

Guide to Engaging Independent Contractors

Prior to engaging an Independent Contractor (IC)

- **Recognize that current and recent BYU employees** typically cannot be paid as ICs. “Recent” means paid as a BYU employee within the last six months or in the current calendar year. *Additionally, retirees may not be engaged as ICs beyond the first three years from their retirement date.*
- **Obtain preapproval of vendors** from the Compensation Department
 - Some circumstances require completion of an IC Questionnaire (see the ICO Category Requirement Sheet). Submit the completed questionnaire to compensation_assistant@byu.edu.
 - For those not requiring a questionnaire, contact Compensation at 2-7534 or 2-0220 to check the employment status of the individual.
- **From the ICO Category Requirements sheets**, determine if the services can be paid via Fast Track and what documentation is required. Some categories have limitations on the days worked, amount that can be paid, or both.
- **Obtain a W-9 or W-8BEN from the payee**
 - IRS Form W-9
 - Many situations require submission of an Employer Identification Number (EIN) instead of a Social Security Number (SSN) for the Taxpayer Identification Number (TIN) on the W-9.
 - Whichever number is used, the name to which the number has been issued must appear on the FIRST line of the W-9 form.
 - A handwritten signature is required.
 - Foreign Vendors
 - For foreign vendors performing work in the U.S., contact the Regulatory Accounting Department at 2-8098 to determine if a W-9 or W-8BEN is to be used.
 - For foreign vendors performing work OUTSIDE of the U.S., neither a W-9 nor W-8BEN are required; however, extended agreements (beyond four months) need to be discussed with the Director of Regulatory Accounting and Reporting at 2-6639 before a department enters into such an agreement.
- **Obtain Other Documentation**
 - Refer to the ICO Category Requirements Sheets.
 - The payee name should be consistent across all documents and match the name on the correctly completed W-9 or W-8BEN.

Upon Completion of Work

- Prepare a Fast Track Payment Request and ensure to
 - Use the correct ICO Category code
 - Attach the documentation required for that category
 - Include the actual work dates and correct location where work was performed
 - Provide a reasonable description of the work that was performed (not just “contractor”)
 - Provide the reason you chose the particular contractor (such as “best price,” “expert in field,” etc.)

Note: The above requirements also apply to IC payments through Purchasing Marketplace. Failure to meet the IC requirements will result in delayed or denied payments. Independent Contractors cannot be paid using a Purchasing Card; using a P-Card to circumvent the IC requirements is a reportable action on the compliance report and carries a \$100 fine.

Helpful Websites

Related Independent Contractor Forms

BYU FINANCIAL SERVICES TAX-RELATED WEBSITE:

<http://finserve.byu.edu/content/tax-related-w-9-independent-contractors-gifts-family-travel>

OR

BYU PURCHASING AND TRAVEL FAST TRACK WEBSITE:

<https://purchasing.byu.edu/>

(Hover over "Fast Track," under "Process" tab)

Information on Engaging Independent Contractors

BYU FINANCIAL SERVICES:

<http://finserve.byu.edu/content/engaging-independent-contractors>

Applying for an EIN

- 1) Go to irs.gov
- 2) Select "Filing" at the top of the page
- 3) Select "Self-Employed & Small Businesses" from the side menu on the left
- 4) Select the link for "Employer Identification Number" from the list in the center of the page
- 5) Click "Apply for an EIN Online"

Independent Contractor Defined:

<http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Independent-Contractor-Defined>

