

PERSONAL SERVICES CONTRACTS

POLICIES & GENERAL INFORMATION

A personal services contract is an agreement whereby an individual, firm, partnership, or corporation is to perform certain services requiring professional skill or professional judgment for a specified period of time at a price agreed upon. Personal Services Contracts(PSC) are typically established when professional services, which are not available within the University, must be provided by an outside vendor. The University's policies are based on the Kentucky Revised Statutes governing personal services contracts(KRS45A.690 – 45A.725).

1. A PSC must be used for consulting, legal, audit, medical, auction, appraisal, architectural, engineering, and other miscellaneous professional services that are not available through the sealed bid process.
2. A PSC must contain a description of the services provided, specific begin and end dates, fixed fee or fee schedule, allowable reimbursable expenses, and a NOT TO EXCEED amount.
3. A Memorandum of Agreement (MOA) is very similar to a PSC and is used when the agreement is between the University and another state agency or government entity.
4. PSC's and MOA's must be submitted to the Legislative Research Commission (LRC) prior to the start of work. The Government Contract Review Committee (GCRC) meets once monthly to review and approve contracts submitted during the previous calendar month. PSC's and MOA's must be approved by the GCRC before any payments can be made.
5. Care should be taken to include all allowable fees and expenses , as payment can only be made for fees and expenses included in the contract, approved by the GCRC, and incurred during the contract period specified in the contract. An amendment must be submitted to the LRC if payments will exceed the original amount. An extension must be submitted to the LRC if work will extend beyond the contract end date. Contracts cannot extend beyond the current biennium.
6. Out of state vendors (except individuals) must be registered with the Kentucky Secretary of State.
7. All vendors performing work or services on the NKU campus are responsible for obtaining any required Occupational licenses from Campbell County or the City of Highland Heights for work performed under contract with Northern Kentucky University. Vendors should be advised to check with these governmental entities to determine if you they subject to taxation as well. Northern Kentucky University does not administer the business license nor collect this tax. It is the contractor's liability. The University annually copies Campbell County/Highland Heights with the information we are required to furnish to the IRS. The report provided and our notification to contractors that they are subject to the licensing and taxing requirements is the sum-total of the University's involvement with the process. Information on these requirements can be found on the PSC Contract Form.
8. Vendors are required to submit an Invoice Form with their invoice.

9. Grant principal investigators (PI's) are encouraged to contact Procurement Services to discuss any PSC issues that may be grant-specific. All invoices for contracts using grant funding sources must be approved by the grant PI.
10. Service agreements for speakers, workshop presenters, entertainers, and performing artists do not require review by the GCRC. Although these contracts are exempt from review, it is still necessary and prudent to have written agreements for these types of services. Contracts for speakers, presenters, entertainers, and artists should be submitted on a Speaker/Entertainment Contract.