

Employee vs. Independent Contractor Determination

Name of Contractor: Jill Hill

Prior to entering into any contract for services, it is incumbent upon OSU to ensure that the relationship and scope of services do not represent an employer-employee situation. Each time a department contemplates a contract for services, the following information must be reviewed and the checklist completed. For Personal Services Invoices, the document must be retained in the department's files; for Personal/Professional Services Contracts, the document must be submitted with the contract to the Contracts Office for review and approval.

When contemplating a contract for services, an independent contractor is a person or business entity which:

- is free from OSU's right to direct and control
• is responsible to OSU only for the contracted result of the work, not the manner or method used to accomplish the work
• controls how the service is provided, who provides it, and the means of accomplishing it
• 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
• has customers and prospective customers as a result of advertising and being known by the public as a going business
• provides goods and/or services to a public of their own choosing

Below is a table comparing employee considerations with those of an independent contractor. Check all that apply in each column.

Table with 2 columns: EMPLOYEE and INDEPENDENT CONTRACTOR. Rows list various criteria with checkboxes. For example, 'Directed and controlled by OSU' is unchecked for employee and checked for contractor. 'Works at OSU's place of business' is checked for employee and unchecked for contractor.

As you consider the guidance in the bulleted list, and then complete the checklist in the columns above, if you find that the relationship being considered falls more into the Employer/Employee category, you should make contact with the Human Resources group first in order for them to consult with you on the most appropriate mechanism for hiring the individual.

Once the contract and this form is submitted to the Contracts Office, a final review will be made. If the contract appears to be a potential Employer/Employee relationship, the Contracts Office will hold the contract for consultation between Human Resources and the department.

I certify that this form was prepared accurate to the anticipated scope and performance of the Contractor listed above:

Form Prepared By: Debbie Lauer Date: 1/11/07

Contracts Officer Review (PPSC only): Date:

PERSONAL SERVICES INVOICE
FOR SERVICES OF LESS THAN \$5000



DEPT. INVOICE NO.

THIS INVOICE CANNOT BE USED TO PAY OSU EMPLOYEES or NON-U.S. CITIZENS

USE OF THIS TOOL MUST MEET THE FOLLOWING CRITERIA

- **Single payment tasks**
- **Up to 5 DIFFERENT tasks per calendar year per contractor**
- **Up to \$5000 accumulation per calendar year per contractor**

PAYEE NAME: Jill Hill

U.S. TAX ID NO.: 123-456-789 (required for payment)

ADDRESS:

Street: 123 Hill Street
Street:
City/State/Zip: Corvallis, OR 97330

PHONE NO.: 541-753-1234

DEPARTMENT NAME: PaCS

PREPARED BY: Debbie Lauer

PREPARER'S CAMPUS/FIELD ADDRESS:

PaCS – 644 SW 13th Street

PREPARER'S PHONE NO.: 737-7343

- U.S. CITIZEN
 U.S. CITIZEN LIVING OUTSIDE THE U.S.
 RESIDENT ALIEN (GREEN CARD HOLDER)

(If you cannot check one of the above boxes, this form cannot be used – please prepare a PPSC)

SERVICE(S) TO BE PERFORMED: Contractor will scan 1,000 procurement contracts to pdf, and enter into the PaCS database, including the agreed-upon 17 data elements for each contract. Payment will be made upon completion of all documents and data elements.

DATES OF SERVICE: 1/11/07 - 2/11/07 **PAYMENT:** \$500
(This form cannot be used for reimbursement of expenses only – please contact Travel Department)

CERTIFICATION: I am an independent contractor, and I understand the tax and legal implications of this particular payment (including expenses) to be reported on Form 1099 at the end of the calendar year. Oregon State University Terms of Payment for Personal Services under \$5000 apply. By my signature hereon, I certify that I have performed the above service(s) and I agree to those terms as stated on the attached page.

I AM NOT AN OSU EMPLOYEE and I AM A U.S. CITIZEN or GREEN CARD HOLDER

Signature of Payee _____ **Date** _____

OSU VENDOR NUMBER:

INDEX/FUND CODE	ACCOUNT CODE	ACTIVITY CODE	PAYMENT AMOUNT
ABC123	12345	98765	\$500.00

I certify that this department has not paid this contractor more than 5 different times or a total of more than \$5000 on a PSI in this current calendar year.