ICO Category Requirements

February 12, 2015

Services	Description	Qualifiers/Requirements (In all cases, no current or recent BYU employees should be engaged as Independent Contractors)	ICO Category
Presenters	Presenters, speakers, lecturers, guest instructors, and symposium, colloquium, and practicum presenters, honorarium recipients	Providing services on 5 days or fewer within past 12 months: ► W-9 With SSN or EIN	ICO 8000
		Providing services on 6 days or more within past 12 months: ► Independent Contractor Questions ► W-9 with EIN [^] ► Signed Independent Contractor Contract* ► Invoice(s) <small>[^]May use SSN on W-9 if cumulative payments to the presenter will be less than \$600 in the same calendar year</small>	ICO 8997
Performers	Actors, performers, musicians, models, voice talent, and disc jockeys contracted for live or recorded production <i>Contractor will perform services without retention of intellectual property rights</i>	Providing services on 5 days or fewer within past 12 months: ► W-9 With SSN or EIN	ICO 7929
		Providing services on 6 days or more within past 12 months: ► Independent Contractor Questions ► W-9 with EIN [^] ► Signed Independent Contractor Contract* ► Invoice(s) <small>[^]May use SSN on W-9 if cumulative payments to the presenter will be less than \$600 in the same calendar year</small>	ICO 7951
Catering	Catering and off-campus retreat functions, including facilities and services	► W-9 With SSN or EIN	ICO 8989
Reviewers	External or peer reviewers	► W-9 With SSN or EIN	ICO 8992
Lab Analysis	Laboratory or chemicals analysis	► W-9 With SSN or EIN	ICO 8734
Translation, Text Editing	Text editing, translation, interpreting <i>Contractor will perform services without retention of intellectual property rights</i>	► Independent Contractor Questions ► W-9 with EIN [^] ► Signed Independent Contractor Contract* ► Invoice(s) <small>[^]May use SSN on W-9 if cumulative payments to the contractor will be less than \$600 in the same calendar year</small>	ICO 8995
Judges or Referees	Competition or venue officials, judges, adjudicators, or referees	► W-9 With SSN or EIN	ICO 8998
Miscellaneous Independent Contractor Services	Miscellaneous Independent Contractor services that do not fit under other Fast Track categories	Providing services on 5 days or fewer within past 12 months and not to exceed \$600 cumulatively in the current calendar year: ► W-9 With SSN or EIN	ICO 8999
		Providing services on 6 days or more within past 12 months or exceeding \$600 cumulatively in the current calendar year. (Cannot exceed \$2500 per engagement) ► Independent Contractor Questions ► W-9 with EIN [^] ► Signed Independent Contractor Contract* ► Invoice(s) <small>[^]May use SSN on W-9 if cumulative payments to the contractor will be less than \$600 in the same calendar year</small>	ICO 8993

*Corporate vendors who provide a completed W-9 that is verified by Purchasing are exempt from signing a contract. Non-corporate vendors can be exempted on a case-by-case basis through Regulatory Accounting

ICO Category Requirements

February 12, 2015

Services	Description	Qualifiers/Requirements (In all cases, no current or recent BYU employees should be engaged as Independent Contractors)	ICO Category
Media: Preproduction	<p>Preproduction and development of a media production (film, TV, video, or multimedia) including instructional design, scriptwriting, and casting</p> <p><i>Contractor will perform services without retention of intellectual property rights</i></p>	<ul style="list-style-type: none"> ▶ Independent Contractor Questions ▶ W-9 with EIN[^] ▶ Signed Independent Contractor Contract* ▶ Invoice(s) <p><i>^May use SSN on W-9 if cumulative payments to the contractor will be less than \$600 in the same calendar year</i></p>	ICO 7950
Media: Production	<p>Photographers, cinematographers, stage and lighting production workers, and stage crew contracted to work on a media production (film, TV, video, or multimedia)</p> <p><i>Contractor will perform services without retention of intellectual property rights</i></p>	<ul style="list-style-type: none"> ▶ Independent Contractor Questions ▶ W-9 with EIN[^] ▶ Signed Independent Contractor Contract* ▶ Invoice(s) <p><i>^May use SSN on W-9 if cumulative payments to the contractor will be less than \$600 in the same calendar year</i></p>	ICO 7952
Media: Postproduction	<p>Recording and postproduction engineers and technicians, including audio engineers, Chyron and closed-captioning operators hired to help with a live production or a recorded media presentation</p> <p><i>Contractor will perform services without retention of intellectual property rights</i></p>	<ul style="list-style-type: none"> ▶ Independent Contractor Questions ▶ W-9 with EIN[^] ▶ Signed Independent Contractor Contract* ▶ Invoice(s) <p><i>^May use SSN on W-9 if cumulative payments to the contractor will be less than \$600 in the same calendar year</i></p>	ICO 7953
Translation and Dubbing for Media	<p>Translation and language dubbing production to adapt a media project for viewing in languages other than the original language - Includes script translation, adaptation, timing, voice talent, recording, and mixing</p> <p><i>Contractor will perform services without retention of intellectual property rights</i></p>	<ul style="list-style-type: none"> ▶ Independent Contractor Questions ▶ W-9 with EIN[^] ▶ Signed Independent Contractor Contract* ▶ Invoice(s) <p><i>^May use SSN on W-9 if cumulative payments to the contractor will be less than \$600 in the same calendar year</i></p>	ICO 7954

