



Personal Services/ Memorandum of Agreements

DEFINITIONS

DEFINITION: A personal service 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 an agreed upon price.

POLICY: The University's policy governing personal service contracts is established by state law in the Kentucky Revised Statutes (KRS 45A.690 to 45A.725).

Personal Service Contract Examples

- Attorneys
- Licensed Medical personnel (not employment agencies)
- Auditing/Accounting
- Architect/Engineer (Managed by Capital Project Management Division, KRS 45A.730 to 45A.838)
- Consulting Services
- Executive Search Firms
- Insurance Adjusters
- Web Design
- Graphic Design
- Auctioneers
- Other

Personal Service Contract Requirements

- Each contract must include a thirty (30) day cancellation clause.
- Contracts are reported for review to the Government Contract Review Committee (GCRC) of the Kentucky state legislature.
- The GCRC meets on the second Tuesday of each month in Frankfort.
- Contracts must be submitted to the GCRC prior to the close of business of the last working day of the month for review at the following month's meeting. They are to be submitted to the Purchasing department by the 15th of the month.

Personal Service Contract Requirements

- By policy, the GCRC has promulgated maximum hourly rates for certain professions including attorneys and auditors.
- It is suggested that contracts run thru June 30th, however, no contract may extend beyond the current biennium.
- Out of state firms must be registered as a foreign corporation with the Kentucky Secretary of State.
- If required, all firms must be registered with the Kentucky Department of Revenue for tax collection purposes.
- Contractors are required to submit a Personal Service Contract Invoice Form along with their invoice.

Personal Service Contract Types

- Contracts \$10,000 and under
- Contracts exceeding \$10,000

Contracts \$10,000 and under

- A competitive solicitation is not required.
- Contractors may not commence work until the contract is approved by the to the Government Contract Review Committee (GCRC)
- Requires signature of contractor and department Dean or Director.

Contracts Exceeding \$10,000

- Must go through the Request for Proposal (RFP) process
- Requires approval from the President of the University and final signature of the Director of Purchasing.
- Contractors may not commence work until the contract is approved by the to the Government Contract Review Committee (GCRC)

Proof of Necessity Form (PON)

- The Proof of Necessity form is required for all contracts.
- It provides information for the GCRC such as contract costs and source of funds, identifies how the contract was awarded, and what type of work is to be performed.
- Departmental signatures are required to complete the form.
- Contractor's signature is not required.

Notice of Amendment Form

- The Notice of Amendment Form is used to add services, a vendor to a multi contract and/or increase the dollar amount of the contract.
- Requires contractor signature as well as the Director of Purchasing.
- Contracts cannot be amended for at least ninety (90) days after the contract has been reviewed by the GCRC.

Notice of Extension of Contract

- The Notice of Extension of Contract is reviewed at a scheduled GCRC meeting.
- The Notice of Extension of Contract is used to extend a contract for an additional period of time.
- It requires contractor's signature and the Director of Purchasing as well as the approval of the President of the University.

Memorandum of Agreement (MOA)

- Memoranda of Agreements (MOA) are only used for personal service contracts between in-state, public agencies such as other state universities or colleges, local education districts, the Commonwealth of Kentucky, or any local governmental agencies.
- Memorandum of Agreement Form
- A Proof of Necessity Form must be submitted with the Memorandum of Agreement.

Helpful Tips for Submitting Documents

- Provide a complete and accurate description of the work to be performed.
- Be sure to avoid abbreviations or acronyms.
- Reference the RFP number on the Proof of Necessity form if it applies to the contract.
- Clearly identify the source of funds on the Proof of Necessity form.

Helpful Tips for Submitting Documents

- Be sure to have sufficient dollar amounts indicated on the contract. Contracts cannot be amended for ninety (90) days.
- A Topshop requisition with PSC and PON attached is needed for a purchase order to be issued for payment.
- The procurement card or Payment Authorization are not allowed for payment.
- Each department is responsible for obtaining signatures from the contractor.

Personal Service Contract Online Forms

The most current Personal Service Contract forms can be found on the Division of Strategy, Operations and Finance Website under forms.

<http://https://www.wku.edu/strategyopfin/forms/>

Personal Service Contract (Exceeding \$10,000)

Personal Service Contract (\$10,000 or under)

Personal Service Contract – Notice of Amendment

Personal Service Contract Invoice Form

Proof of Necessity

Memorandum of Agreement

Memorandum of Agreement – Notice of Amendment

Additional Information

- Kentucky Secretary of State
<http://www.sos.ky.gov/business/>
- Kentucky Department of Revenue
<http://revenue.ky.gov/business/register.htm>
- Kentucky Model Procurement Code (KRS 45A)
<http://www.lrc.state.ky.us/KRS/045A00/CHAPTER.htm>