

Navigating Contracts: How to pay non-SFA employees

- **The PI/PD/grant staff is responsible for initiating contracts through ORGS.**
 - **ALL contracts paid from grants are routed to ORGS and not Procurement.**
 - **Payment to a contractor cannot occur until a fully executed contract is on file and a requisition has been entered into Banner.**
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Subawards = an INSTITUTION/ENTITY that performs a sponsor-approved portion of a grant, contract, or other sponsored agreement.

Vendor Contracts = an INDIVIDUAL/INSTITUTION/ENTITY who provides services such as a guest lecturer, consulting service, participant, web designer, etc. or someone who will receive reimbursement for travel.

All contracts should be fully executed (signed by all parties) prior to the start date specified in the contract and BEFORE work begins.

- Only use the contract templates found on the ORGS Forms page.
 - All externally funded or grant-related subawards and vendor contracts first must be reviewed by ORGS who then route for legal review and obtains signatures from SFASU's authorized signatory authority. ORGS will return a fully executed PDF version of the contract to the PI/PD/grant staff.
 - All contracts must have an ORGS-assigned contract number, Banner FOAP, and iContracts number.
 - New contractors must register via Payment Works (either the PI/PD/grant staff or ORGS will send an invite to the contractor). Contracts may not be forwarded to legal or signed until the Contractor completes the Payment Works registration.
 - **Only the authorized signature authority can sign contracts on behalf of SFASU (currently either the president or a vice-president).**
 - Contracts to a single individual that exceed \$25,000 or that cause the individual to reach a cumulative total of \$25,000 or more in contract funds from SFASU (including contracts with other departments) may be considered Major Consulting Agreements which **require a minimum 30-day posting** to the *Texas Register* by General Counsel.
 - ORGS must have an original copy of ALL contracts relating to grant, contract, or sponsored agreement funds before payment can occur.
 - It is the responsibility of the PI/PD/grant or department staff to enter Purchas Requisitions for contracted work. In order to initiate payment, receiving information must be entered, accounts payable notified, and invoices/receipts submitted to accounts payable as specified in the contract.
 - **Information** about the various types of contracts, contract management, etc. are available at the ORGS website: http://www.sfasu.edu/orsp/tam_part4.html#submgt
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Questions? Contact ORGS at ext. 6606.

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