

Davis Technical College

Contract Labor

Effective Date: 1 March 2014
Administrative Policy

1. Purpose

To outline the College process for the classification of independent contractor or employee status for work performed on behalf of the Davis Technical College (College).

As the primary business of the College is the delivery of educational services, counseling, and curriculum development, individuals seeking to provide these integral services will generally be classified as employees.

2. References

- 2.1. Davis Technical College Procurement/General Policies
- 2.2. Davis Technical College Employee Definitions Policy
- 2.3. Internal Revenue Service Publication (IRS) 15-A Employer's Supplemental Tax Guide
- 2.4. Internal Revenue Service Publication (IRS) 1779 Independent Contractor or Employee

3. Definitions

- 3.1. **Employee**- an individual employed by or performing work for the College in a capacity other than as an independent contractor (See Employee Definitions Policy).
- 3.2. **Independent Contractor**- Generally, an individual, or group of individuals, that contracts with the College to deliver goods or services according to their own methods and are subject to the College's control only as to the end product or final result of work or services utilizing their own facilities, equipment, acquiring their own training, are not reimbursed for business expenses and assume the risk of any agreement made between them and the College.

4. Process

- 4.1. **Documentation**- To ensure proper classification, entities and individuals are required to provide appropriate documentation that will allow the College to determine their appropriate classification. Classification must be made prior to the initiation of any work for or on behalf of the College.
- 4.2. **Required forms** - The following must be provided:
 - 4.2.1. IRS form W9- Request for Taxpayer Identification Number or College substitute.
 - 4.2.2. Certificate of Workers Compensation Insurance or Utah Statutory Employee Exclusion Endorsement.
 - 4.2.3. Certificate of General Business Liability Insurance with a minimum coverage of \$1,000,000 per occurrence \$2,000,000 aggregate.
- 4.3. Upon receipt of documentation, the College Fiscal Office will review documentation. If an entity or individual is unable to provide required forms or the Fiscal Office does not feel that the entity or individual does not meet the IRS requirements to be classified as an Independent Contractor, they will immediately notify the Determining Authority. Generally, individuals who have formerly been employees of the College will not be considered as Independent Contractors to perform the same or similar functions as they performed as an employee.

4.4. Upon notification by the Fiscal Office, the Determining Authority will review received documentation, scope of work, nature of work and other relevant information and make a determination. Upon review, the Determining Authority will make the final determination as to the entity or individual's classification and required documentation.

4.5. At any time or for any reason, an entity's or individual's classification may be reviewed or altered to ensure compliance with IRS reporting, withholdings and to mitigate risk associated with wrongful classification.