

Area: Fiscal Systems

Subject: FS08 - Independent Contractor Agreement/ Part Time Professional Employee

Reference:

Policy: SCOE program coordinators, can, with proper approval, arrange for the services of an independent contractor or consultant to help meet organizational goals. (There are a number of differences between an independent contractor, a consultant, and an actual employee; the program coordinator is responsible for making sure that all these criteria are met.)

Procedure:

Independent Contractor

1. Determine whether Contractor will be an Independent Contractor or Part Time Professional Employee
 - Definition of an Independent Contractor is
 - Contractor must have certified that he or she is not an employee of the office and is self-employed in the performance of the special services specified
 - Contractor must be able to Check all Items on checklist attached Common-Law Rules (IRS Revenue Ruling 87-41). (If contractor can not check all, then they will be a Part-Time Professional Employee.)
2. A contractor shall be an expert in this Special Services being provided and should have greater skills/knowledge than your regular staff performing a job that is unique and not covered under STRS/PERS
3. Selection Process:
 - Known Contractor:
 - Who has this contractor conducted work for?
 - Review prior Evaluations if contracted with in the past
 - What is their Daily Rate?
 - A standardized formula will be used for Prorating services fees for less than a full day rate.
 - Unknown Contractor
 - If unknown, get at least 3 References
 - Require potential Contractor to send Resume
 - What is their Daily Rate?
 - A standardized formula will be used for Prorating services fees for less than a full day rate.

4. Program Director arranges for the services of the I.C. and Office Supervisor, under the direction of program director completes the appropriate paperwork.
 - a) Form P-28, "Agreement for Special Contract Services" (Independent Contractor)
 - b) Form P-26, "Independent Contractor Checklist/Common Law Rules"
 - c) Form P-5 (Business Services), "Independent Contractor Position Description"
 - d) EDD Report of Independent Contractor (DE-542)
 - e) Vendor Application
5. Office Supervisor forwards paperwork to Data Technician for further processing, i.e. budget availability, account number(s) and Data Tech returns paperwork to Office Supervisor.
6. Office Supervisor forwards paperwork to Data Director, Program Director and Division Administrator for signature. Agreement is returned to Office Supervisor after said signatures have been obtained.
7. Office Supervisor prepares the packet to go out to the I.C. to be signed and returned to Data Director. This packet includes:
 - a) Cover letter
 - b) Form P-28
 - c) Vendor Application
 - d) EDD Report of Independent Contractor (Form DE-542)
 - e) Note: Office Supervisor holds a checklist and position description.
8. When Data Director gets the signed agreement back it is forwarded to Office Supervisor.
9. Office Supervisor forwards agreement along with Position Description (P-25) and Contractor Check List (P-26) to Assistant Superintendent of Business Services for signature.
10. Fully executed agreement is returned to Office Supervisor for mailing to contractor (yellow copy). The balance of the copies goes to the Program Support Secretary to be handled as follows: white copy to business office, pink copy for our files and goldenrod to originator.
11. Independent Contractor submits an invoice for payment for services rendered. Invoices are to be sent to Data Director and clearly marked INVOICE. Claims are paid shortly after their receipt in the Business Office.

See rates at the end of this procedure

Part Time Professional Employee

1. Determine whether Contractor will be a Part Time Professional Employee or Independent Contractor
 - A Part Time Professional Employee certifies that his or her will not be on current employers work schedule and current employer, if any is fully cognizant of the agreement with SCOE.

2. Selection Process:

Known Contractor:

- Who has this contractor conducted work for?
- Review prior Evaluations if contracted with in the past
- What is their Daily Rate?
 - A standardized formula will be used for Prorating services fees for less than a full day rate.
- Refer to SCOE H.R. rates/fees (example H.R. has a hourly pay rate for a Translator).

Unknown Contractor

- If unknown, get at least 3 References
- Require potential Contractor to send Resume
- What is their Daily Rate?
 - A standardized formula will be used for Prorating services fees for less than a full day rate.
- Refer to SCOE H.R. rates/fees (example H.R. has a hourly pay rate for a Translator).

