The enumerated steps below detail the procurement process for

**INTERNATIONAL Engagements re: Professional Services**

for

$1,000 or more.

<table>
<thead>
<tr>
<th>Definition:</th>
<th>An international engagement exists if services are being performed either:</th>
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<tr>
<td></td>
<td>a. Outside the US, regardless of whether the service provider is US / Foreign; or</td>
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<td></td>
<td>b. By a foreign individual / entity (within or outside the US).</td>
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<td>Funds are not to be promised to a service provider until a signed Purchase Order (PO) has been issued by Purchasing.</td>
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<td>Purchasing Authority: “Only authorized Indiana University personnel may commit University funds for goods and services.”</td>
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(Note on TRAVEL: This document is not applicable to primarily travel related purchases like transportation / lodging. Consult Travel for more information on travel related purchases. See Also, “Study Abroad – Standard Operating Procedure”.)

### Vendor Setup

1. Vendor must be in KFS and approved by Vendor Workgroup. If the vendor is not in KFS:
   a. The Vendor Information Packet should be sent far in advance of when services are desired. This allows:
      i. the vendor time to complete the paperwork; and
      ii. the vendor workgroup time to approve or deny the vendor.
   b. Dept. or Purchasing sends the appropriate Vendor Information Packet to Vendor.
   c. Vendor completes and returns the appropriate Vendor Information Packet to Purchasing (or Dept.);
   d. Purchasing (or Dept.) creates vendor profile in KFS as PO vendor;
      i. Vendor Name must match Name on the W-8 (included in the Vendor Information Packet) exactly.
         1. The name should also be consistent with name on bank account to which payment is to be sent.
         2. Payments made outside the US/CAN shall be made by wire transfer – international bank account information shall be submitted by the vendor with each invoice, not at the time of vendor setup. Failure to submit banking information with an invoice will delay payment.
      ii. Vendor Type must be “Purchase Order”; and a PO Address must be added.
      iii. Always include an e-mail address for vendor.
   e. Purchasing (or Dept.) FAXES the completed Vendor Information Packet to the PO Vendor Workgroup: 812.855.7839; The coversheet should reference the KFS doc# of vendor profile created above.
   f. PO Vendor Workgroup verifies the information received in the Vendor Information Packet;
   g. PO Vendor Workgroup approves or denies Vendor in KFS.
      i. If denied: Vendor cannot perform the service; and vendor is not eligible for any payments for any work performed without Purchasing authorization.

2. Dept. submits REQUISITION:
   a. Far in advance of when services are desired, This allows:
      i. Purchasing time to review, draft, negotiate a contract, and issue a PO; and
      ii. Accounts Payable has at least thirty days to process payment upon receipt of an invoice.
   b. Dept. should specify the initials of the appropriate Contract Manager in the top description field.
      i. For service providers in general: “LB14” (Linda Blair);
      ii. For speakers / lecturers performing in the U.S.: “KS32” (Kathi Sipes);
      iii. For Jacobs School of Music: musical performers working in the U.S.: “LH17” (Lisa Hardy).
   c. Dept. uploads any relevant proposals, statements of work, or agreement template (See below).
   d. Each line item should be very detailed about:
      i. Services, Deliverables, Due Dates, Goals, Expectations, . . .
      ii. Payment Schedule: (After Completion / After Deliverables Received)
   e. Payment Terms:
      i. For payment outside the U.S. and Canada: select “Wire Transfer”.
      ii. For payment inside the U.S. or Canada: Select ”Net 30 Days from Receipt of Invoice”.

Procurement Process for International Engagements (Check for updates which occur frequently.) 2015-12-29 - page: 1
Purchasing Review

3. Independent Contractor ("IC") Approval Required:
   a. For individual ICs (not entities) performing in the U.S.: Dept. must submit an Independent Contractor Questionnaire (ICQ) to TAX.
   b. For ICs performing services outside the U.S.: The Purchasing Contract Manager will determine whether we can contract with payee as an IC. Some common relevant factors are listed below:
      i. Travel / Expenses should not generally be reimbursed. Contractor should consider (include) these costs when quoting a service fee. “Per diem” is not appropriate for independent contractors.
      ii. Payment Schedule should be based on:
          1. Project price / deliverables / milestones / completion;
          2. NOT: hourly / monthly / arbitrary periodic payments.
      iii. Duration of engagement should be limited to less than 6 months.
      iv. Contractor should pay his/her own taxes, and provide tools / equipment (like a computer).

4. Purchasing may require that Dept. obtain other applicable approvals.
   a. Purchasing will help Dept. determine which approvals are applicable.
   b. Dept. must contact applicable approvers: (Examples of commonly required approvals)
   c. Dept. must forward e-mail approvals to Purchasing.

Contract Drafting / Review / Offer / Negotiation / Signature / Purchase Order

5. Purchasing drafts the Foreign Agreement.
6. Purchasing seeks approval of drafted agreement from Dept.
7. Dept. approves of drafted agreement (or works with Purchasing to make changes).
8. Purchasing offers agreement to Vendor for signature.
   a. Purchasing negotiates proposed changes.
   b. If changes relate to price or services, Purchasing requests Dept. approval.
   c. Purchasing revises drafted agreement, and reoffers agreement to vendor for signature.
9. Vendor signs agreement and returns it to Purchasing.
10.Purchasing signs agreement.
11.Purchase Order is coded, processed, and approved by Purchasing.
12.Purchase Order breezes through additional approvals in KFS if Dept. acquired them.
13.Purchase Order is issued by Purchasing: Agreement becomes effective.

Performance May Begin | Invoicing / Payment / Accounts Payable ("AP")

14. Vendor may begin performance / Invoice for payment.
   a. Dates of performance may not precede the term of the signed contract and Purchase Order.
   b. Invoice Requirements (Radact any/all banking information):
      i. Vendor submits invoice preferably by PDF file attached to an email to invoice@indiana.edu. (Vendor may mail invoice to Indiana University, IU Accounts Payable, 400 E 7th Street, Room 021, Bloomington, IN, 47405-3003)
      ii. PO number must be on the Invoice
      iii. An Ideal invoice has these attributes:
          1. Vendor name in header of invoice (a match for the name to whom the PO was issued);
          2. A “Remit To” Address;
          3. PO#, Vendor invoice#: invoice date; Billing Name: “Indiana University”; Billing Amount;
          4. Payment terms matching the PO payment terms; and
          5. Sufficient itemization to know what goods / services were provided.
   c. Wire Transfer Forms must be submitted to Accounts Payable via FAX# 812.856.4452.