



# Consultant Services Self-Assessment Checklist

As a part of the National Science Foundation's (NSF) continued efforts to better facilitate award stewardship, this checklist was created to enable applicants and awardees to assess their consultant services practices, verify areas where those practices meet federal requirements, and identify and remedy any deficiencies identified. Specifically, this checklist was designed to enable awardees to verify that:

- A consultant services **policy** that states compliant requirements has been approved by management and distributed to staff for official use
- Consultant services costs are **supported** by pre-award checks, cost-price analysis, and an enforceable agreement
- Consultant services are **managed** in a way that ensures that agreed upon services are provided prior to payment and that actual payments are in line with the written agreement
- Consultant agreements are regularly **reviewed** and timely **closed**.

## What are Consultant Services?

Consultant services, also referred to as professional services, are services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the proposing organization. Costs of professional and consultant services are allowable when reasonable in relation to the services rendered and when not contingent upon recovery of costs from the Federal government.

For additional guidance, please refer to the Uniform Guidance [Section 459, "Professional Services Costs"](#) and [Sections 317-327 "Procurement Standards"](#); FAR Part 31 [205-33, "Professional and Consultant Service Costs"](#) and [Subpart 2, Contracts with Commercial Organizations](#); [GC-1, Section 5, "Consultant Services"](#); [CA-FATC, Section 5, "Consultant Services"](#); and [2 CFR 180 OMB Guidelines to Agencies on Governmentwide Debarment and Suspension \(Non-procurement\)](#).

## Organizational Consultant Services Policies, Procedures, and Practices

### 1) In your organization, is contracting with a consultant a procurement action?

**Yes:** Correct. Reminder: Every organization is required to have a written procurement policy (2 CFR 200.318(a)). Procedures for engaging a consultant should be a subset of those procedures.

**No:** Incorrect, engaging a consultant constitutes procuring goods and services. Reminder: Every organization is required to have a written procurement policy (2 CFR 200.318(a)). Procedures for engaging a consultant should be a subset of those procedures.

**2) Does your organization, prior to making the decision to issue a consultant agreement, assess whether a subaward might be more appropriate?**

**Yes:** Great. The differences can be subtle. Consulting agreements are generally issued to individuals (sometimes organizations) that provide similar services to different clients, normally operate in a competitive environment, and is not usually subject to compliance requirements of the Federal program. Subaward agreements are used to transfer a portion of effort under a federally funded award to an entity and carry out activities for a public purpose specified in authorizing statute; whereas consultants provide goods or services for the benefit of the pass-through entity. Subrecipients typically have performance measured in relation to whether objectives of a federal program are met, has responsibility for programmatic decision making, and be responsible for adherence to applicable Federal program requirements specified in the Federal award.

**No:** We recommend that you adopt this practice. The differences can be subtle but important. Consulting agreements are generally issued to individuals (sometimes organizations) that provide similar services to different clients, normally operate in a competitive environment, and is not usually subject to compliance requirements of the Federal program. Subaward agreements are used to transfer a portion of effort under a federally funded award to an entity and carry out activities for a public purpose specified in authorizing statute; whereas consultants provide goods or services for the benefit of the pass-through entity. Subrecipients typically have performance measured in relation to whether objectives of a federal program are met, has responsibility for programmatic decision making, and be responsible for adherence to applicable Federal program requirements specified in the Federal award.

**3) Does your organization have written policies and procedures for consultant identification, evaluation, contract preparation/administration, oversight, payment, and contract closeout?**

**Yes:** Great! Documented policies and procedures promote thoughtfulness, thoroughness, and consistency. They lay the groundwork for ensuring that consultant costs are allowable.

**No:** We strongly recommend that you document those policies, procedures, and practices. Documented policies and procedures promote thoughtfulness, thoroughness, and consistency. They lay the groundwork for ensuring that consultant costs are allowable.

**4) Does your organization have established procedures to ensure that consultants are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency?**

**Yes:** Great! In addition to being required, when reviewing consultant costs, external reviewers will almost certainly ask your organization to demonstrate that this check was done prior to engaging a consultant. Documentation should be maintained in the consultant contract file.

**No:** We strongly recommend that you document and implement this practice. In addition to being required, when reviewing consultant costs, external reviewers will almost certainly ask your organization to demonstrate that this check was done prior to engaging a consultant. Documentation should be maintained in the consultant contract file.

