

Georgia State University

Office of Disbursements

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Common Industry Practices Checklist (CIPC)

1. Information related to the use of this form can be found on the Office of Disbursements webpage, **Payments to Independent Contractors/Consultants**
http://www2.gsu.edu/~wwwfas/FinancialOperation/consultingcontract_new.html
2. Form / Process *not* relative to sub-contractors.
3. Completion of the CIPC Form is the **first step** in the hiring process.
4. Use the CIPC Form *only* if services to be provided are “common” (services commonly contracted). Refer to listing of Common Industry Practices. (If the services are *not* common to the industry do not use the CIPC Form; instead complete the Worker’s Classification Review Questionnaire (WCRQ) *prior to hiring the service provider*).
5. The CIPC Form must be completed by hiring official and reviewed by department administrator.
6. Use CIPC for Common Industry Services of **Any Amount**:
When services cost less than \$5,000:
 - CIPC Form to be submitted along with the Payment Request Form and Vendor’s Invoice. (Multiple payments *may not* be used in place of a contract).
 - For an Honorarium of **any amount**, CIPC form to be submitted along with the Payment Request Form, Vendor’s invoice (may be a memo signed and submitted by management, stating the purpose, amount of honorarium, and the name and remittance address of the individual receiving the honorarium), and the program/agenda from the event. Honorarium is specifically reserved for Guest Speakers/Presenters. (Choose specific categories for other services; i.e. Lecturer, Workshop Facilitator, Mentor, Panel Discussion, etc.)**When services cost \$5,000 or more:**
 - CIPC Form to be submitted along with contract to Purchasing. A consulting contract is required. Refer to the Step-by-Step guide for Payments of \$5,000 or more. (PO *not* required for Honorarium, however services **must** meet operational definition of honorarium).
 - For an Honorarium of **any amount** (PO *not* required for Honorarium), CIPC form to be submitted along with the Payment Request Form, Vendor’s invoice (may be a memo signed and submitted by management, stating the purpose, amount of honorarium, and the name and remittance address of the individual receiving the honorarium), and the program/agenda from the event. Honorarium is specifically reserved for Guest Speakers/Presenters. (Choose specific categories for other services; i.e. Lecturer, Workshop Facilitator, Mentor, Panel Discussion, etc.)
7. If the Consultant/Service Provider is a corporation, partnership, or other legal entity, **complete this checklist for the individual(s)** who will be performing services for the University (also list entity name).
8. The CIPC Form is *not* required if the individual being considered as a service provider is an employee of another institution governed by the Board of Regents of the University System of Georgia. Under this scenario the [Employment Compensation Agreement Form](#) is required to be signed by the Presidents of both Institutions (attach the contract routing form - CIPC or WCRQ form not required). The form requires the identification of specific services to be provided.

ABOUT THE CIPC FORM

This form will document how the worker classification was determined. The form will also aid the hiring unit when coding the payment. When the need for outside help has been validated by the department, there must be a documented worker classification determination to substantiate payment of the worker through the Office of Disbursements. Failure to provide the documentation may result in non-payment through the Office of Disbursements.

The Common Industry Practices Checklist provides a listing of those services which are “common”, services commonly contracted. The hiring official (along with the department’s Business Manager) has the responsibility for accurately reporting the services to be rendered. The cost of the service generally determines if a contract is required.

GUIDELINES / IMPORTANT DETAILS

- All services are provided on a temporary basis and within a limited timeframe.
- Multiple payments may not replace the need for a contract.
- Service provider cannot be a faculty or staff of Georgia State University who is currently paid on Payroll and/or who has been paid on Payroll at any time during the current calendar year, January 1 through December 31. (Faculty or staff members who have terminated employment during the calendar year may be paid on a fee-basis through Payroll. Contact Payroll for more information (404) 413-3300).
- Service provider cannot have a “pending” faculty contract. Services provided in advance of the faculty contract start date shall be paid through the Payroll process on a fee-basis. Contact Payroll for more information (404) 413-3300.
- Employees of another institution governed by the Board of Regents of the University System of Georgia must be approved for payment as a service provider. Approval must be granted by the Presidents of both universities through the submission of the [Employment Compensation Agreement Form](#). Contact the Office of Legal Affairs at (404) 413-0500, or Lalitia DuBose in the Office of the President @ (404) 413-1327 or by email at ldubose2@gsu.edu for more information regarding the document and the approval process. (If submitting the Employment Compensation Agreement Form, do not submit forms CIPC or WCRQ).
- Retirees from any institution governed by the Board of Regents of the University System of Georgia must abide by the rules and regulations set forth by the Board. Refer to the [Board of Regents Teachers Retirement System Policy Manual](#) (section 802.08). In summary, retirees are limited to earnings equal to or less than 49% of the salary earned while employed under the Board of Regents.
- The University is restricted from hiring service providers who have certain relationships with University employees. Refer to the [Conflict of Interest Policy - Faculty Handbook](#) (section 312.05).
- Foreign nationals who provide service to Georgia State University may be subject to federal tax withholding from the payment. Refer to the [Foreign National Tax Analysis and Payments](#) document for more information. The University’s Tax Accountant can be reached by e-mail at finisi@langate.gsu.edu or at (404) 413-3056, with questions.
- All services paid (when total annual payments equal \$600 or more) are reported (for tax purposes) on Form 1099-MISC (Miscellaneous Income).
- **All** service related expenditures (personal services and per diem) are reported annually to the Board of Regents.

