

## Independent Contractor Procedure

### RVC Administrative Procedure (3:20.110)

#### Introduction

Many Rock Valley College departments regularly employ the services of individual(s) to perform varying services. These arrangements often raise questions on the status of the individual, such as "Should they be classified as an employee or an independent contractor?"

#### Purpose

These procedures are intended to:

1. Ensure compliance with IRS Independent Contractors classification;
2. Provide information about the distinction between employees and independent contractors;
3. Provide a checklist for determination;
4. Provide examples of contracts for an independent contractor; and
5. Ensure/provide procedures for proper recordkeeping and tax reporting.

#### Responsibilities

##### Departmental:

1. Complete and submit for review an Independent Contractor Status Form, Employee/Independent Contractor Questionnaire and Draft copy of Service Agreement to Human Resources Department.
2. Submit completed DCFS Mandated Reporter form and Criminal Background Check Authorization Form to Human Resources.
3. After approval of status determination including Attorney review, finalize the Contract.
4. Submit to Business Services Department a completed IRS W-9 form, New Vendor form, and finalized Contract.
5. Establish Requisition in Datatel for amount not to exceed the contract following established BPO guidelines.
6. Submit amended contract to Human Resources, if necessary, following procedure for original contract.
7. Monitor compliance and performance of terms.
8. Submit for payments to independent contractor following established Accounts Payable procedures.
9. Work with contractor to ensure delivery of contracts and invoices.
10. Contact Accounts Payable to adjust BPO upon completion of a contract amendment.

# Rock Valley College

## **Human Resource Department:**

1. Review submitted Independent Contractor Status Form and Independent Contractor Questionnaire.
2. Make determination as to correct status after Attorney review.
3. Return determination to requesting department with a copy to Business Services and Accounts Payable.

## **Business Services Department (If Independent Contractor Approved):**

1. Establish new vendors using completed New Vendor Form.
2. Upon approval of requisition, Business Services will generate a BPO and send to contractor.

## **Accounting – Accounts Payable (If Independent Contractor Approved):**

1. Maintain database of Independent Contractors
2. Process payment when approved request for payment has been received.
3. Issue 1099 to Independent Contractor.

**Reference:** N/A

**Implemented:** June 15, 2015

# Rock Valley College

## Independent Contractor/Employee Status Form

The information provided below will assist Rock Valley College in determining whether the individual performing the services will be classified for Federal, State and FICA tax purposes as an employee of Rock Valley College, or as an independent contractor. A copy of the approved form will be returned to you, as hiring manager. If the approved form indicates an independent contractor, you must enter a purchase requisition to initiate the procurement action. Once a purchase order number is assigned, notify Accounts Payable to process payments.

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I have attached the Independent Contractor Questionnaire, draft of service agreement, and any supplemental information, such as the individual's business card, advertising or business letterhead, which supports the independence of the individual.

I understand that the proper status of the worker depends on the manner in which the work is performed and on the nature of the relationship between the worker and Rock Valley College personnel responsible for the work being performed. Therefore, the status of the individual for federal employee tax withholding and related reporting purposes will be re-determined when the manner in which the work is performed or the relationship between the individual and Rock Valley College changes sufficiently to alter the validity of this certification. I agree to notify the Human Resource Department if the status of the individual changes.

I hereby declare that the information provided in this document is true and correct and this I have sufficient knowledge of, authority and responsibility for the work to be performed under this contract to effectively complete the attached form.

Department for whom services are to be performed: \_\_\_\_\_

Print Name: \_\_\_\_\_ Title: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Date: \_\_\_\_\_

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### Reviewed by Rock Valley College Human Resources Department

I certify that I have reviewed the attached Independent Contractor Questionnaire Form and supporting documentation completed by the department named above and based on the results of the completed form: the individual (\_\_\_\_\_) to be engaged under this contract appears, for federal employment tax withholding and related reporting purposes, to be:

An Independent Contractor: \_\_\_\_\_

An Employee: \_\_\_\_\_

Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_