

## Employee vs Independent Contractor Determination & Certification

The purpose of this form is to provide a guideline for determining whether an individual contracted for services is classified as an “employee” or “independent contractor.” The Internal Revenue Service (IRS) presumes that an individual who provides a service is an employee unless there is evidence to support the classification of the individual as an independent contractor.

**Determination:** The questionnaire presented in this document is designed to assist in determining the appropriate classification of an individual. The resolution of whether an individual providing services to the University is an employee or an independent contractor is based on the facts and circumstances of each case. The degree of importance of each factor varies depending on the occupation and the factual context in which services are performed.

### Definitions:

- **Employee** – If the University has the legal right to control both the method and the result as to where, when, who and how the service is to be performed, the individual should be classified as an employee.
- **Independent Contractor** – If the University has the legal right to control or direct only the results of the work but not the means and method used in accomplishing the result, the individual should be classified as an independent contractor. Independent contractors generally hold themselves out in their own names as self-employed and make their services available to the public. Also, independent contractors generally carry their own worker’s compensation insurance.
- **International Visitor** – If the individual is not a U.S. citizen and performing services in the United States or its territories, prior to any payment(s) being disbursed, the individual must provide a U.S. social security number and proof of visa status (I-94 form) documenting authorization to receive payment for work performed. To assure compliance with all regulations, contact the Payroll Manager at 331-2255 for guidance *prior to contracting with* an international visitor.

**Instructions:** Complete the questionnaire and, based on your preliminary assessment, submit the appropriate forms.

| Forms  | Human Resources          | Procurement Services   |
|--|--------------------------|------------------------|
| <a href="#">Direct Deposit Request – Employee/Student</a>        | Optional                 | Optional               |
| <a href="#">Direct Deposit Request – Vendor</a>                  | Optional                 | Optional               |
| <a href="#">Appointment Letter</a>                               | Required                 |                        |
| <a href="#">Adjunct Information Sheet</a>                        | Required if new employee |                        |
| <a href="#">I-9 Employment Eligibility Verification</a>          | Required if new employee |                        |
| <a href="#">W-4 Employee’s Withholding Allowance Certificate</a> | Required if new employee |                        |
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| <a href="#">Independent Contractor Agreement (Page 4 and 5)</a>  |                          | Required               |
| Request for Payment – Independent Contractor                     |                          | Required if < \$5,000  |
| <a href="#">Banner Purchase Requisition</a>                      |                          | Required if > \$5,000  |
| <a href="#">Independent Contractor Agreement (Page 4 and 5)</a>  |                          |                        |
| <a href="#">W-9 Request for Taxpayer Identification Number</a>   |                          | Required if new vendor |

Payment(s) to employees will be disbursed from the Payroll office. In order to be paid on the 15<sup>th</sup> day of the month, all paperwork must be received in the Human Resources office three (3) business days prior to the 5<sup>th</sup> of the month. In order to be paid on the last day of the month, all paperwork must be received three (3) business days prior to the 20<sup>th</sup> of the month.

Payment(s) to independent contractors will be disbursed from the Accounts Payable office in accordance with specified contract payment terms.

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Purchase Requisition # (if applicable) \_\_\_\_\_

**Questionnaire:** Contact Procurement Services at (616) 331-2280 should you need assistance in completing this questionnaire.

