

Category: Operations

Policy Title: Independent Contractor

Policy Statement: Individuals performing services for the college must meet the IRS rules for independent contractors before being classified as such. The earnings of a person who is working as an independent contractor are subject to Self-Employment Tax.

Procedures:

Common Law Rules

Facts that provide evidence of the degree of control and independence fall into three categories:

1. **Behavioral**: Does the company control or have the right to control what the worker does and how the worker does his or her job?
2. **Financial**: Are the business aspects of the worker's job controlled by the payer? (these include things like how worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.)
3. **Type of Relationship**: Are there written contracts or employee type benefits (i.e. pension plan, insurance, vacation pay, etc.)? Will the relationship continue and is the work performed a key aspect of the business?

Contact the Chief Financial Officer to determine whether an individual is an employee or independent contractor.

Contacts: Chief Financial Officer

Approved Date: 9/1/2016

Policy History:

Keywords: employee, classification, Independent contractor

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