


MEMORANDUM

TO: Deans, Directors, and Department Heads

FROM: Mary Peloquin-Dodd   
Interim Vice Chancellor, Finance and Administration

SUBJECT: Purchases of Goods and/or Services from Employees

DATE: July 1, 2019

The North Carolina Administrative Code addresses purchases from and through employees of a state agency in the following manner:

**01 NCAC 05B .1509 PURCHASING FROM OR THROUGH AGENCY EMPLOYEES**

*Every reasonable effort shall be made to avoid making purchases from or through employees of any agency. Prior written approval from the State Purchasing Officer (SPO) is required in any instance which may develop of doing business with such personnel. In deciding whether to grant approval, the SPO shall consider the type item or service needed, the prevailing market conditions, whether competition is available, the cost involved, and the effects of doing business with the employee. (See links to Department of Administration and State Procurement Manual below.)*

<http://reports.oah.state.nc.us/ncac.asp?folderName=%5CTitle%2001%20-%20Administration%5CChapter%2005%20-%20Purchase%20and%20Contract>

<https://files.nc.gov/ncdoa/pandc/Documents/Contract-Administration-and-Monitoring-Guide/Procurement Manual 5 8 2013 interactive.pdf>

Unless prior approval is granted by the State Purchasing Officer, a current University employee or an outside company with whom a current employee is associated cannot be compensated for services by the University as an Independent Contractor.

Status as an independent contractor should not be requested for a previous employee unless the services to be provided are different than the responsibilities the person had when employed by the university and the employee has not been paid through payroll during the current calendar year. A copy of the independent contractor's checklist should be included as supporting documentation when submitting the contract for review and approval.

To obtain SPO approval, a request to review the contract with the individual must be first submitted to the Purchasing Department prior to the services being rendered and invoiced. If approved, Purchasing will forward the request to the SPO for final approval. If approved by the SPO, the Purchasing Department will issue a contract control number. No contract intended to engage an employee as an independent contractor will be processed by the Purchasing Department unless the required approval from the SPO is

obtained. No voucher for a payment request to an independent contractor will be processed without a contract control number.

The template for an Independent Contractor Agreement is located: <https://generalcounsel.ncsu.edu/legal-resources/contracts-library/#Independent>. A checklist to determine the individual's status as an independent contractor must accompany the contract and can be found: [https://materialsmgmt.ofa.ncsu.edu/files/2019/05/Independent\\_Contractor\\_Checklist.pdf](https://materialsmgmt.ofa.ncsu.edu/files/2019/05/Independent_Contractor_Checklist.pdf).

If you have any questions or comment, please contact Blain Woods at [jbwoods@ncsu.edu](mailto:jbwoods@ncsu.edu) or Dwaine Cook at [dtcook@ncsu.edu](mailto:dtcook@ncsu.edu)

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