INDEPENDENT CONTRACTOR – Summary of Process Flow Chart

1. Reference materials regarding Independent Contractors will be posted on line. Managers will be provided an overview of process.

   Following materials will be made available:
   a. Process Flow Chart
   b. Independent Contractor – Summary of Process Flow Chart
   c. Independent Contractor Service Guidelines
   d. IRS Publication: Employer’s Supplemental Tax Guide
   e. Personal Services Agreement Form

2. Proposed Process Flow Chart
   a. Department identifies need for additional support. Using materials listed above and based on training received, the department makes initial determination if ‘Independent Contractor’ designation is appropriate. When in doubt, departments are encouraged to request an ‘opinion’ from the Director of Purchasing, Contracts & Risk Management. (This step will be required for the first six months during FY 2014-15.)
   b. Department’s request (along with solicited opinion) is forwarded to the appropriate Dean/Director, for assessment and approval.
   c. Dean/Director makes necessary corrections and forwards appropriate request to their component’s Vice President for final review and authorization.
   d. Once approved by the President/Vice President, the signed request form is forwarded to Human Resources if the request is for a district employee. If the request is for an independent contractor, the paperwork is forwarded to Director of Purchasing, Contracts & Risk Management.

   Note: The new Health Care Reform requires employers to offer full time employees health benefit coverage. Therefore, the District’s ability to make the proper classification between independent contractors and employees will be critical and highly important.

   In light of this, the Business Service Office will serve an audit function by periodically performing random sampling of ‘Independent Contractors’ to ensure compliance with IRS regulations. Results of audit will be forwarded to the Vice President, Administrative Services.