DEPARTMENT APPROVAL / DATE

OREGON STATE UNIVERSITY (OSU)

TERMS OF PAYMENT FOR PERSONAL/PROFESSIONAL SERVICES OF \$5000 OR LESS

In cashing the check for payment of services rendered to Oregon State University, hereafter referred to as OSU, CONTRACTOR acknowledges completion of performance of the personal/professional services which were agreed to orally between CONTRACTOR and OSU. Throughout this document "agreement" shall be construed to mean both the oral agreement and the terms below. In addition, CONTRACTOR, under penalties of perjury, affirms that:

- a. CONTRACTOR has provided the correct taxpayer ID number to OSU. Social security number is requested pursuant to ORS 305.385 and OAR 150-305.100 and will be used for administration of state, federal and local laws;
- b. CONTRACTOR is an independent contractor as defined in ORS 670.600;
- c. As provided in ORS 305.385(6), to the best of CONTRACTOR's knowledge, CONTRACTOR is not in violation of any of the tax laws described in ORS 305.380(4); and
- d. CONTRACTOR is not employed by OSU.
- e. If CONTRACTOR is not domiciled in or registered to do business in the State of Oregon, CONTRACTOR certifies that it has provided to the Oregon Department of Revenue and the Secretary of State, Corporation Division, all information required by these agencies relative to this agreement.

Finally, CONTRACTOR agrees to the following provisions:

ACCESS TO RECORDS. CONTRACTOR shall maintain books, records, documents, and other evidence and accounting procedures and practices sufficient to reflect properly all costs of whatever nature claimed to have been incurred and anticipated to be incurred in the performance of the oral agreement. The Oregon State Board of Higher Education, Oregon Secretary of State, Federal Government, and their duly authorized representatives shall have access to the books, documents, papers, and records of CONTRACTOR which are directly pertinent to the agreement for the purpose of making audit, examination, excerpts, and transcripts. Such books and records shall be maintained by CONTRACTOR for three years from the date of the completion of work unless a shorter period is authorized in writing. CONTRACTOR is responsible for any audit discrepancies involving deviation from the terms of the agreement and for any commitments or expenditures in excess of amounts authorized by OSU.

COMPLIANCE WITH APPLICABLE LAW. CONTRACTOR affirms that CONTRACTOR has complied with all federal, state, county, and local laws, ordinances, and regulations applicable to the work to be done under the agreement. CONTRACTOR further agrees to make payments promptly when due, to all persons supplying to such CONTRACTOR, labor or materials for the prosecution of the work provided in the agreement; pay all contributions or amounts due its workers' compensation insurer incurred in the performance of the agreement; not permit any lien or claim to be filed or prosecuted against the state on account of any labor or material furnished; pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

DUAL PAYMENT. CONTRACTOR shall not be compensated for work performed under the oral agreement from any other entity of the State of Oregon.

GOVERNING LAW. The agreement shall be governed and construed in accordance with the laws of the State of Oregon. Any claim, action, or suit between OSU and CONTRACTOR that arises out of or relates to performance of the agreement shall be brought and conducted solely and exclusively within the Circuit Court for Marion County, for the State of Oregon. Provided, however, that if any such claim, action, or suit may be brought only in a federal forum, it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon.

INDEMNITY, RESPONSIBILITY FOR DAMAGES. CONTRACTOR shall be responsible for all damage to property, injury to persons, and loss, expense, inconvenience, and delay which may be caused by, or result from, the conduct of work, or from any act, omission, or neglect of CONTRACTOR, its subcontractors, or employees. CONTRACTOR shall save, defend, indemnify, and hold harmless the State of Oregon, the Oregon State Board of Higher Education, OSU, and their officers, agents, employees, and members from all claims, suits, and actions of any nature resulting from or arising out of the activities or omissions of CONTRACTOR or its subcontractors, officers, agents, or employees.

OWNERSHIP OF WORK PRODUCT. All work products or any form of property originated or prepared by CONTRACTOR are the exclusive property of OSU.

INSURANCE, WORKERS' COMPENSATION. CONTRACTOR, its subcontractors, if any, and all employers providing work, labor, or materials under this agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires said employers to provide workers' compensation coverage that satisfies Oregon law for all their subject workers. Out of state employers must provide Oregon workers' compensation coverage for their workers who work in Oregon. Contractors who perform the work without the assistance or labor of any employee need not obtain such coverage. CONTRACTOR shall require proof of such workers' compensation coverage by receiving and keeping on file a certificate of insurance from each subcontractor or anyone else directly employed by either the CONTRACTOR or subcontractor.

DISCLOSURE OF SOCIAL SECURITY NUMBER. This number is requested pursuant to ORS 305.385 and OAR 150-305.100 and will be used to administer state, federal and local tax laws.

FOREIGN CONTRACTOR. If CONTRACTOR is not domiciled in or registered to do business in the State of Oregon, CONTRACTOR shall promptly provide to the Oregon Department of Revenue and the Secretary of State, Corporation Division, all information required.

WAIVER. The failure of OSU to enforce any of these terms shall not constitute a waiver by OSU of any term.