

**BLACK HILLS STATE UNIVERSITY**  
**Policy and Procedures Manual**

SUBJECT: Consulting Contracts

NUMBER: 5:5

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Office: Business Office

Source: [SDCL 1/24a-1](#); [ARSD 03:05:05:04](#); [SD State Auditor Consulting Contract Guidelines](#); [SDBOR Policy 5:3](#); [BHSU Policy 5:6](#)

Associated Forms: Consultant or Services Contract (DocuSign)

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1. Purpose

This policy and its procedures set forth the requirements for entering into consulting contracts consistent with South Dakota law, SDBOR Policy 5:3, and BHSU Policy 5:6 and the process for completing such contracts.

2. Definitions

- a. Consultant: an individual or entity legally capable of contracting the delivery of professional or expert advice or personal services.
- b. Consulting Contract: a written contract for consulting services to the University.

3. Policy

- a. The University may utilize consulting contracts to engage an outside entity or individual to provide services to the University where the outside entity or individual expects to receive financial payment for the performance or delivery of said professional service.
- b. All consulting contracts must be prepared in accordance with the provisions of the South Dakota State Auditor, SBDOR Policy 5:3, and BHSU Policy 5:6. Individuals processing consulting contracts must follow these provisions including but not limited to signature authority, review and approval of

agreements and their terms and conditions by officials and legal counsel, and compliance with appropriate purchasing rules, retention, and transmittal of contracts.

- c. All consulting contracts must be in the proper format. The standard Consultant or Services Contract shall be used; additional clauses may be required due to the nature of services to be obtained. All consultant and services agreements must be reviewed and approved by the VP for Finance & Administration who will determine if legal review is necessary.
- d. In conformity with SDCL 1-24A-1 and ARSD 03:05:05:04, consulting contracts shall be filed with the State Auditor's Office within five (5) days after the contract is approved by the contracting parties. The last dated signature on the contract, by either the consultant or the University shall be defined as that date on which the contract was entered into and approved by the contracting parties.
- e. Contracts shall be approved and executed before any services are rendered to enable the University and the State Auditor examination of the contract prior to the commencement of work or service. No advance payment shall be made or authorized for consulting contracts.
- f. Consultants are required to maintain the types and amounts of insurance required by the State of South Dakota. Requests for exceptions to these requirements are processed through the VP for Finance and Administration before proceeding.
- g. Verbal consulting contracts are not authorized, and payment shall not be authorized on verbal contracts.
- h. If the contractor is a University employee or a full-time employee of the State of South Dakota, no consulting contract is required. In these cases, payment for services must be made through supplemental payroll procedures and arranged prior to beginning services. Applicable payroll taxes will be deducted. Individuals should contact Human Resources for proper forms and procedures.
- i. Per SDBOR Policy 5:3, a central filing system for all university contracts is maintained in the Business Office.

#### 4. Procedures

- a. Departments will initiate the contract by completing the Consultant or Service Contract according to its instructions. The VP for Finance & Administration will ensure the contract is in compliance with all applicable state, SDBOR, and University contract requirements.
- b. If the VP for Finance & Administration determines that legal review is required, the contract will be submitted to SDBOR General Counsel or other general counsel already under contract with the university or both, as appropriate.
- c. Upon completion of the consultation or services contract, the department and the VP for Finance and Administration will receive a copy of the contract. The VP for Finance and Administration office will forward a copy to the State Auditor. A contract number will be sent to the Business Office by the State Auditor's Office.
- d. An invoice from the consultant or an email from the hiring department must be submitted to the Business Office for payment of contracts when services have been rendered. Individuals should include the contract number and indicate whether it is a final payment. A statement that the appropriate phase or total contract has been satisfactorily completed should also be included.

#### 5. Responsible Administrator

The Vice President for Finance and Administration is responsible for the annual and ad hoc review of this policy and its procedures. The University President is responsible for approval of this policy.

SOURCE: Approved by President Laurie Nichols on 11/9/2020.