



Executive Summary

Revision 5 of Policy 3-111

Independent Consultant and Independent Contractor Professional Service Agreements November 19, 2010

One of the major recommendations coming out of the recent internal audit of the Accounts Payable Department was as follows – “We recommend that . . . Financial & Business Services review and revise the wording of Policy 3-111 to provide clear guidance to departments hiring individuals that may not fit the definition of ‘employee’ . . .”

After several months of discussion and review of the policy amongst several administrative offices (including the Office of General Counsel), and representatives of the Institutional Policies Committee (IPC), the policy has been revised to clarify requirements for classification as an independent contractor, and the circumstances under which they may be engaged. Specific wording has been added to provide assistance in distinguishing between an independent contractor and an employee, and clarifying language has been added on selecting and contracting with such individuals or entities.

Changes to the policy are intended to provide clear guidance on whether an individual should be treated as an employee rather than an independent contractor, to ensure compliance with tax laws.

Approved: *Arnold B. Combe*
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