COMMON INDUSTRY PRACTICES

- Stage Performer
- Musician
- Disc Jockey
- Instrument/Tuning Adjustment
- Limo Service
- Official for Sporting Event
- Play-by-Play Announcer
- Judge for Competition
- Test Monitor/ Rater (Rate Essays for Regents Test)
- Photographer
- Graphic Service Provider
- Editing
- Master Class: Clinic or Seminar (not for credit)
- Workshop Facilitator
- Translator/Interpreter
- Public Relations Service
- Graphic Service Provider
- Editing
- Master Class: Clinic or Seminar (not for credit)
- Workshop Facilitator
- Translator/Interpreter
- Public Relations Service
- Lecturer/Narrator/Literary Readings
- Discussions/Panel Discussions and Panel Member
- Trainer
- Mentor

Amount Less than \$5,000 - Account Code 751115

Single engagement

Amount \$5,000 or More - Account Code 751115

Single engagement

Honorarium - Any Amount - Account Code 751108

Expenditures MUST meet the operational definition: *An honorarium is a one-time payment given to a professional person (excluding University employees) for short-term services rendered, for which fees are generally not legally or traditionally set.*

- Guest Speakers/Presenters

Honorarium is specifically reserved for Guest Speakers/Presenters. (Choose specific categories for other services; i.e. Lecturer, Workshop Facilitator, Mentor, Panel Discussion, etc.)

NON-EMPLOYEE EXPENSES (WITH PRIOR APPROVAL)

Non-employee expenses may be reimbursed directly to the non-employee or paid to a third-party with prior approval. Expense payments for non-employees generally follow the same guidelines/regulations as reimbursements for employees and in some cases may be more strict or limited.

Account Code 752100 - Direct reimbursement to the non-employee (receipts/proof of means/method of payment is required). Consultant contracts must include amount of the reimbursable (per diem basis), where applicable.

[Account Code 727142 - Payment to a *third party* on behalf of a non-employee. Example: A Hotel bills GSU (direct billing) for a non-employee's lodging.

On the vendor's invoice indicate: 1) Purpose for the expenditure, 2) Name of the individual for whom GSU is assuming the expense, 3) Relationship of the individual to GSU, 4) Indicate Account number 727142, and code entry to 727142. (Note: When GSU pays the bill directly, no taxes are paid).

Third party payments are not included in the amount of a purchase order].

THE PROCESS (GENERAL OVERVIEW)

When paying for services commonly contracted:

Amount Less Than \$5,000

1. Validate the need for outside help.
2. Complete CIPC Form (One Page Form on next page).
3. Attach the CIPC Form to the Payment Request Form and the service provider's invoice. Form must contain up-to-date to the information relative to the payment request. New form should be generated 1) as situation changes, and 2) each calendar year.
4. Code common services to 751115; Code honorarium to 751108 (Any amount). Also, attach the invoice (may be a memo signed and submitted by management, stating the purpose, amount of honorarium, and the name and remittance address of the individual receiving the honorarium), and program/agenda. (Must meet operational definition of honorarium).
5. Code applicable per diem expense reimbursements to account 752100 - Direct reimbursement to non-employee (attach receipts showing means and method of payment). Provide a simple recap from the receipts, indicating how the amount of the reimbursement is calculated.
6. Enter the voucher for payment. Record the voucher number on the payment document.
7. After the voucher has been fully approved through Workflow, deliver the Payment Request Form, with all attachments, to the Office of Disbursements for payment processing (staple, do not clip).

Amount \$5,000 or More

1. Validate the need for outside help.
2. Coordinate with the Purchasing Unit to determine if competitive bidding is required for the services requested.
3. Complete the CIPC Form (One Page Form on next page). Form must contain up-to-date information relative to the payment requested. New form should be generated 1) as situation changes, and 2) each calendar year.
4. Enter an Express Purchase Order into Spectrum, subject to workflow approval. On the line item description, include full statement regarding Scope of Work. (Statement required for annual reporting). Code common industry services to 751115
5. With "ok" from Purchasing prepare Consultant Agreement.
6. Prepare and circulate the Contract Routing Form, Consultant Agreement, CIPC Form, and a fully executed Sole Source Form, where applicable.
Forms:
http://www2.gsu.edu/~wwwfas/FinancialOperation/consultingcontract_new.html
<http://www2.gsu.edu/~wwwpch/solesourcesolebrand.pdf>
7. Ensure PO has been dispatched by Purchasing.
8. When the service has been successfully rendered by consultant, submit consultant's invoice, to the Office of Disbursements. Attach the CPA Form (Consultant Payment Authorization Form) as approval and attach the completed CIPC Form (1 page form).
9. **Disbursements will enter the invoice** against the dispatched express purchase order and process for payment.

