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## 2319.3 LIMITED ENGAGEMENT POLICY

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Effective: January 2017  
Revised: April 2018  
Last Reviewed: April 2018  
Responsible Office: Comptroller  
Approval: Comptroller

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### PURPOSE

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The purpose of this policy is to define Limited Engagement and outline the policy for the payment of Limited Engagement Fees. The Limited Engagement cannot be paid to a student, an honoraria recipient, a human subject recipient, or any employee of the Trustees of the University of Pennsylvania or any of its entities.

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### DEFINITIONS

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A Limited Engagement is a subset of Independent Contractors meeting one of the following two criteria:

- This is intended for guest speakers, guest lecturers, artists, performers, writers/editors, board members, critics, preceptors, and mentors of an academic nature and for a short duration.
- A service provided by an individual of a dollar amount of \$1,000 or less per transaction; \$5,000 per calendar-year maximum. This is not to pay individuals on an hourly basis.

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### POLICY

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The following forms are waived for qualifying Limited Engagements: Service Provider Questionnaire, Service Provider Evaluation Worksheet, and Independent Contractor Agreement/Contract.

The Limited Engagement agreement must be completed and submitted to Purchasing Services for review and signature. Once signed, the following forms must be completed and submitted to Accounts Payable via the Penn Marketplace Non-PO Payment Request form.

**For U.S. Citizens**

- Limited Engagement Agreement for U.S. Citizens
- Invoice (must include service fee and travel expenses)

**For Nonresident Aliens**

- Limited Engagement Agreement for Nonresident Aliens (Foreign Nationals)
- Invoice (must include service fee and travel expenses)

- Passport
- Stamp of Entry
- Certification of Foreign Source Income (if applicable)
- Completed IRS Form 8233 (Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual and Certain Dependents) and the applicable statement under IRS Revenue Procedure 87-9. Tax treaty benefits are not automatic. Determination of eligible treaty benefits are made by Tax and International Operations. Nonresident aliens who may be eligible to receive a tax treaty exemption will be provided with IRS Form 8233 and the applicable statement by the Tax Department. The nonresident alien must submit a signed Form 8233 to the department initiating the request for payment in order to ensure that U.S. income tax will not be withheld from the payment.

## LIMITED ENGAGEMENT PROCESS:

If the provider's services falls under the Limited Engagement agreement:

- Have them complete and sign the [Limited Engagement agreement](#).
- Forward the Limited Engagement agreement to [sourcing@upenn.edu](mailto:sourcing@upenn.edu) for review and signature.
- The signed Limited Engagement agreement will be returned to the hiring office.
- If the individual is not an existing supplier, [Request Non-PO payee be added as a new supplier](#).
- Non-PO Payment Request is prepared and the signed Limited Engagement agreement, and statement of work/supporting documents, if any, are uploaded. If onboarding payee as their proxy, W9 is uploaded also.

### Limited Engagement doing service outside of the US

*If services falls within the LE guidelines (above), no additional approval needed by GSS.*

- Have the individual service provider complete and sign the [Limited Engagement NRA agreement](#), W-8BEN, provide a Certificate of Foreign Source Income.
  - *The Tax Residency Status and Immigration Status sections do not need to be completed*
- Forward the Limited Engagement agreement to [sourcing@upenn.edu](mailto:sourcing@upenn.edu) for review and signature.
- The signed Limited Engagement agreement will be returned to the hiring office
- For payment in US dollars, [Request Non-PO payee be added as a new supplier](#); Non-PO Payment Request is prepared and the signed Limited Engagement NRA agreement, w-8BEN, Certificate of Foreign Source Income, and statement of work/supporting documents, if appropriate, are uploaded.
- For payments in foreign currency, a PDA-FC form is used and sent to AP with signed Limited Engagement NRA agreement, w-8BEN, Certificate of Foreign Source Income, and statement of work/supporting documents, if appropriate.

## LE Process under grant funding

*If service falls within these categories, no further review required by ORS\*:*

Service on a Data Safety Monitoring Board  
Service on a Scientific Advisory Board  
Service on other Advisory Boards (e.g. Community Advocate or Patient Engagement)

Business offices should:

- Have individual service provider complete and sign the [Limited Engagement agreement](#).
- Forward the Limited Engagement agreement to [sourcing@upenn.edu](mailto:sourcing@upenn.edu) for review and signature.
- The signed Limited Engagement agreement will be returned to the hiring office.
- If the individual is not an existing supplier, [request that the Non-PO payee be added as a new supplier](#).
- Non-PO Payment Request is prepared and the signed Limited Engagement agreement, and statement of work/supporting documents, if any, are uploaded. If onboarding payee as their proxy, W9 is uploaded also.

\*If service falls outside the ORS LE categories, contact Missy Peloso ([epeloso@upenn.edu](mailto:epeloso@upenn.edu) or 215-746-0234). ORS will provide documentation that the activity meets the Limited Engagement criteria or that the individual should be further classified.