

STOCKTON UNIVERSITY

Independent Contractor Determination Checklist

In New Jersey, an independent contractor is an individual or firm who is contracted to work utilizing their own methods, and the means by which the work is accomplished is not controlled by the employer. An independent contractor is normally engaged in an established business, trade or profession. As such, an independent contractor is not an employee of the University and is treated differently with respect to tax withholdings, employee benefits, and payment methods.

It is permissible for an **individual** to be hired as an independent contractor only if all three of the following requirements are met:

- **Minimal Direction:** the worker is free from the employer's control or direction in the performance of this work;
- **Established Business or Trade:** the worker is normally engaged in an independently established business or trade, which derives income from a number of clients including the University; and
- **Expertise:** the work requires professional knowledge or professional expertise that is not generally available at the University.

This checklist will provide support for classifying an individual as an independent contractor and should be completed by the Department requesting payment. If all questions are answered "yes", the individual will likely be approved as an independent contractor. If there are any "no" answers, please provide explanation in the space provided at the bottom of this checklist. When an individual is approved as an independent contractor, payments will be processed through Accounts Payable. Please be aware that a misclassification of an individual as an independent contractor may result in taxes, interest, and penalties being assessed by the IRS. If this happens, the Department will be billed for their proportional share of these assessments.

Note: This checklist must be completed and submitted once per calendar year per contractor. If there is a material change in the services being provided, an additional submission will be required.

Service Provider: _____ **Z# (if assigned)** _____

Services Performed: _____

All Providers	Yes		No	
1. U.S. Citizen or Permanent Resident?				Requires Foreign Visitor Information Sheet
2. Was the individual employed by Stockton in the current calendar year?		Stop and pay as an employee		Continue to question 3
3. Will the individual be performing services in substantially similar capacity or under the similar direction and control as an employee in your department?		Stop and pay as an employee		Continue to question 4
4. Is this a gratuitous payment for a speech or presentation, not accompanied by a contract or invoice?		Stop and complete IRS Form W-9		Continue to next part

Behavioral Control Factors:	Yes	No
1. Does the individual make decisions as to when, where, and how the work is to be performed?		
2. Does the individual have the necessary training or skills to perform the task?		
3. Does Stockton University hire, supervise, and pay assistants to help the individual with the services provided?		
4. Does the individual set their own work hours?		
5. Does the individual determine the sequence of tasks required to complete the work?		
6. Are regular written or oral reports required to be submitted to Stockton University?		
7. Is there a continuous relationship between the individual and Stockton University?		
Financial Factors:		
8. Is the individual performing their services as a separate company with a Federal Tax ID?		
9. Does the individual receive payments on the basis of set deliverables?		
10. Does the individual furnish their own space, tools, and materials?		
11. Is the individual able to make a profit or potentially suffer a loss for this work?		
12. Will individual pay for own business and travel expense?		
13. Will the individual submit an invoice for commission or project?		
Relationship Factors:		
14. Does the individual provide similar services to other non-Stockton clients or advertise their services to the public?		
15. Would the department expect to hold payment or receive money back if goods or services are not delivered?		

Brief description of services provided:

Department: _____ **Representative Name:** _____

Representative Signature: _____ **Date:** _____

To be completed by Fiscal Affairs:

Approved: _____ **Send to Payroll:** _____

Tax Department Representative: _____ **Date:** _____