

### **Guidelines on the State Consulting Act**

The State Consulting Act, North Carolina General Statute § 143-64.20 through 143-64.24, created several problems regarding the administration of grants and contracts in support of academic programs involving instruction, research, and public service. Discussions between University officials and persons in the Division of Purchase and Contract resulted in the following understandings regarding the act.

1. "Consulting" means work or tasks performed by state employees or independent contractors possessing specialized knowledge, experience, expertise, and professional qualifications to investigate assigned problems or projects and to provide counsel, review, analysis, or advice in formulating or implementing improvements in programs or services. This includes but is not limited to the organization, planning, directing, control, evaluation, and operation of a program, agency or department.
2. The use of individuals for instructional services, curriculum development and conducting academically oriented research is exempt from the prescribed procedures. This exemption does not, however, include the use of consultants for the primary purpose of assisting administrators with management decisions.
3. In those cases where the sponsoring organization requires that subcontractors be named in the proposal and such subcontractors are not exempt by the above criteria, approval must be obtained from the division of purchase and contract before the proposal is submitted.
4. All responsible efforts will be made to keep the time for responding to requests for approval of the employment of consultants to less than thirty days from the filing of the request.
5. Members of the University Council on Research will serve as a principal source of information for faculty at the constituent institutions and persons in the division of purchase and contract for the purpose of implementing the State Consulting Act. These University officials will assist persons preparing proposals, whenever necessary, in following required procedures. Furthermore, they will assist the Division of Purchase and Contract in identifying persons and/or departments that may be available for consulting with agencies and State government.

The President has authorized the chancellors, or the chancellors' designated representative, to approve consulting contracts. Particular note should be made of N.C.G.S. § 143-64.23 which states that "No disbursement of State funds shall be made and no such contract shall be binding until the provisions of N.C.G.S. §§ 143-64.21 and 143-64.22 have been complied with. Any employee or official of the State of North Carolina who violates this article shall be liable to repay any amount expended in violation of this article, plus court costs."

[This is a rewrite of Administrative Memorandum #155 dated June 30, 1981.]