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University of Pennsylvania School of Medicine  
Policy & Procedure Manual

ENGAGEMENT AND APPROVAL OF  
CONSULTANTS

FINANCIAL ADMINISTRATION  
Policy Number: FA – GEN - 001  
Date Approved: October 25, 2000

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**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.

<u>Estimated Engagement Cost</u>	<u>Approval Required by</u>
\$ 50,000 or less	Department Chair / Director of Center/Institute
\$ 50,000 to \$249,999	Department Chair / Director of Center/Institute Vice Dean for Administration and Finance
\$ 250,000 and over	Department Chair / Director of Center/Institute Vice Dean for Administration and Finance CEO/Dean

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#### 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

RESPONSIBLE PERSON / DEPT	PROCEDURE
Manager of Initiating Office / Business Administrator	A. The department, center, institute or administrative office develops a proposal inclusive of the following information: <ol style="list-style-type: none"> <li>1. name of department, center, institute or administrative office</li> <li>2. brief description of the proposed engagement, including justification for the project</li> <li>3. estimated and maximum cost</li> <li>4. amount budgeted and account(s) to which the costs will be charged</li> </ol>

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	<p>(FinMIS 26 digit number)</p> <ol style="list-style-type: none"><li>5. proposed project scope</li><li>6. deliverables</li><li>7. duration and key dates</li><li>8. payment terms and;</li><li>9. audit provisions, if applicable</li></ol> <p>If the requestor has obtained a preliminary proposal from a vendor, a copy of the vendor’s proposal should be attached.</p>
<p>Chair / Director Business Administrator</p>	<p>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.</p>
<p>Chair / Director Business Administrator</p> <p>Vice Dean, Administration and Finance</p>	<p>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.</p>
<p>Chair / Director Business Administrator</p>	<p>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.</p>

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**VIII. CONTACTS**

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