

GUIDELINES FOR GRANTS INVOLVING CONSULTANTS AND/OR CONTRACTORS

The Andrew W. Mellon Foundation

The following guidelines govern the use of consultants and/or contractors for grants funded by The Andrew W. Mellon Foundation. The Foundation does not ordinarily consider universities that partner with a grantee to be consultants or contractors for purposes of these guidelines.

Where a significant portion of the grant budget will be paid to a third party in exchange for services described in the proposal, the following guidelines will apply:

Required Bidding

- If selection of a vendor is made prior to the submission of the proposal, the proposal should include an explanation of how and why the contractor or consultant was selected. In addition, grantees should include the selected vendor's budget as an appendix.
- If the selection of a vendor is not made prior to submission, the proposal should estimate consulting costs as an average of the quotes received. The grantee is responsible for obtaining detailed budget information from potential consultants or contractors.
- If a final selection is not made prior to acceptance and approval of the proposal by the Foundation, the grant may be paid in installments conditioned upon selection of an appropriate vendor.
- Wherever possible, at least three qualified contractors and/or consultants should bid for the work. Bids should include budgets and budget narratives at the same level of detail as those expected from the grantee.

Agreements with Consultants and Contractors

- Wherever large amounts of consultant or contractor hours are anticipated, fixed-price contracts are preferable to hourly contracts; if hourly contracts are used, a monetary limit should be expressly set.
- Vendors should provide clear documentation describing the work to be performed, including detailed budgets for estimated hours and expenses, in all consulting and contracting contracts and subsequent invoices.
- Grantees should, wherever possible, pay the contractor in stages as work is completed rather than disbursing an "up front" payment of the entire amount budgeted.
- The primary investigator is responsible for monitoring the work and expenses of all contractors and consultants.
- All consultants and contractors should sign confidentiality and work-for-hire agreements (where applicable), and affirm that they have no conflicts of interest.

Retention of Former Foundation Employees

- The retention of a former Foundation employee for consulting and contracting work must conform to Foundation policy, which prohibits program staff from recommending former employees within 18 months of the employee's departure for projects to be funded by the Foundation. Foundation funding of former staff may also be subject to restrictions by continuing fiduciary, legal, contractual, and/or ethical obligations as a result of former staff's positions and contractual relationships with the Foundation.

Reporting

- Consulting expenses should be clearly and separately accounted for in financial and narrative reports to the Foundation.