process.
6. The requestor will receive an action item (FYI) once the PO is finalized and in open status.
7. Once the PO is in open status, the vendor may invoice against the PO.
8. All invoices should be sent to Accounts Payable for payment processing.

MSU enters into a binding agreement with the following:

Individual Name:		E-mail:		Phone:	
Address:		Beginning Date:		Ending Date:	
		Payment Terms:		Rate of Pay: (hourly, daily or other)	
Total Amount for Services: \$ _____		Description of services and departments responsibility to support services: (engagements greater than \$15,000.00 require single/sole source documentation)			
Total Amount for Expenses: \$ _____ <input type="checkbox"/> Paid through MSU Travel Office					
MSU Department Name:			Account #:		
Contact Name:		Phone:		E-mail:	
Department Address:					

MICHIGAN STATE UNIVERSITY ACCEPTANCE:

The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of \$2,500.00 or greater. Documentation of same is **attached** for all contracts greater than \$15,000.00.



Conditions of Contract

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor is economically independent from the University. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **RESIDENT ALIEN.** If the Contractor is a resident alien performing services in the United States or its territories, the Contractor will provide a copy of their Green Card documenting authorization to receive payment for work performed along with a U.S social security number to the University prior to payment by the University.
3. **ACCESS TO RECORDS.** The Contractor shall maintain reasonable records, including evidence that the services actually were performed and of the identity of all individuals paid for such services, and the Contractor shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS.** Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this Contract.
5. **TERMINATION.** Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
6. **UNIVERSITY EMPLOYEES.** The Contractor will not hire any employee of the University to perform any services covered by this Contract without prior written approval from the Office of the Provost for academic employees or from the Associate Vice President for Human Resources for non-academic employees.
7. **CONFIDENTIAL INFORMATION.** The Contractor shall not publish or otherwise disclose, except to the University and except matters of public record, any information or data obtained in the course of performance of this Contract from private individuals, organizations, or public agencies, in a publication by which the information or data furnished by any particular person or establishment can be identified, except with the written consent of such person or establishment.
8. **ACKNOWLEDGMENT OF SPONSORSHIP.** In any publication the Contractor shall acknowledge sponsorship by the University and/or other sponsor by use of the following statement: "This work was performed under the sponsorship of THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY and (insert any other sponsor). This work does not necessarily represent the views of the University or the sponsoring agency." If the publication is copyrighted, the statement, "Reproduction of this article, with the customary credit to the source, is permitted" shall be added. With the exception of acknowledging sponsorship of research, the name of the University may not be used in publications, news releases, advertising, speeches, technical papers, photographs, and other releases of information regarding this Contract or data developed under this Contract without the prior written approval of the University.
9. **CONFLICT OF INTEREST.** The Contractor affirms that to the best of his/her knowledge no actual or potential conflict exists between the Contractor's family, business, or financial interests and his/her services under this Contract, and he/she will inform the University regarding any possible conflict of interest which may arise as a result of any change in either his/her private interests or services under this Contract.
10. **TOTAL AGREEMENT.** This Contract contains the entire agreement between the parties, superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. This Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
11. **ASSIGNMENT/TRANSFER/SUBCONTRACTING.** The Contractor shall not assign, transfer, subcontract, or otherwise give to or impose on any other party any obligation or right of the Contractor under this Contract, without the prior written consent of the University.
12. **INDEMNIFICATION.** The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) on account of the Contractor's performance, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.
13. **INSURANCE REQUIREMENTS.** MSU reserves the right to request liability insurance from the Contractor at any time during the service period.

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and that I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as a University student. Non-University business references will be provided as needed.**

Signature: _____

Authorized Contractor

Date: _____



Michigan State University Personal Services Contract

The University's responsibility in regard to federal, state and FICA tax purposes is the accurate categorization and documentation of a worker's status as an independent contractor. This attachment will support that status for the University. Please answer all questions honestly. **If most items are true**, the individual is considered an employee and must be paid through Payroll. If some items are true, and it is unclear whether the service provider is an independent contractor, please contact Purchasing at (517) 355-0357. Although the service provider may prefer an independent contractor relationship, this is no guarantee the IRS will not challenge the classification or that it will be considered unlawful under the Fair Labor Standards Act or another law. The following information will be used in the event of an IRS audit and/or legal claim.

Service provider is a: U.S. Citizen U.S. Business Entity Resident Alien (include copy of Green card)

A) Business Reporting Status (check all that apply):

<input type="checkbox"/> Individual/Sole Proprietor	<input type="checkbox"/> Ltd. Liability Corp	<input type="checkbox"/> Woman Owned	<input type="checkbox"/> African American
<input type="checkbox"/> Hispanic American	<input type="checkbox"/> Native American	<input type="checkbox"/> Asian-Pacific American	<input type="checkbox"/> Asian-Indian American
<input type="checkbox"/> Disabled	<input type="checkbox"/> Veteran	<input type="checkbox"/> Disabled Veteran	

B) Independent Contractor Determination:

Behavioral Controls: These facts show whether the university has a right to direct or control how the worker performs the work.	True	False
<ul style="list-style-type: none"> The Contractor will receive instruction and training regarding how the work is to be done, rather than rely on the individual's expertise. 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> MSU will set the number of hours and/or days of the week the individual is required to work. 	<input type="checkbox"/>	<input type="checkbox"/>
Financial Controls: These facts show whether the university has right to direct or control the business or financial aspect of the work.	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> MSU is the Contractor's primary client/source of business. 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> MSU's investment in the work is greater than the Contractor's investment in it (for example, on balance, the Contractor pays more for its own business expenses such as advertising and liability insurance than MSU pays toward such expenses). 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> The Contractor does not have the opportunity for profit or loss. 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> The work is integral to MSU's primary business (not the primary business of the unit, but of MSU as a whole). 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> The Department will provide the tools, supplies, additional labor, and work space to perform the service. 	<input type="checkbox"/>	<input type="checkbox"/>
Relationship of the Parties: These are facts that illustrate how the business and the worker perceive their relationship.		
<ul style="list-style-type: none"> The Contractor will continue as an essential part of the department's on-going daily operations. 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> MSU will hire the Contractor as an employee following the termination of this service. 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> The Contractor is currently employed by MSU or has been employed by MSU within the last 12 months. 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> The Contractor is currently enrolled as an MSU student. 	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> The Contractor is a primary instructor teaching a for credit course offered by MSU to the public. 	<input type="checkbox"/>	<input type="checkbox"/>

My responses to these questions are true and accurate to the best of my knowledge. Based on my responses I am requesting that this service provider be paid as an independent contractor. I understand that if the service provider is paid as an independent contractor and the service provider should have been paid as an employee, I may be called upon to testify as to the accuracy of the information I have provided on this form.

Authorized Account Representative Signature:	Date:
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