

Standard Operating Procedure: **Service Contracts Agreements**

Division: Business & Financial Services

Effective Date: 09/01/2020

Executive Director Approval: _____

Reference to ASC or State Policy:

Revisions:

- I. **PURPOSE:** The purpose of the service contracts/agreements is to establish the standard procedure to document the execution of service contracts/agreements and supporting documents prior to the rendering and payment of services.
- II. **SCOPE:** This procedure applies to all service contracts/agreements including independent contractor agreements seeking payment through ASC financial services division.
- III. **OBJECTIVE:** The objective of the service contracts/agreements is intended to ensure that ASC personnel identify the need to execute service contracts/agreements and oversee the contractual agreement before processing the invoice payment. This process helps to make sure that expenditures are properly supported, terms and conditions are clearly outlined, risk management provisions are met, and decreases ASC financial liabilities and exposure.
- IV. **PROCEDURE:** The following statements outline the CSU Fullerton Auxiliary Services Corporation procedure to document of the execution of service contracts/agreements.
 - A. All service contracts/agreements for campus programs and sponsored programs are submitted to and reviewed by the Office of Sponsored Programs (OSP) administrator. If service contracts/agreements are for the ASC project, they are submitted to each department director for the review.
 - B. Upon completion of review of service contacts/agreements, it will be forwarded to the ASC Executive Director for signature.
 - C. Signed service contracts/agreements will be forwarded to ASC Business & Financial accounts payable personnel.
 - D. Accounts payable personnel will evaluate the fully executed agreement to see if necessary requests need to be made to OSP administrators for additional documentation or information prior to assigning the contract PO. Once the contract PO has been assigned to the fully executed agreement, the accounts payable personnel can process the payment for the service invoices.

- Accounts payable personnel will verify insurance requirements or certificates for sole proprietors based on independent contractor agreements. All other agreements are determined by the agreement if the insurance or certificate is necessitated.
 - Upon receipt of the invoice for services performed, accounts payable personnel will not be able to process payment of invoices until fully executed service contracts/agreements are on file. If not, service invoices will be forwarded to the assigned OSP administrator or each department's director to document the execution of service contracts/agreements and supporting documents.
 - All invoices will be tracked by reference to the assigned contract PO.
- E. If the service contract/agreement is from a new vendor, accounts payable personnel will need to obtain a completed and signed vendor maintenance form and W9 for their supervisor's review.
- V. **APPROVALS:** All service contracts/agreements are reviewed by OSP administrator and each department's ASC director; it must then be approved and signed by the ASC Executive Director and authorized account signers.
- VI. **CONTROL & COMPLIANCE:** ASC accounts payable personnel will process the invoice payment when (1) service contracts/agreements are fully executed, (2) all supporting documents are on file, reviewed and approved by OSP administrator, and (3) approved by the ASC Executive Director. If accounts payable personnel do not have fully executed service contracts/agreements or adequate documents on file, the invoice payment request will be forwarded to the assigned OSP administrator.