I. PURPOSE

To establish an approval hierarchy within the School of Medicine for the authorization of the engagement of consultants (independent contractor that provides professional services or specialized skills).

II. SCOPE

This policy applies to all consultant engagements at the School of Medicine except those that are funded under sponsored program agreements, which are subject to the School’s, the University’s and the sponsor’s sponsored program review and approval policies.

III. POLICY STATEMENT

Each consulting engagement must be separately reviewed, and approved, prior to the commencement of the engagement, based upon pre-determined authorization limits. These authorization limits apply per consultant per twelve-month period. The following entities or individuals must approve commitments for the engagement of consultants, at the noted thresholds, in order for the engagement to be initiated.

<table>
<thead>
<tr>
<th>Estimated Engagement Cost</th>
<th>Approval Required by</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 50,000 or less</td>
<td>Department Chair / Director of Center/Institute</td>
</tr>
<tr>
<td>$ 50,000 to $249,999</td>
<td>Department Chair / Director of Center/Institute Vice Dean for Administration and Finance</td>
</tr>
<tr>
<td>$ 250,000 and over</td>
<td>Department Chair / Director of Center/Institute Vice Dean for Administration and Finance CEO/Dean</td>
</tr>
</tbody>
</table>
IV. REASON FOR POLICY

The use of consultants to accomplish work in the School of Medicine may be appropriate under certain circumstances. Since this can be a costly means of accomplishing a project, the engagement of consultants should be undertaken only when it is determined to be the best and most cost effective approach to the initiative at hand. This policy and the related procedures are established to provide for an orderly and consistent means of reviewing and approving the engagement of consultants.

V. WHO SHOULD KNOW THIS POLICY?

- Deans and Administrative Directors
- Department Chairs and Directors of Centers and Institutes
- Departmental Business Administrators

VI. GENERAL INSTRUCTIONS

All acquisitions of goods and services, including the engagement of consultants, are subject to the University’s financial policies that are contained within the University’s Financial Policy Manual, accessible on-line at http://www.upenn.edu/vpfinance/fpm/. School of Medicine departments, centers, institutes and administrative offices are responsible for determining and managing their operational needs within their approved budgets, including decisions regarding the staffing needs for ongoing and special projects. If it is determined that the engagement of consultants is warranted, the following procedures apply.

VII. PROCEDURES

<table>
<thead>
<tr>
<th>RESPONSIBLE PERSON / DEPT</th>
<th>PROCEDURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager of Initiating Office / Business Administrator</td>
<td>A. The department, center, institute or administrative office develops a proposal inclusive of the following information:</td>
</tr>
<tr>
<td></td>
<td>1. name of department, center, institute or administrative office</td>
</tr>
<tr>
<td></td>
<td>2. brief description of the proposed engagement, including justification for the project</td>
</tr>
<tr>
<td></td>
<td>3. estimated and maximum cost</td>
</tr>
<tr>
<td></td>
<td>4. amount budgeted and account(s) to which the costs will be charged</td>
</tr>
</tbody>
</table>

SUPERSEDES: New

ISSUED BY: ______________________________
Dean, School of Medicine    Date
5. proposed project scope

6. deliverables

7. duration and key dates

8. payment terms and;

9. audit provisions, if applicable

If the requestor has obtained a preliminary proposal from a vendor, a copy of the vendor’s proposal should be attached.

B. The proposal is submitted to the department chair or center/institute director who has oversight of the initiating office. If the projected project costs are less than $50,000, the chair / director approves or disapproves the project and communicates the decision to the requestor.

C. If the projected project costs are $50,000 or more, and if the chair / director recommends approval, he or she submits the proposal to the Vice Dean for Administration and Finance. The Vice Dean reviews the proposal and either approves or disapproves or, if the proposed project costs are $250,000 or more, arranges for the additional levels of review and approval required by this policy. The Vice Dean communicates the approval or non-approval of the proposal, in writing, to the requestor.

D. Once the necessary School-level approvals have been secured, the initiating department may proceed with the process to engage consultants in accordance with the applicable University of Pennsylvania policies and procedures.
VIII. CONTACTS

Vice Dean, Administration and Finance, School of Medicine  
Phone: (215) 898-3655  
FAX: (215) 898-0994

Executive Director, School of Medicine Administration  
Phone: (215) 898-3607  
FAX: (215) 898-0994

Director of Finance, School of Medicine  
Phone: (215) 898-3190  
FAX: (215) 898-1174

Comptroller, School of Medicine  
Phone: (215) 898-3190  
FAX: (215) 898-1174