

BOISE STATE UNIVERSITY
Independent Contractor Classification Checklist
Companion Guide to On-line Form

Link to [Independent Contractor Classification Checklist](#) on-line form

Purpose: The companion guide is to assist users in understanding the detail and content of the questions asked on the form as some language is derived from the IRS and may not be intuitive.

STEP 1

Vendor/Supplier Section:

Vendor/Supplier Name – Name of the individual (or business name) the checklist/request pertains.

Vendor/Supplier Number (if known) – The supplier number assigned and provided by Procurement and Vendor Services Vendor Specialist from OFC (note: this is NOT the taxpayer ID number or Social Security Number). Vendor/Supplier Phone Number (if known) – The individual or business contact phone number.

Anticipated Contract Amount – The maximum amount your department is willing to pay for this service and must include ALL costs related to this service. If the official amount is not known at the time of the checklist, please enter your best estimate. If the actual amount varies significantly from the estimate, additional review may be required.

Expected Dates of Service – Start Date – The expected date the individual will begin providing services.

Expected Dates of Service – End Date – The expected date the services will be completed/end.

Preparer Section:

Preparer Name – Name of the BSU employee completing the form

Preparer Department Name – Name of the requesting department for whom the services will be performed. (example: Music department, Biology)

Preparer Phone Number – Phone number or extension of the BSU employee completing the form

Preparer Email – Email of the BSU employee completing the form

General Information Section:

In the Federal Tax Classification section of the Substitute W-9, is a box OTHER THAN Individual/Sole Proprietor or Single-member LLC checked?

In other words, in Part 1 (federal tax classification) of the Substitute W-9, did the individual check one of the following boxes: (if Yes – Independent Contractor review is not required)

- 1) C Corporation
- 2) S Corporation
- 3) Partnership
- 4) Trust/Estate
- 5) Limited Liability Company (C Corp, S Corp or Partnership)
- 6) Other

Have you confirmed with the vendor/supplier if they have performed services or been previously paid by Boise State University as an employee or contractor within the current calendar year or last 12 months?

Please ask the vendor/supplier if they have either been employed by or contracted with the university in the current calendar year or within the last 12 months. Procurement and Vendor Services will confirm within the system, however, asking preemptively may save time and effort in the classification process.

Is the work performed part of the regular core business of the University (examples of core business activities include, but are not limited to: teaching, curriculum development, Summer Camp services, research and/or requires significant oversight and resources from Boise State?)

A “core business” activity is essentially any type of work the university already employs individuals to perform. More specifically, any type of teaching, research, or service work is difficult to justify as different from work performed by employees. Guidance provided by the IRS indicates there is rarely a case in which an individual providing instruction to the University in any capacity can be classified as anything other than an employee. The “instructor” category includes individuals who provide instruction to employees, students or other university customers either for credit or non-credit courses, e.g. computer classes, CPR classes, etc. Thus, the IRS considers anyone providing education/instruction as an employee rather than an independent contractor.

Does the vendor/supplier have an established business with multiple client/customers related to the service(s) they are providing?

Does the individual make their service(s) available to the general public (not just to Boise State). Do they advertise, maintain a visible business location or web site? Are they free to seek out other business opportunities? Please ask your vendor/supplier if they have other clients.

Is the University paying the vendor/supplier a flat fee for services provided?

An independent contractor is usually paid a flat fee for the job/service, which means ALL costs are included in the final fee for service. An independent contractor usually builds business expenses into their fee and is able to make a profit or incur a loss.

What is the type of service/activity to be performed by the vendor/supplier?

If the individual is receiving payment as a human/research subject, for a refund or a prize/award, or paid a royalty, the Independent Contractor Checklist is not required.

If the individual is providing professional service(s) (not provided by a Boise State employee or position) the Independent Contractor Checklist is required. (e.g. referee, judge, guest speaker, performer, consultant, specialty trade or skill)

If the individual is receiving an honorarium of \$599 or less (this is the total paid to this individual within a tax calendar year) the Independent Contractor Checklist is not required. If the honorarium will be \$600 or more the Independent Contractor Checklist is required.

Does University personnel direct the vendor/supplier on how to perform the service(s) described in the scope of work?

If the University has the right to control how the work results are achieved (provide instructions or training to perform the service(s) in a particular manner or method) then the relationship more closely resembles one of an employer/employee.

STEP 2

Length of Service:

Less than 12 months – From start to finish will the service (assignment/project) be completed in less than a year (less than 365 days)?

12 months or more, please provide a brief explanation in the field below – From start to finish will the service (assignment/project) be completed in more than a year (365 days or more)? If so, please describe the circumstances in the text box.

Anticipated renewal of contract?

The duration for most contracts is one year (365 days) with an option to renew after the first year. Does your department anticipate this contract to be renewed at the end of the first year?

Total cost of service:

Less than \$10,000 – Will the TOTAL cost of service (assignment/project) be less than \$10,000?

\$10,000 or more – Will the TOTAL cost of the service (assignment/project) be \$10,000 or more? This dollar amount requires an additional level of review for Independent Contractor determination. Please allow additional time for this approval.

