

Independent Contracts (IC)

Definition of an Independent Contractor: An independent contractor is an individual who operates a business and is paid to provide services to complete a **SPECIFIC PROJECT**. Such individuals are under a contract to provide an **END RESULT**. Independent contractors control how, when and where the work is to be done, rather than the contracting organization. Independent contractors operate their own business and are representatives of their business. Per the Internal Revenue Service (IRS), any payments made to an independent contractor for services rendered that are more than **\$600** must be reported.

The IC Agreement Process

1.

Administrator/Faculty/Staff – submits a **Scope of Work (SOW), W-9 and form 587** to Ronda Nash (Business Affairs Office).

Scope of Work: will list the **Project** – beginning and end date, **Deliverables** (specific outcomes listed) and **Compensation** amount.

2.

Ronda Nash – Will create the IC agreement after the SOW, W-9 and form 587 have been received. The VP of Finance will sign.

Two original agreements will be mailed to the Vendor along with the **IC classification Checklist** for his/her signature.

RN, will send you, The Originator, a copy of the contract on the same date the contract is mailed to the Vendor. This will serve as your proof of mailing.

3.

Once the signed agreement is returned, RN will send a copy of the IC, W-9 and form 587 to Originator and Corine Harris.

The Originator is responsible for following up with the Vendor (re: returning the signed contract) and processing the contract for payment.

4.

Originator will complete a **Purchase Order (PO)** (see attached). The **Originator** will make a **copy of the IC, W-9, form 587 and the completed PO**. Originator should then submit copies to ABSMC Materials Management.

Should the Vendor exceed his/her contracted dollar amount, the Originator should contact Ronda Nash to draft an addendum to the contract.

Contracts and Lease Agreement - The Process

Definition of Contracts: A contract is a legal and binding agreement between SMU and an outside vendor/company. Agreement(s) written by the vendor/company are considered contracts.

Administrator/Faculty/Staff – will submit a **contract/lease for review** to Ronda Nash (Business Affairs Office). Ronda will send an electronic version of the contract to Sutter Legal for review.

All CONTRACTS/LEASES are sent to Sutter Legal for review.

Once the contract/lease has been reviewed and approved by legal counsel, Ronda Nash will contact the Originator and forward a copy of the contract signed by the VP of Finance. The Originator is responsible for following up with the Vendor and processing the contract for payment.