REVIEW/SIGNATURE APPROVAL

Review by Department Hiring Official requires the printed name and signature of the hiring official. By signing, the individual acknowledges that the information provided on the CIPC Form is true and complete to the best of their knowledge.

Review by Department Administrator requires the printed name and signature of the department's Business Manager or designee. By signing, the individual acknowledges that the information provided on the CIPC Form is true and complete to the best of their knowledge.

Note: The Office of Disbursements retains the right to further question or reject (in writing) a worker classification determination prior to payment processing.

FORM TO BE COMPLETED BY HIRING OFFICIAL AND REVIEWED BY DEPARTMENT ADMINISTRATOR

- **SINGLE SERVICE LESS THAN \$5,000:** Attach the completed CIPC Form to the Payment Request Form and vendor's invoice.
- **SINGLE SERVICE \$5,000 or MORE:** Submit copy of the CIPC with the vendor's invoice and CPA (approval) Form for payment against the PO.
- **HONORARIUM (Any Amount) -** Attach the completed CIPC form to the Payment Request Form, vendor's invoice (may be a memo signed and submitted by management, stating the purpose, amount of honorarium, and the name and remittance address of the individual receiving the honorarium), and program/agenda.

NAME OF SERVICE PROVIDER: _____
DOING BUSINESS AS (if different from the name of service provider): _____

Note: Vendor setup in Spectrum 8.9 (W-9 Form) must match payment remittance advice on vendor's invoice. Contact Purchasing Unit with questions.

SERVICE PROVIDER:

1. **Is an employee (faculty or staff) of GSU?** Faculty and staff cannot be paid as service providers.
Yes _____ No _____
2. **Does the individual have a pending faculty contract?** Individuals having a pending faculty contract must be paid through Payroll on a fee-basis.
Yes _____ No _____

If you answered "Yes" to either of the questions above, STOP! You cannot be paid through the Office of Disbursements.

3. **Is an employee of another institution governed by the Board of Regents of the University System of Georgia?**
Yes _____ No _____

If "Yes", complete the [Employee Compensation Agreement Form](#). (DO NOT COMPLETE THIS FORM).

4. **Is a U.S. Citizen or Permanent Resident Alien (Green Card holder).**

Yes _____ No _____

If "No", email the University's Tax Accountant at finisi@langate.gsu.edu or call (404) 413-3056 for details regarding mandatory taxation or possible exemption from taxation. Refer to the [Foreign National Tax Analysis and Payments](#) guide for more information.

5. **Is a retiree of the University System of Georgia?**

Yes _____ No _____

Refer to the Board of Regents [Teachers Retirement System Policy Manual](#) (section 802.08) for important information.

Services to be provided: Check the box to the left of the service to be provided.
ALL SERVICES listed on this form: Account Number 751115 (except Honorarium)

<input type="checkbox"/>	Stage Performers	<input type="checkbox"/>	Official for Sporting Event	<input type="checkbox"/>	Photographer	<input type="checkbox"/>	Translator/ Interpreter
<input type="checkbox"/>	Musicians	<input type="checkbox"/>	Play-by-Play Announcer	<input type="checkbox"/>	Graphic Service Provider	<input type="checkbox"/>	Public Relations Service
<input type="checkbox"/>	Disc Jockeys	<input type="checkbox"/>	Judge for Competition	<input type="checkbox"/>	Editing	<input type="checkbox"/>	Lecturer/Narrator/Literary Reading
<input type="checkbox"/>	Instrument Tuning/Adjustment	<input type="checkbox"/>	Test Monitor/ Rater (Rate Essays for Regents Test)	<input type="checkbox"/>	Master Class: Clinic or Seminar (Not for Credit)	<input type="checkbox"/>	Panel/Discussions and Panel Member
<input type="checkbox"/>	Limo Service	<input type="checkbox"/>	Mentor	<input type="checkbox"/>	Workshop Facilitator	<input type="checkbox"/>	Trainer

<input type="checkbox"/>	Guest Speakers /Presentations
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Honorarium -751108 - Any Amount, PO not required

Must Meet Operational Definition: **An honorarium is a one-time payment given to a professional person (excluding University employees) for short-term services rendered, for which fees are generally not legally or traditionally set.**

By signing this form, I acknowledge that the above answers are true and complete to the best of my knowledge. I have reviewed the instructions for completing this Checklist, and have reviewed all applicable policies associated with completion of this Checklist. I acknowledge that as a person with authority over the hiring of the above individual, I understand that should the Internal Revenue Service ("IRS") disagree with this classification, Georgia State University may hold my unit/department financially responsible for any additional compensation (due to gross up, including fringe rate), taxes, interest, or penalties that the IRS or other regulatory bodies might assess.

Reviewed by Department Hiring Official:

Reviewed by Department Administrator:

Signature _____ Date: _____
 Print Name: _____
 Title: _____

Signature _____ Date: _____
 Print Name: _____
 Title: _____