



311 POLICY – Independent Contractor or Consultant

311.1 Statement of Policy

This policy and its corresponding procedures define departmental responsibilities relating to Independent Contractors, consultants, or payment for professional services for Redlands Community College.

The criteria used for determining whether an individual should be considered an employee or Independent Contractor are established by the Internal Revenue Service (IRS), Department of Labor, and the courts. The IRS has focused on this issue and given high priority to the classification of employment relationships and the tax implications.

311.2 Definitions

An **Independent Contractor** (IC) is a person engaged by the College on a limited basis to perform specific functions or tasks at his or her own discretion with respect to the means and methods used to accomplish the assignment. Independent Contractors are also known as consultants or independent service providers.

In order to qualify as a contractor, the service provider must be an individual

1. utilizing a social security number for tax purposes and
2. providing services, not goods or products.

Purchases of goods or products must follow the normal purchasing and payment guidelines. Goods may only be included in a contractor's invoice if they are part and parcel of the service provided, such as Sole Provider disc jockey who provides confetti, bubbles, or foam as part of that entertainment service. If a product is simply delivered, then the product must be purchased under vendor guidelines.

311.3 Prohibitions

State law prohibits any State agency (the College) from entering into a sole source contract or a contract for professional services with or for the services of any person, who has terminated employment with or who has been terminated by that agency for one (1) year after the termination date of the employee from the agency. (Oklahoma



Statute Title 74, Section 85.42, Oklahoma Central Purchasing Act.).

No institution within the Oklahoma State System of Higher Education shall enter into a contract for consultant services with any person who has retired from employment with any institution for two (2) years after the retirement date of such person. (Oklahoma Statute Title 70, Section 3227 Legislative Intent regarding Contract for Consultant Services.)

Adopted July 2020



311 PROCEDURE – Independent Contractor or Consultant

311.1:1 Statement of Procedure

The Department works with the Executive Vice President of Campus Administration and Finance to determine whether an individual qualifies for Independent Contractor status. The department is responsible for ensuring that the work is performed and that their departmental budget covers the expense.

311.1:2 Vendors

If the service provider is a business operating with a Federal Employer Identification Number (EIN), payment requests will follow purchasing and guidelines for vendors.

311.1:3 Approval Required Before Payment

The department should not allow any services to be performed by the contractor prior to obtaining final approval. **No payment can be made until the services have been performed and proper approvals and documentation are provided to Accounts Payable.**

These steps must be followed:

1. The contractor/vendor must fill out a new vendor request form and return it to the Department.
2. If vendor will be providing the actual service on the campus of Redlands Community College, the vendor must also submit their certificate of liability insurance. If vendor does not have liability insurance, they must complete and return an affidavit of exempt status under the Workers' Compensation Act.
3. The Department submits the completed vendor form and documents requested under #2 to Accounts Payable.
4. Accounts Payable sets up the vendor so it can be used on the Requisition.
5. The Department enters the Requisition into the accounting software.
6. Purchasing reviews the documents and may approve, deny, or request additional documents.



311.1:4 Approval Required Every 12 Months

If the service provider is used more than once a year by the same department for the same services, the documents listed above need only be completed once every twelve (12) months from the date the original form was approved.

311.1:5 After Services Have Been Performed

The following section addresses organizational responsibilities **after** services have been provided by the Independent Contractor.

Payment for Services – The Department works with Accounts Payable to provide payment to the Independent Contractor after services are provided.

Department Responsibilities – Include the following three (3) steps:

1. Verify that the services have been performed satisfactorily.
2. Obtain a detailed invoice.
3. Forward all required documentation to Accounts Payable for payment.

311.1:6 Reimbursement for Travel Expenses

The State of Oklahoma travel voucher cannot be used for an Independent Contractor's travel expenses. Travel expenses should be included in the contractor invoice itemized list, not on separate documents.

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