

How to process Consultant(s)/Subcontractor(s) agreement(s) from Contract to Payment

Prior to entering a purchase requisition, a Consultant/Subcontract Agreement must be fully executed and include the following documents:

- W-9/W-8 (for new vendors)
- Business Registration Certificate (contracts greater than \$4,365)
- Certificate of Employee Information Report (contracts greater than \$29,100)
- Certificate of Insurance

Work should not be performed by a consultant/subcontractor without a fully executed agreement reviewed by the Office of General Counsel or by the Research office (if grant funded). During the process of finalizing the agreement a requisition(s) can be entered to help expedite the process. Once the agreement is fully executed, the requisition(s) is fully approved, and copies of the above documents are sent to the Office of Procurement Services a purchase order will be issued. At this time work can begin and invoices should be submitted to apinvoices@njit.edu for processing. All invoices must reference the purchase order number associated with the fully executed contract. Standard payment terms are Net 30 days; if a contract conflicts with these terms please alert the Office of Procurement Services.

Reminder

Contracts should contain a clear detailed scope of work, term (start and end date), and cost of engagement.

Requisition(s) should include the following:

- The commodity description must include: term of the contract and location of the contract
(ie): contract on file in the office of.....insert location)
- “out of pocket” expenses should be listed on a separate commodity line and should include a cap (ie): not to exceed.....insert amount)

- *Consultants:* The requisition should be entered for the full amount of the contract (not per invoice) under the account code listed below:

756101	Consulting/Professional Services	Professional consultants or other professional individuals or firms engaging their services for a specific purpose, including travel and out of pocket expenses. Not to be used for an NJIT employee.
---------------	----------------------------------	---

- *Subcontracts:* There are two Subcontract account codes to use depending on the amount of the contract. Below are the account codes and definitions to use for Subcontracts. The Research Office will be able to guide you as to the appropriate process.

756110	Subcontract <= \$25,000 (Restricted to grants or contracts)	Used for services subcontracted to a third party under a sponsored agreement for services of \$25,000 or less, and/or for the first \$25,000 of any agreement greater than \$25,000.
756111	Subcontract > \$25,000 (Restricted to grants or contracts)	Used for services subcontracted to a third party under a sponsored agreement for all service costs greater than \$25,000. Account code 756110 is used for the first \$25,000 of a subcontract.

Invoices should include the following:

- Purchase Order number associated with the fully executed contract
- Detailed description of services provided
- Payment term
- Payment details (ie): Mailing address for payment via check / Banking information for payments via ACH/Direct Deposit