

## **Issue: Contract Requirements for Purchased Professional and Technical Services**

### **Overview**

Object code 300 in the fiscal accounting process is labeled as Purchased Professional and Technical Services. This object code is to be used any time funds will be used to purchase a service. The following are examples of a purchased service:

- ▶ Paying a consultant or speaker to do a presentation for staff development.
- ▶ Paying a company to receive technical assistance or other services.
- ▶ Paying a provider for tutoring services provided to at-risk students.
- ▶ Contracted license agreements and fees required to implement an educational program.

### **Requirements**

*If you are paying a vendor with federal funds, a contract must be in place.* It is crucial that the contract or agreement with that vendor indicate exactly how the funds will be used in order to demonstrate that the services are appropriate for the program. A document that sets forth the specific goods, services, or product being purchased with your federal funds proves to auditors and the U.S. Department of Education your intentions for spending federal funds.

The contract should include, at a minimum:

- Scope of services,
- Duration of the contract,
- Method and amount of payment, and
- Be executed by both parties.

Additionally, programs must ensure that they do not enter a contract or sub grant with any vendor that is debarred, suspended, or is ineligible for participation in federal programs by:

1. Checking the Excluded Parties List (EPLS) at <https://www.epls.gov/>,
2. Collecting a certification from the vendor and attaching it to the contract, or
3. Adding a clause or condition to the contract which indicates the vendor is eligible.

### **Sample Scenarios**

*If you are purchasing a service with federal funds, a contract must be in place. All funding coded to object code 300 is expected to be evidence by a contract.* Below are sample scenarios in which contracts would and would not need to be in place.

#### **Contract is needed:**

- Contract with NWEA to access the online MAPS assessment, receive technical assistance and obtain student assessment reports. Funds are recorded in object code 300.
- Contract with Sylvan Learning Center to provide tutoring services to a select group of at-risk students. Funds are recorded in object code 300.
- Contract with external consultant to conduct professional development training with all staff. Funds are recorded in object code 300.

#### **Contract is not needed:**

- Licensing fee with NWEA to access the online MAPS assessment and obtain student assessment reports. Funds are recorded in object code 800.
- Membership to professional organization, such as local REA. Part of membership includes professional development opportunities for staff. Funds are recorded in object code 800.
- Stipends for teaching staff to participate in professional development outside the regular school day. Funds are recorded in object code 110 or 120. When paying stipends, benefits must be paid as well

### Sample Partnership Agreement

<b>Partner Name</b>	<b>Contact</b>
<b>Contact Email</b>	<b>Contact Number</b>
<b>Address</b>	<b>Contact Email</b>
<b>Description of Partner:</b>	
<b>Services to be provided by partner:</b>	

\_\_\_\_\_  
**Signature of Partner**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature of Auth Rep**

\_\_\_\_\_  
**Date**