Location where service is performed:

Note: If location of service is out-of-state, review may take additional time for approval.

In-State – Service or performance of contract will take place within the state of Idaho

Out-of-state – Service or performance of contract will take place outside of Idaho. The university has tax reporting obligations per the Resident Reporting section in the PATH Act.

Both – If a combination of in-state and out of state will occur, please provide an anticipated percentage of the time for services performed in each specific state.

Scope of Work:

Please provide or attach a detailed description of the services to be provided.

Please provide as much detail as possible in order for the reviewer to complete the most accurate classification. You may attach a copy of the un-signed contract that describes the Scope of Work or a copy of the grant paperwork that describes the Scope of Work. If you choose attachment, please make a note in the box provided – “See Attached”.

STEP 3

Behavior Control

Will the University supply necessary tools, materials, and equipment to perform the work?

Please specify what tools, materials, and/or equipment the University will provide (if any) for the vendor/supplier to perform the service. In general, an independent contractor (IC) should supply their own tools, supplies and equipment whenever possible when providing the service(s). This means the IC has an investment in the facility or tools required to perform the service(s) and generally pays for the costs of doing business themselves.

In general, the provision of the venue and some equipment (podium, projector) by the university for performers or guest speakers is acceptable. Please simply describe what is being provided in the text box.

Will the University provide personnel to assist the vendor/supplier in completing their service(s)?

Please specify if the university will provide the vendor/supplier with personnel assistance in order to complete their service. This may include administrative support from employees, graduate assistants, or students for tasks such as running a projector, handing out materials, running errands, or work that is even more substantial.

In general, an independent contractor (IC) should hire their own personnel/assistants to complete the service(s), if necessary. If support is needed, the IC should hire their own employees in order to control and direct the work as well as determine compensation and remit payroll taxes, etc.

Will the University provide periodic or on-going instruction for the vendor/supplier about how to perform the needed service(s)?

The University may outline the project and provide a due date; however, the vendor/supplier determines how they will accomplish it. This is a distinction from how the university directs the work of employees.

Will the vendor/supplier perform services on-campus or in a University controlled facility?

A "University controlled facility" means any location on-campus or off campus (e.g. Morrison Center, Extra Mile Arena, Yanke Research Park or other locations leased by the University).

Will the University set the vendor/supplier's work hours?

Beyond the contractual due dates, the vendor/supplier should have the opportunity to select when and where they will work. This is a distinction from how the university sets work hours for employees.

For a guest speaker, if Boise State sets the service/work hours, this is typical for engagement related services, simply include this information in the field provided.

Financial Control

Will the University reimburse the vendor/supplier for out-of-pocket expenses?

Does the vendor/supplier request reimbursement or payment for any out-of-pocket expenses (including purchases by P-card)? If so, please provide a detailed explanation.

Best Practice – Do not reimburse an IC for any expenses they might incur, such expenses should be a part of the IC's set fee for service. Include ALL costs in the final fee for service.

Have you confirmed with the vendor/supplier that the University is their sole client?

Please ask the vendor/supplier if they have any clients/customers other than the university. Is the vendor/supplier dependent upon the University (financially) as a contractor? Is a majority of their income coming from the University?

Best Practice – The IC should be permitted to work for a number of different clients at a time. Just because the University has a big or long-term (over 1 year) contract with the IC does not mean the IC can't take on additional work for other clients. NOTE: Contracts lasting longer than 1 year, please allow additional time for review.

Will the vendor/supplier be compensated on an hourly, daily, weekly, or similar incremental basis?

Are payments made on a payroll type basis versus based on the results of the service, a flat fee for service or a per-unit completed rate rather than hourly, daily, weekly basis?

Relationship Between Parties

Is the University contractually obligated to pay for the service(s) even if the result is unsatisfactory?

If the work product or performance does not meet expectations, must the university pay regardless? Most contracts or engagement agreements describe the service to be performed (the scope of work)

and how an unsatisfactory result will be resolved. This is distinguished from the work of an employee who must be paid for all hours worked regardless of outcome.

Is the scope of work unknown at this time with the intent that it will become more clear as the work progresses?

If the scope is unknown, please explain the reason in detail. Normally, the University should have a very clear idea of the service they want provided. This is a distinguishing characteristic from an employee.

Are the services to be provided part of an on-going, recurring business operation without a definitive end?

Is the University engaging the vendor/supplier with the expectation the relationship will continue indefinitely, rather than for a specific project or period? This could be considered evidence that an employer-employee relationship is intended, therefore, please provide additional explanation.

Research Services

Does the vendor/supplier perform long-term (more than 1 year) research for the University, conduct research for a University professor who determines how the research is performed and sets the work schedule, and/or serve in a capacity beyond advisory or consultancy?

Will the University require the individual to perform the work in a specific order or sequence, to perform the work personally, to work set/scheduled hours, and/or if the work is integral to the success of the research? In other words, will the University direct work similar to an employee?