The enumerated steps below detail the procurement process for

INTERNATIONAL Engagements re: Professional Services

for

$1,000 or more.

**Definition:** An international engagement exists if services are being performed either:

a. Outside the US, regardless of whether the service provider is US / Foreign; or
b. By a foreign individual / entity.

Please do not promise funds to a service provider until a signed Purchase Order (PO) has been issued by Purchasing.

**Purchasing Authority Policy:** “Only authorized Indiana University personnel may commit University funds for goods and services.”

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**SETUP**

1. Vendor must be in KFS and approved by Vendor Workgroup. (instructions below)
   a. Dept. or Purchasing sends the appropriate Vendor Information Packet to Vendor.
   b. Vendor completes and returns the appropriate Vendor Information Packet to Purchasing (or Dept.);
   c. 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 should be submitted by the vendor with each invoice, not at the time of vendor setup.
      ii. Vendor Type must be “Purchase Order”; and a PO Address must be added.
      iii. Always include an e-mail address for vendor.
   d. Purchasing (or Dept.) FAXES the completed Vendor Information Packet to the PO Vendor Workgroup:
      812.855.7839;
      i. Coversheet should reference the KFS doc# of vendor profile created above.
      ii. E-Mail: vwg@iu.edu
   e. PO Vendor Workgroup verifies the information received in the Vendor Information Packet;
   f. PO Vendor Workgroup approves Vendor in KFS.

2. Dept. submits REQUISITION:
   a. When: Far in advance of when services are desired:
      i. So Purchasing has time to negotiate a contract, and issue a PO; and
      ii. So 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: “ME14” (Matt Estell);
      ii. For study-abroad services: “MD26” (Michelle Dugger);
      iii. For speakers / lecturers performing in the U.S.: “KS32” (Kathi Sipes);
      iv. 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).

3. Dept. submits Foreign Agreement Template:
   a. Dept. must contact Contract Manager for the most recent version of the Foreign Agreement Template;
   b. Dept. completes template; and
   c. Dept. sends template back to Contract Manager for editing.

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**PURCHASING REVIEW**

4. Independent Contractor (“IC”) Approval Required:
   a. For individual ICs (not entities) performing in the U.S.: Dept. must submit an 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 these costs when quoting a service fee. “Per diem” is not appropriate for independent contractors.

ii. Payment Schedule should be based on:
   1. Project / deliverables / milestones / completion; however,
   2. Hourly / arbitrary periodic payments are NOT generally acceptable.

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).

5. Purchasing may request that Dept. obtain 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.

6. Purchasing reviews / edits the Foreign Agreement Template submitted by Dept..
   a. This may include, but is not limited to, edits which
      i. Make the payee appear more independent so as to qualify for IC status;
      ii. Clarify amount, term, pay schedule, currency, payment method, services;
      iii. Apply additional standard terms and conditions;
      iv. Satisfy requirements imposed by various IU offices;
      v. Reduce risk; . . .

7. Purchasing seeks approval of drafted agreement from Dept.
8. Dept. approves of drafted agreement (or works with Purchasing to make changes).
9. 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.

10. Vendor signs agreement and returns it to Purchasing.
11. Purchasing signs agreement.
12. Purchase Order is coded, processed, and approved by Purchasing.
13. Purchase Order breezes through additional approvals in KFS if Dept. acquired them.
14. Purchase Order is issued by Purchasing:
   a. PO is communicated to Dept. and Vendor
   b. Agreement becomes effective.

**Performance May Begin | Invoicing / Payment / Accounts Payable (“AP”)**
15. Vendor may begin performance / Invoice for payment.
   a. Invoice Requirements:
      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. Ideal invoice has these attributes
         1. Vendor name in header of invoice (a match for the PO name).
         2. WIRE TRANSFER information. (Otherwise a wire transfer form will be required with invoice)
         3. PO#, Vendor invoice# and invoice date
         4. Payment terms matching the PO payment terms
         5. Sufficient itemization to know what goods / services were provided
         6. Billing name: Indiana University
         7. Billing amount