**5) Does your organization have a standard template for retaining consultant services to ensure a consistent process and adequate supporting documentation?**

**Yes:** Great! All agreements, at a minimum, should reflect the name of the consultant, a description of services to be provided (scope of work), the rate of pay, the period of performance, other data (e.g., cost information on indirect costs, travel, per diem, and supplies), applicable provisions identified in 2 CFR 200, Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, and any other provisions required by the prime award. A standard template, fully completed, promotes compliance and enforcement, and is an essential element for demonstrating reasonableness and allocability.

**No:** We strongly recommend that your organization develop and use a standard template. All agreements, at a minimum, should reflect the name of the consultant, a description of services to be provided (scope of work), the rate of pay, the period of performance, other data (e.g., cost information on indirect costs, travel, per diem, and supplies), applicable provisions identified in 2 CFR 200, Appendix II, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, and any other provisions required by the prime award. A standard template, fully completed, promotes compliance and enforcement, and is an essential element for demonstrating reasonableness and allocability.

**6) Does your organization have established procedures to conduct cost/price analysis to determine a reasonable rate to pay the consultant and document the outcome of that analysis?**

**Yes:** Great! Cost/price analysis must be performed for every consultant engagement and could consist of one or more of the following: collection and review of bids, comparison of proposed rates with rates paid for similar services in the past, or comparison of rates paid to the proposed consultant for similar services with federal and non-federal clients. Documenting the outcome of that analysis is important to establish the reasonableness of the rate paid to the consultant.

**No:** We strongly recommend that your organization implement the practice of conducting cost/price analysis for every consultant engagement and documenting the outcome of that analysis. Cost/price analysis must be performed for every consultant engagement and could consist of one or more of the following: collection and review of bids, comparison of proposed rates with rates paid for similar services in the past, or comparison of rates paid to the proposed consultant for similar services with federal and non-federal clients. Documenting the outcome of that analysis is important to establish the reasonableness of the rate paid to the consultant.

**7) Has your organization established procedures for verifying that services and deliverables have been provided prior to paying a consultant invoice?**

**Yes:** Great! Adequate delivery of services can be documented as simply as a signature on the payment form certifying that services have been delivered or through more detailed processes that might include detailed timesheets/activity records or copies of consultant outputs. Verification that services have been delivered when supported by a written agreement supports the reasonableness of the cost.

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**8) Does your organization have established practices to regularly review open consultant contracts and close completed contracts?**

**Yes:** Great! Regularly reviewing open consultant contracts is a good way to identify issues early and be sure that services/outputs are being delivered timely. Closing out completed contracts is a good time to ensure that all services/outputs have been delivered, final payments have been made, and that the contract file contains all necessary information.

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**9) Can consultant fees be paid for speaking at conferences?**

**Yes:** Correct, reasonable fees, travel allowances and per diem (or meals provided in lieu of per diem) may be paid for consultant/speakers at a conference. The consultant agreement should include language that reasonable travel costs to the conferences will be reimbursed.

**No:** Incorrect, reasonable fees, travel allowances and per diem (or meals provided in lieu of per diem) may be paid for consultant/speakers at a conference. The consultant agreement should include language that reasonable travel costs to conferences will be reimbursed.

**10) Which of the following are common concerns related to consultant services? (We recommend that your organization review all answers)**

**Consultant services policies and procedures are not documented:** Correct. This is the most common concern. Awardees often have good practices, but either have not, or have not fully documented related policies and procedures. Written guidance is essential to demonstrate good practices and ensure consistent implementation.

**Organization does not verify and document that services are received prior to payment:** Correct. This issue is an infrequent but common observation. See Question 7.

**Consultant agreement is not documented or the agreement does not contain required elements:** Correct. This is a common concern. See Question 5.

**Cost/price analysis is not performed and/or documented prior to issuing each consultant services agreement:** Correct. This is a common concern. See Question 6.

**Consultant either did not perform contracted services or did not perform them at the level agreed upon:** Incorrect. In our experience, NSF partners are quite careful when selecting consultants. Of course, there may be instances where consultants do not perform as expected and those costs can be questioned, but it is not common.

**Special note:** Although uncommon, some organizations engage consultants associated with or at an international branch campus of a US Institute of Higher Education (IHE) or a foreign organization, through an intra-university agreement. Please be aware that there are additional requirements for these types of arrangements. Please consult PAPPG Chapter I.E.6 and a special term and condition, research term and condition #43. Finally Public Law 115-232 Section 889 "John S. McCain National Defense Authorization Act for Fiscal Year 2019."