

Independent Contractor Hiring and Processing Procedures

In this context we would like to provide the campus with some guidance and contact information to assist departments with handling independent contractor issues. Accordingly, the following is provided for your assistance when your departments anticipate hiring a person as an independent contractor.

Definitions

A careful evaluation must be made when classifying an individual as an Independent Contractor rather than an employee. An erroneous classification of an individual as an Independent Contractor when in fact the person is an employee could result in legal action being initiated by the Internal Revenue Service for failure to withhold taxes, and the Department of Labor for possible violation of wage and hour laws.

In questionable situations, it is best to classify the individual as an employee.

Independent Contractor – An individual who is responsible to the University for the results of certain work but is not subject to the University's controls to the means and methods of accomplishing those results.

Some examples of Independent Contractors are: entertainment performers, guest speakers, officials for athletic events and consultants.

If Independent Contractor is an entertainment performer or guest speaker refer to Documents and Procedures for "Contract for Guest Speaker" or "Standard Form Entertainment Contract".

Special Processing Requirements for Independent Contractor

Your requisition and independent contractor, "Service Agreement" will be reviewed to determine whether it appears to describe a contract for external services by an independent contractor, or more closely resembles a request for employee-type payroll services.

The crucial question is whether the proposed vendor is an "Independent Contractor" under the law. If he/she is not an Independent Contractor, payment for the services by UCO Payroll Dept. or UCO approved temporary agency may be more appropriate.

If he/she is not an independent contractor, refer to "**Hiring Temporary Staff**" procedures.

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Documents and Procedures

The noted contracts require five business days to process UCO execution of authority.

These days are in addition to the four day processing for purchase orders.

Any other vendor contracts outside of these approved Independent Contractor Forms require a six week processing time.

- **Standard Form Entertainment Contract**

- **Contract for Guest Speaker**

1. If the independent contractor does not have their own contract, the department hiring the independent contractor as an entertainment performer or guest speaker should complete the form and have the independent contractor sign the contract.
2. The contract form should be attached to a requisition (see check request form for exceptions to using check request in lieu of a requisition) and submitted to the Purchasing Department by way of front desk processing and date/time clock stamp with a minimum of 9 business days prior to the independent contractor service being performed. (Fiscal year-end exceptions to processing requisition due to budget year do not lend an exception to processing contract agreement).
3. Contract will serve as the payment document and will be processed according to payment terms of contract for a one-time payment.

- **Services Agreement**

1. Department hiring independent contractor should complete the form and have the independent contractor sign the contract.
2. The contract form should be attached to a requisition (see check request form for exceptions for using check request in lieu of a requisition) and submitted to the Purchasing Department by way of front desk processing and date/time clock stamp with a minimum of 9 business days prior to the independent contractor service being performed. (Fiscal year-end exceptions to processing requisition due to budget year do not lend an exception to processing contract agreement).
3. Payment – Contractor must submit to requesting department a business invoice or complete and sign a UCO OSF Form 3. Requesting department must sign payment document verifying services have been completed per contract agreement. Authorized payment document is sent to Payment Services department for processing check within 14 business days. Check will be sent to contractor via US Postal Service.