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Contractor's Name

When contracting for services, you **must** evaluate whether the **Internal Revenue Service (IRS)** would consider the person providing the services an **independent contractor** or a **South Puget South Community College employee**. There are financial consequences to SPSCC if the IRS determines that SPSCC misclassified a service provider.

An **independent contractor** is a person or business entity which:

- is free from SPSCC's immediate direction and control in their performance of the services
- is responsible to SPSCC only for the contracted result of the work, not the manner or method used to accomplish the work
- solely controls and directs how the service is provided, who provides it, and the means used to provide the service
- sets his/her own prices for goods and fees for service
- can terminate contract while not terminating his/her business
- can terminate contract while not creating an unemployment situation
- uses advertising to promote their business
- provides goods and/or services to a segment general public of their own choosing

When contracting for services you should use the following checklist, which compares an **employee characteristics** with those of an **independent contractor**. After completing the checklist have the form signed by the Dean or Director of your department and forward to the Procurement Office.

### EMPLOYEE

- Directed and controlled by SPSCC
- Does tasks in the manner SPSCC requests
- Does not have a financial investment in the work they are providing for SPSCC
- SPSCC provides tools, equipment, and skills training
- The individual works under SPSCC's business license
- Often receives benefits beyond payment for service (retirement and health plans)
- Receives a net check. SPSCC withholds income tax and FICA taxes
- Works at SPSCC's place of business
- Works the hours set by SPSCC
- Works only for SPSCC
- Does not advertise
- Eligible for workers' compensation benefits
- Has some rights prior to termination
- Covered by minimum wage and overtime rules
- May join or form a union

### INDEPENDENT CONTRACTOR

- Independent
- Does tasks in his/her own way
- Assumes the costs associated with doing the work for SPSCC
- Comes to the job with required tools, equipment, skills
- The individual obtains his or her own business license
- Receives only payment for service
- Receives a gross amount check. Pays own taxes.
- Works at his/her own office or home
- Sets his/her own hours
- Provides services to multiple entities
- Has customers as a result of advertising and being known by the public as a business
- Not covered by SPSCC's workers' compensation
- No rights prior to termination unless contracted
- Paid as contracted; no overtime
- No right to union representation

If you need help making a determination, please contact Procurement Services by email a [vsherrard-hannon@spscc.edu](mailto:vsherrard-hannon@spscc.edu) or by phone at 360.596.5249.

If it is determined that the relationship you are considering falls into the Employer/Employee category, you must contact Human Resources by email at [ssoto@spscc.edu](mailto:ssoto@spscc.edu) or by phone at 360.596.5361 to determine the appropriate mechanism for hiring the individual.

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Dean or Designated Approver's Printed

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Dean or Designated Approver's Signature

\_\_\_\_\_  
Date