

## How to Engage a Service Provider Checklist

Please complete the steps below prior to service being performed to ensure compliance with IRS requirements and to ensure that a proper contract and insurance are in place to protect the University from potential risk.

### Step 1: Evaluate the Service Provider

- a) Review the **Service Provider Evaluation Decision Flowchart** in [Section 700](#) of the Buying Manual to determine whether you must contact another university office for guidance, appoint the service provider as an employee, or perform a service provider evaluation, or if the service is eligible for payment via disbursement voucher.
- b) If the flowchart directs you to a **Service Provider Questionnaire**, send the following form to the vendor to complete:
  - [Service Provider Questionnaire](#)  
Aids Cornell in evaluating of the vendor's "independent contractor status" based on IRS guidelines.
- c) After the vendor returns the completed questionnaire, use it to complete the **Service Provider Evaluation Worksheet** which follows, and submit it to your financial transaction or business service center:
  - [Service Provider Evaluation Worksheet](#)  
Assists in completing the evaluation of behavioral control, financial control, and nature of the relationship.
- d) Attach the service provider questionnaire and the evaluation worksheet to the requisition.

### Step 2: Select an Engagement Process

- a) If the service provider is classified as an **independent contractor**, complete the appropriate [consulting agreement](#) for the services to be performed and follow the purchase order process.
- b) If the service provider is classified as an **employee**, consult your unit's human resources department and pay through Cornell Payroll.

### Step 3: Complete the [Contract/Consulting Agreements](#)

- a) Select the appropriate contract for service
- b) Pay special attention to the items in the contract that must be completed, e.g., scope of work, deliverables, timeframe, compensation, etc.
- c) Provide contract to service provider for review and signature and return to unit for completion
- d) Review and date, initial or sign the contract as required on the particular agreement
- e) Consult with Procurement Services if service provider has their own standard contract. Email the service provider's contract and summary of services to [procurement@cornell.edu](mailto:procurement@cornell.edu).

### Step 4: Request Requisition

The unit will send a request to the FTC/BSC to create a requisition for services. The request may be submitted via email or an I Want doc, based upon each Center's procedures. The unit must

include the following with the request:

- a) Contract signed by service provider and initialed or signed by unit
- b) Completed [Service Provider Questionnaire](#), if required
- c) Completed [Service Provider Evaluation Worksheet](#), if required
- d) [Single/Sole Source Justification form](#), if applicable

The Center will create a requisition, which will be routed to Procurement Services.

## **Step 5: Procurement Services: Vendor Registration and Proof of Insurance**

Upon receipt of the requisition, Procurements Services will:

- a) Contact any service provider not already registered in KFS and request completion of Automated Vendor Form
- b) Review insurance requirements, identify insurance required, and request Certificate of Insurance from service provider
- c) Complete vendor registration process

## **Step 6: Procurement Services: Issue Purchase Order**

- a) Review and sign contract
- b) Approve requisition
- c) Issue purchase order to vendor and include signed contract

Vendor can now perform the services.

## **Step 7: Pay the Service Provider**

After the work is completed and in accordance with the contract terms, the service provider will:

- a) Submit an invoice, referencing the purchase order number, to Cornell University Accounts Payable, P.O. Box 4040, Ithaca, NY 14852-4040 or email to [DFA-4040\\_Invoice@cornell.edu](mailto:DFA-4040_Invoice@cornell.edu).

Payment to the service provider is generated based upon receipt of the invoice and approval by unit and service center.