3. Program Director arranges for the services of consultant. A consultant is considered to be a SCOE employee. Under the direction of the Program Director, the Office Supervisor prepares the following forms: (for each consultant, SCOE must have on file):

- a) Consultant Employment Agreement Form
- b) Consultant Request for Payment of Services
- c) W-4 for tax purposes
- d) Consultant Data Form P-29A
- e) Employment Eligibility Verification
- f) California Driver's License
- g) Social Security Card

4. SCOE representative (HR Director) may verify on Verification form that they have examined these documents if it is impractical to copy them.
5. After above mentioned documents are prepared by Office Supervisor, under the direction of Program Director, the agreement along with cover letter are sent to the consultant, requesting all documentation be provided and agreement be returned to Data Director.
6. Data Director forwards signed agreement and documentation to Office Supervisor (support services) for further processing.
7. Office Supervisor (s) forwards agreement to Data Technician for assignment of account codes and Data Tech returns to Office Supervisor.
8. Office Supervisor forwards agreement to Program Director for signature, then to Division Administrator for signature, then to Business Office for signature. All documentation is sent with agreement when it goes to the business office for signature. Business keeps the white copy and returns yellow and pink to Data Director.
9. Office Supervisor drafts cover letter for Director's signature and sends consultant the yellow copy of executed agreement for their files.

10. Pink copy is given to Program Support Secretary for filing.
11. Consultant must complete Consultant Request for Payment for Services. (In some instances, an Incidental Reimbursement Claim is more appropriate than a Request for Services Time form [i.e., a one day in-service.]) Time sheets must be submitted to Payroll by the 18th of the month. Payment is made on the 10th of the following month.
12. Consultant is to complete the Mileage Reimbursement Claim form as appropriate.

See rates at the end of this procedure

Rates for independent contractors should be negotiated. It is expected that the staff will negotiate the most cost effective fees and expenses possible for trainers, consultants and presenters.

Rates for Independent Contractors

<u>Category</u>	<u>Description</u>	<u>Daily Fee</u>
		(Local)
1	Consulting work in a specified field performed by an experienced person	\$100 – \$400
		(Non-Local)
		\$500 - \$800
2.	Consulting work requiring a high degree of experience and competence and attainment. Contractor has a recognized standing or position in professional circles of experts in the field.	(Local) \$500 - \$1,000 (Non-Local) \$900 - \$1,200
3	<u>Nationally Known:</u> Consulting work requiring outstanding competence in Specific area. If work is to be performed by a firm or Organization, assigned staff should hold a high level Position in the firm or organization.	\$1,000 – \$1,800
4	<u>Internationally Known</u> Consulting work requiring highest degree of professional accomplishment. Person should have international eminence and stature. Typically would be recognized as a keynote presenter/speaker.	\$1,500 - \$3,500

Note:

If contracted for more than 1 day, attempt to negotiate a reduced total fee for the contracted days.

If contracted for less than a full day, negotiate the fee by the ½ day or by the hour.

Rates for Part-Time Professional should be negotiated if possible. It is expected that the staff will negotiate the most cost effective fees and expenses possible.

Rates for Part-Time Professional Employees

<u>Category</u>	<u>Description</u>	<u>Daily Fee</u>
		(Local)
1	Work in a specified field performed by an experienced person	\$100 – \$200
		(Non-Local)
		\$200 - \$400
2.	Consulting work requiring a high degree of experience and competence and attainment. Contractor has a recognized standing or position in professional circles of experts in the field.	(Local) \$300 - \$600
		(Non-Local) \$600- \$900
3	<u>Nationally Known:</u> Work requiring outstanding competence in Specific area. If work is to be performed by a firm or Organization, assigned staff should hold a high level Position in the firm or organization.	\$800 – \$1,000
5	<u>Internationally Known</u> Consulting work requiring highest degree of professional accomplishment. Person should have international eminence and stature. Typically would be recognized as a keynote presenter/speaker.	\$1,000 - \$1,200

Note:

If contracted for more than 1 day, attempt to negotiate a reduced total fee for the contracted days.

If contracted for less than a full day, negotiate the fee by the ½ day or by the hour.

Supervised by: Director and Administrators

Performed by: Program Coordinator

Forms needed: Form P-28, P-26, P-29, P-5, DE-542, Consultant Employment Agreement Form, Consultant Request for Payment of Services, W-4.

Frequency: On-going