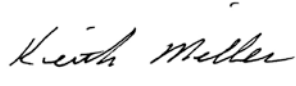


**Greenville Technical College
Administrative Policies**

Policy Name:	Independent Contractor	Approved by President
Policy Number:	5-24	Date Established: 7/27/2015
Date Revised:		Date Removed:
		

Rationale and Purpose

To ensure compliance with applicable rules and regulations of the Internal Revenue Service (IRS) and the Department of Labor (DOL) related to the proper employment classification of an individual providing services to the College.

Policy Statement

Greenville Technical College shall properly determine and classify an individual as either an employee or independent contractor within the rules and regulations provided by the Internal Revenue Service and the Department of Labor. Proper determination and classification of an individual is critical. The procurement of personal services, unlike the procurement of goods, requires an evaluation of how the service provider will be paid. The misclassification of employees as independent contractors can result in the college being liable to the IRS for all taxes that should have been withheld and were not, including federal income tax, social security tax and Medicare taxes, plus interest and penalties. The liability to the DOL can result in unpaid overtime, unemployment and worker’s compensation insurance premiums as well as other potential statutory penalties and liabilities.

Scope

The determination of an individual’s status as an employee or an independent contractor must be determined prior to an engagement to perform services to ensure proper compliance with tax withholding, benefits policies and employment eligibility verification (I-9) requirements.

Roles/Responsibilities

Any area of the college that wants to procure the services of an individual as an independent contractor are responsible for completing the “Service Provider Evaluation Worksheet” and have the potential service provider complete the “Service Provider Questionnaire”. Decisions concerning the appropriate category will be made by the Finance Department based on the information provided in the related forms. Approval by Finance must be secured prior to commencement of services.

Non-Compliance

Failure to comply with/follow this policy may result in disciplinary action up to and including dismissal.

If Applicable:	
Procedures	
Forms	Service Provider Evaluation Worksheet http://gvltec.edu/5-24_attachment-Service_Provider_Evaluation_Worksheet/ Service Provider Questionnaire http://gvltec.edu/5-24_attachment-Service_Provider_Questionnaire/
Related Documents	
Associated SBTCE Policies & Procedures	
Other Related Links (referenced above)	IRS link to Independent Contractor (Self Employed) or Employee? http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Independent-Contractor-Self-Employed-or-Employee DOL link to Misclassification of Employees as Independent Contractors http://www.dol.gov/whd/workers/misclassification/