SJSU Research Foundation

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

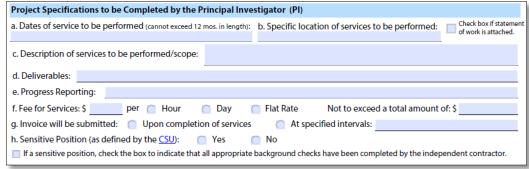
Form or Tool Description of Use	
Independent Contractor Agreement	Non-employee agreement to provide services to the Research Foundation
Independent Contractor Determination Checklist	PI/Authorized Account Signer fills out to ensure individual is not an employee

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.



- 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)				
Curriculum Vitae/Resume	IRS Form W-8/	W-9	Business License	
Information about the Independent Contractor				
Legal Name (as shown on your income tax return):		Taxpayer Identification	1 # (must match legal name):	
Business Name (if different from above);		Business License # (atta	ch 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	on or the CSU System	within the past 12 mo	onths?	
 Yes No If yes, please indicate where an 	d when:			
Note: 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?				
Yes 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.



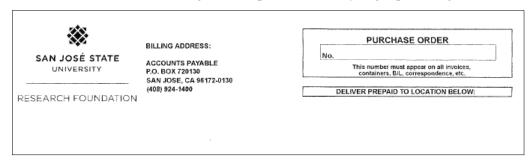
5. The PI/Authorized Account Signer reviews the IC agreement and attachments and fills out a Research Foundation Independent Contractor Determination Checklist and signs.

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 <i>Independent Contractor Policy</i> along with the list of individuals or that are not eligible to receive independent contractor agreements.	categories	5			
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 charg	ged)			
Please carefully review and respond to the statements listed below. Provide explanations for all "No" responses on a	separate s	heet.			
Yes = Indicates independent contractor (IC) status No = May indicate dependent (employee) stat	us Yes	No			
Independent Contractor Relationship Agreement: The Research Foundation and the independent contractor					

6. 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:		

7. 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.



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

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