*Corporate vendors who provide a completed W-9 that is verified by Purchasing are exempt from signing a contract. Non-corporate vendors can be exempted on a case-by-case basis through Regulatory Accounting

ICO Category Requirements

February 12, 2015

Services	Description	Qualifiers/Requirements (In all cases, no current or recent BYU employees should be engaged as Independent Contractors)	ICO Category
Attorney	Legal fees paid to attorneys	▶ W-9 With SSN or EIN	ICO 8111
Barlow Endowment Grants	Cash prizes and awards for services performed by a non-employee considered a 1099 IC; other prizes and awards use AWD 6012	▶ W-9 With SSN or EIN	ICO 6012
Centers of Excellence Consultants	Consultants approved by Utah Dept of Economic Development as Centers of Excellence program consultants	▶ W-9 With SSN or EIN	ICO 8991
Emergency Repairs	After-hours emergency repairs on site or at the Salt Lake Center	▶ W-9 With SSN or EIN	ICO 7379
ORCA	Researchers and consultants under the auspices of ORCA (Office of Research and Creative Activities). Typically used for R accounts.	<ul style="list-style-type: none"> ▶ Approval from ORCA ▶ Independent Contractor Questions ▶ W-9 with EIN[^] ▶ Signed Independent Contractor Contract* ▶ Invoice(s) <p><i>[^]May use SSN on W-9 if cumulative payments to the contractor will be less than \$600 in the same calendar year</i></p>	ICO 8994
Independent Contractor Travel Reimbursement	Travel or supplies (but not services) needing to be reimbursed to an independent contractor. (If the travel reimbursement is included in the contract, then okay to pay both reimbursement & services on the same Fast Track using the appropriate service-related ICO category.)		
	Individual with receipts	▶ Contact the Travel Office (2-5644)	Y-expense
	Individual with no receipts	▶ W-9 with SSN	ICO 7931
	Company with or without receipts	▶ W-9 with EIN	REF 8999
Physicians and Healthcare Providers	Fees to physicians and healthcare providers for medical services provided at BYU	<ul style="list-style-type: none"> ▶ Independent Contractor Questions ▶ W-9 with EIN[^] ▶ Signed Independent Contractor Contract* ▶ Invoice(s) <p><i>[^]May use SSN on W-9 if cumulative payments to the contractor will be less than \$600 in the same calendar year</i></p>	ICO 8099
Real Estate Appraisal	Fees charged to appraise value of real estate property	▶ W-9 With SSN or EIN	ICO 8911
School District Mentors	Supervision of student teachers by school district personnel and students in foreign countries	▶ W-9 With SSN or EIN	ICO 8996
Students who are not current/recent BYU employees	Services where cumulative payments in current calendar year will be \$200 or less ▶ No W9 or other documentation required		Use appropriate ICO Category for type of services performed
	Services where cumulative payments in current calendar year exceed \$200 ▶ Follow normal Independent Contractor rules/category requirements		
Visa Applications	Non-governmental services associated with travel visa applications	▶ W-9 With SSN or EIN	ICO 8990

*Corporate vendors who provide a completed W-9 that is verified by Purchasing are exempt from signing a contract. Non-corporate vendors can be exempted on a case-by-case basis through Regulatory Accounting