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# SJSU Research Foundation

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## Independent Contractor Procedure for Principal Investigators and Authorized Account Signers

### 1.0 Purpose

This document describes the tasks involved in obtaining the services of an independent contractor.

### 2.0 Responsibility

Principal investigators (PI's) are responsible for ensuring that all members of their team understand and use these instructions.

### 3.0 Requirements

Form or Tool	Description of Use
Independent Contractor Agreement	Non-employee agreement to provide services to the Research Foundation
Independent Contractor Determination Checklist	PI/Authorized Account Signer fills out to ensure individual is not an employee

### 4.0 Independent Contractor Agreement Instructions

Prior to commencement of services, the independent contractor agreement must be completed and approvals given by the Research Foundation. Do not complete an Independent Contractor (IC) Agreement if the proposed IC is a C-Corporation, S-Corporation, or an LLC with a C-Corporation or S-Corporation tax classification and has a valid taxpayer ID. This can most easily be determined by obtaining a completed W9 from the proposed IC. If the proposed IC falls into any of these categories, they will instead need to provide a Service Agreement, W-9/W-8, and obtain an SJSU Research Foundation Purchase Order before services can commence.

#### To complete the Independent Contractor Agreement process:

1. PI/Authorized Account Signer determines there's a need for an independent contractor and comes up with project specifications (dates, scope of work, deliverables, progress reporting, etc.) and fills out this portion of the Research Foundation IC Agreement.

Project Specifications to be Completed by the Principal Investigator (PI)	
a. Dates of service to be performed (cannot exceed 12 mos. in length):	b. Specific location of services to be performed: <input type="checkbox"/> Check box if statement of work is attached.
c. Description of services to be performed/scope:	
d. Deliverables:	
e. Progress Reporting:	
f. Fee for Services: \$ _____ per <input type="radio"/> Hour <input type="radio"/> Day <input type="radio"/> Flat Rate Not to exceed a total amount of: \$ _____	
g. Invoice will be submitted: <input type="radio"/> Upon completion of services <input type="radio"/> At specified intervals: _____	
h. Sensitive Position (as defined by the <a href="#">CSU</a> ): <input type="radio"/> Yes <input type="radio"/> No	
<input type="checkbox"/> If a sensitive position, check the box to indicate that all appropriate background checks have been completed by the independent contractor.	

2. PI/Authorized Account Signer selects an individual based on project specifications and competitive price or sole source or as specified in the grant agreement and provides the proposed IC with the Research Foundation (IC) Agreement.
  
3. The proposed IC fills out the IC Agreement and attaches required documents (resume/curriculum vitae and W8/W9).

Required Attachments (check all that apply)		
<input type="checkbox"/> Curriculum Vitae/Resume	<input type="checkbox"/> IRS Form W-8/W-9	<input type="checkbox"/> Business License
Information about the Independent Contractor		
Legal Name (as shown on your income tax return): _____	Taxpayer Identification # (must match legal name): _____	
Business Name (if different from above): _____	Business License # (attach a copy of the license): _____	
Address (street number and name): _____	City, State, and Zip: _____	Country: _____
Primary Occupation: _____	Phone #: _____	Email Address: _____
Have you been employed by the SJSU Research Foundation or the CSU System within the past 12 months?		
<input type="radio"/> Yes <input type="radio"/> No    If yes, please indicate where and when: _____		
<b>Note:</b> Active SJSU Research Foundation or CSU System employees are not eligible for IC status.		
Are you a U.S. citizen or legal U.S. resident?		
<input type="radio"/> Yes <input type="radio"/> No    If no, please indicate Visa type and expiration date (attach a copy): _____		

4. The proposed IC signs the agreement, initials the bottom, and submits to the PI/Authorized Account Signer for review.

To be Completed by the Independent Contractor		
This agreement shall be construed in accordance with, and governed by, the laws of the State of California.		
I acknowledge that I am not an employee of the SJSU Research Foundation. I agree to perform the services described at the rate indicated. I have read, I understand, and I agree to all covenants, conditions, and stipulations as set forth in this agreement, including, but not limited to, the <a href="#">General Provisions and Non-Disclosure Agreement</a> found on SJSU Research Foundation's Forms web page.		
I understand that this agreement is not final and binding until all approvals have been obtained from all parties prior to the commencement of services.		
If you are a consultant with your own consulting agreement, please check the box to indicate that this agreement is subject to additional terms.		
<input type="checkbox"/> Attach your consulting agreement to this form for review and processing. If the terms and conditions of the fully executed consulting agreement conflict with this agreement, the terms and conditions set forth in the consulting agreement will prevail.		
Signature: _____	Date: _____	
Independent Contractor Initials _____	PI/Authorized Account Signer Initials _____	Purchasing Initials _____
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- The PI/Authorized Account Signer reviews the IC agreement and attachments and fills out a Research Foundation Independent Contractor Determination Checklist and signs.