1. Is the individual currently or have they ever been a GVSU employee or student?  Yes  No  
To assure compliance with regulations, the University requires that an employee providing services unrelated or in addition to their regular duties will be compensated as an employee. Generally, a student providing services to the University will be compensated as a student employee. **Note: If the individual is a current employee or student, it isn't necessary to complete the remainder of this form. Proceed to complete and submit the appropriate forms to the Human Resources or Student Employment office. Please don't hesitate to contact Procurement Services if you have any questions and wish to discuss the appropriate status of the individual.**
2. Is the individual an international visitor?  Yes  No  
Compensation to an international visitor is solely dependent upon international regulations. The Payroll Manager will advise accordingly.
3. Will payment for services be made payable to a person or a business?  Yes  No  
Does the individual have an employer identification number?  Yes  No  
One indicator that the individual might be an independent contractor is if they possess an employer identification number rather than a social security number.
4. Do you set the hours of work?  Yes  No  
Establishment of set work hours bars the individual from being master of their own time, which is the right of the independent contractor.
5. Do you set the order or sequence of work?  Yes  No  
If an individual must perform certain tasks at certain times, they are not free to follow their own pattern of work, and should be classified as an employee. An independent contractor is generally held accountable only for outcomes, not the means with which they are achieved.
6. Do you furnish tools and materials?  Yes  No  
The more an employer provides the tools and materials necessary to have the service performed, the greater the chances an employee relationship exists.
7. Is the service performed on employer's premises?  Yes  No  
This factor implies control, especially when the service could be done elsewhere. Providing use of desk space, computer, telephone, clerical services, or an e-mail account places the individual within the employer's direction and supervision.
8. Will the individual be teaching a class or camp?  Yes  No  
The University requires that anyone teaching credit or non-credit courses/camps will be classified as an employee.
9. Do you provide training?  Yes  No  
An independent contractor ordinarily uses their own methods and receives no training.
10. Do you provide instructions?  Yes  No  
An individual who is required to comply with instructions about when, where and how they work is ordinarily an employee.
11. Will the individual be hiring, supervising and paying assistants?  Yes  No  
An individual who manages or supervises employees of the employer or has any authority to hire or fire staff members is an employee.
12. Do you have a continuing relationship?  Yes  No  
A continuing relationship with the employer for whom services are performed indicates that an employer-employee relationship exists. If the arrangement contemplates continuing or frequently recurring work (even on irregular intervals), the relationship is considered permanent, even if the services are performed part-time, seasonal, or of short duration.

13. Will the individual be reimbursed for business and/or travel expenses?  Yes  No  
An individual who is paid on a job basis and who is responsible for their incidental expenses, if free to work according to their own methods and means, is generally an independent contractor.
14. Is this individual required to provide the contracted services personally?  Yes  No  
An independent contractor may use their own employees or subcontractors to complete the service.
15. Do you have the right to discharge the individual?  Yes  No  
An independent contractor cannot be fired except under the terms of the contractual termination clause.
16. Does the individual perform similar services for others?  Yes  No  
An independent contractor generally makes their services available to the general public.
17. Does the individual work for more than one employer at a time?  Yes  No  
An individual who works for a number of employers at one time is generally an independent contractor.
18. Will the individual be paid for a specific project?  Yes  No  
Payment made by the job generally indicates that the individual is an independent contractor (even if computed by the number of hours required to do the job at a fixed rate per hour). Payment of regular amounts at stated intervals strongly indicates an employee relationship.
19. Could the individual realize a profit or loss?  Yes  No  
An individual who can realize a profit or suffer a loss as a result of their services is generally an independent contractor, but one who cannot is an employee.
20. Do you have the right to terminate the individual?  Yes  No  
An employee has the right to end his or her relationship with the employer at any time without incurring liability. An independent contractor works pursuant to and is approved by the terms of the contract and may be legally obligated to make good for failure to provide the contacted-for services.

**Certification:** My responses to these questions are true and accurate to the best of my knowledge. Based on my responses, I am requesting that this individual be paid as an independent contractor. I understand that if this individual is paid as an independent contractor and the IRS subsequently determines that the individual should have been paid as an employee, I may be called upon to testify at an audit as to the accuracy of the information I have provided on this form.

Individual's Name \_\_\_\_\_ Contracting Dept \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Contracting Department Representative

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Dean/Appointing Officer

.....  
**Determination:**  Employee  Independent Contractor  
 International Visitor -  Compensation Permitted, required forms enclosed  Compensation Not Permitted

Comments \_\_\_\_\_  
\_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Procurement Services Sourcing Specialist

Signature \_\_\_\_\_ Date \_\_\_\_\_  
Payroll Manager