Payment for Personal Services as a Consultant or Independent Contractor

Summary/Purpose: The existence of an employer-employee relationship between an individual and the University determines whether an individual may be paid as a consultant or independent contractor. Primary guidelines used to determine whether an employer-employee relationship exists are listed on the e-form 13.

The existence of an employer-employee relationship between an individual and the University determines whether an individual can be paid as a consultant or independent contractor. If an employer-employee relationship exists, the individual must be employed and paid through the payroll system. Otherwise, the individual may be paid as a consultant or independent contractor. Primary guidelines used to determine if an employer-employee relationship exists are listed on the e-form 13.

Departments are encouraged to have on file a Letter of Agreement or similar written agreement detailing the services the consultant or independent contractor is responsible for performing if the fee for services is over $5,000.00.

The Procurement Services Department requires the advertising of an RFP for services over $50,000.00 unless the signatory officer or principal investigator provides a written justification for “sole source” or “research” when the e-form 13 is submitted.

State law prohibits an employee of the University from being a contractor of the University while they are an employee. Employees who intend to perform extra work beyond their normal duties must consult Human Resources prior to doing the work to discuss whether or not the work can be done and the proper method of payment.