

Independent Contractor Hiring Process Training Document

Purpose:

To outline procedure for determining use of Independent Contractor Agreements (also called: service providers or ICAs); and for submitting and processing ICA forms and Banner documents.

An Independent Contractor *typically* meets the following requirements:

- Provides a unique service that is not available from another source within USNH or that USNH entities could not provide at the time needed (i.e. due to time/staffing constraints, capabilities, etc.)
- Provides a unique service outside of USNH. The individual should be uniquely qualified, cost effective, and may meet other criteria. (i.e. expert in research field, etc.)
- Provides a service which encompasses 3 days or more per fiscal year, including services provided to any other USNH departments, regardless of dollar amount;
- Is an individual or partnership, rather than a corporation* (non-profits, i.e. state or federal government agencies, universities, etc., do not require an ICA);
- Does not meet the IRS definition of “employee”;
- Is not a USNH employee;
- Does not have a personal or familial relationship with a USNH employee.

Forms/Documents not meeting these requirements or incomplete forms will be returned to the BSC.

*Note: To determine whether an ICA is coded as a corporation or non-corporation, Banner users can login to FTMVEND and search by entity name. Corporations are coded as ‘CO Corporation’ in Vendor Types.

Also, there may be instances when you may want to use the ICA form for an entity other than an individual or partnership, or instances where you may wish to use an entity’s own agreement in lieu of the ICA. Please contact USNH Purchasing for direction.

Procedures

1. Hiring Administrator determines that project requires an independent contractor to assist with/complete work.
2. **Before** any work is started and/or before committing to any individual, Hiring Administrator completes an Independent Contractor Agreement (ICA) form (located at www.unh.edu/purchasing) under "Forms" providing:
 - a. Independent Contractor contact information (Section II of the ICA)
 - b. Hiring Administrator contact information (Section III)
 - c. Description of anticipated service (Section IV)
 - d. Dates of anticipated service (Section IV)
 - e. Fees & payment arrangements (Section V)
 - f. Selection process for choosing ICA (Section VI on Page 2 of ICA)
 - g. Funding source (grant) (Section VI)
 - h. Employee vs. IC Determination Checklist (found on Page 3 of the ICA Instructions)
3. Hiring Administrator forwards completed Independent Contractor Agreement to the Independent Contractor for signature.
4. Independent Contractor signs the Agreement and returns it to the Hiring Administrator.

Note: If the Independent Contractor is not already an active USNH vendor, he/she will also need to submit a substitute W-9 form (also located at www.unh.edu/purchasing under "Forms") so that a vendor code can be created in Banner.
5. Hiring Administrator signs the Agreement as Hiring Administrator and provides it to the Account Specialist (if applicable) or BSC contact.
6. The Business Service Center contact:
 - a. Enters a Requisition document for the Independent Contractor in Banner
 - b. Forwards the (original or faxed copy acceptable) Independent Contractor Agreement directly to the Campus Purchasing Department (with a completed sub.W-9, if the vendor is not set up in Banner)
 - c. Retains a copy of the Agreement for his/her records.
7. Campus Purchasing Department:
 - a. Enters the sub. W-9 information into Banner to create a vendor code (if applicable)
 - b. Reviews the ICA
 - c. Creates a SAMS database file record
 - d. Verifies insurance coverage (or confirms that it is not needed)
 - e. Applies final signature(s)
 - f. Converts Banner Requisition to a Purchase Order and processes
 - g. Prints and mails the PO to the Independent Contractor (unless otherwise instructed by the BSC contact).
8. Any future dollar increases or extensions of time will require a change order be entered into Banner, as well as an Amendment to the Independent Contractor Agreement filled out, signed, and forwarded through the appropriate channels (as original ICA was). Form can be found at: <http://www.unh.edu/purchasing/indepcont-amend.doc>.