**San José State University Research Foundation**

**Determination of Independent Contractor Status Checklist**  
(This form must be completed by the principal investigator or authorized account signer)

Prior to completing this checklist, please review the *Independent Contractor Policy* along with the list of individuals or categories that are **not** eligible to receive independent contractor agreements.

For federal tax purposes, independent contractor status is an important distinction. It affects how the contractor files tax returns and the contractor's responsibility for filing all appropriate taxes, including federal and state income tax, Social Security and Medicare tax. Please complete all sections of this checklist.

**Agreement Number** (assigned by Research Foundation Purchasing) \_\_\_\_\_ **Independent Contractor** (Enter the full name) \_\_\_\_\_

**Principal Investigator/Authorized Account Signer** (Enter the full name) \_\_\_\_\_ **Account Number** (please list all accounts to be charged) \_\_\_\_\_

Please carefully review and respond to the statements listed below. Provide explanations for all "No" responses on a separate sheet.

Yes = Indicates independent contractor (IC) status	No = May indicate dependent (employee) status	Yes	No
<b>Independent Contractor Relationship Agreement:</b> The Research Foundation and the independent contractor		<input type="checkbox"/>	<input type="checkbox"/>

- The PI/Authorized Account Signer initials the bottom of and signs the IC Agreement and forwards along with attachments to Research Foundation Purchasing to obtain internal approval (HR, OSP).

**Conflict of Interest Disclosure:**

A conflict of interest exists in any situation in which a person having official responsibilities for the SJSU Research Foundation is empowered to make decisions on behalf of their project/department and who, as a result of that authority, can potentially benefit personally, directly or indirectly, from an entity or person conducting business with the SJSU Research Foundation. Any conflict must be disclosed in full and reviewed by the SJSU Research Foundation Central Administration. The SJSU Research Foundation reserves the right to deny the selection of the individual as a contractor if the conflict cannot be mitigated.

I certify that I will adhere to all applicable SJSU Research Foundation policies.


I further certify that I will not receive any benefit, either directly or indirectly, from the contractor named on **page 1** and all expenditures will be appropriate to the account being charged. The amount charged to this account should not exceed the amount listed in **item "f" on page 1**.

PI/Authorized Account Signer's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

PI/Authorized Account Signer's Printed Name: \_\_\_\_\_

Account numbers to be charged: \_\_\_\_\_ Encumbrance Amount: \_\_\_\_\_

- After the IC agreement has been fully executed the PI/Authorized Account Signer will receive a copy of the Research Foundation Purchase Order and fully executed IC agreement from Research Foundation Purchasing. At this point the IC may begin providing services.



**SAN JOSÉ STATE UNIVERSITY**  
RESEARCH FOUNDATION

**BILLING ADDRESS:**

ACCOUNTS PAYABLE  
P.O. BOX 720130  
SAN JOSE, CA 95172-0130  
(408) 924-1400

**PURCHASE ORDER**

No. \_\_\_\_\_

This number must appear on all invoices, containers, B/L, correspondence, etc.

**DELIVER PREPAID TO LOCATION BELOW:**

8. IC's should mail their invoices directly to Research Foundation Accounts Payable who will then email a copy to the PI/Authorized Account Signer to verify services have been completed and that the invoice is correct (billed amount etc.).

**4.1 Batch Independent Contractors – (Last minute, limited information etc.)**

**To complete the Batch Independent Contractor Agreement Process:**

1. PI/Authorized Account Signer receives last minute independent contractor agreement request but needs approval from the Research Foundation before services can begin.
2. PI/Authorized Account Signer emails scope of work, total dollar amount (by person or by batch), and number of people to Research Foundation Purchasing to route for internal approval (HR, Analyst).
3. Purchasing will forward the internal approval to the PI/Authorized Account Signer.
4. The PI/Authorized Account Signer should attach the approval email to the signed independent contractor agreement when obtained.
5. After the PI/Authorized Account Signer receives the fully completed independent contractor agreement and W9/W8 they must follow the steps beginning on page 1 to obtain a purchase order number.

**4.2 De Minimis Independent Contractor Instructions**

**To complete the De Minimis Independent Contractor Agreement Process:**

1. PI/Authorized Account Signer determines there's a need for an independent contractor to perform minimal services that are considered low risk (repair, maintenance, notary, etc.) and will be paid less than \$600 in a calendar year.
2. PI/Authorized Account Signer will obtain an invoice and W9/W8 from the individual, fill out a requisition for payment after services have been provided, sign, and submit to their account analyst for review. PI/Authorized Account Signer should notate "de minimis services" on the requisition to avoid a delay in payment.

**5.0 Related References**

Research Foundation Independent Contractor Policy (Human Resources)

Research Foundation Purchasing Policy (Finance and Accounting)

**6.0 Revision Record**

<b>Document Number or Release Date:</b>	<b>Effective Date:</b> 09/01/2016
<b>Supersedes:</b>	<b>Authorized By:</b> Cherie Herbert