Independent Contractor /Employee Services Agreement Guidelines

The following individuals must approve the agreements as the “Requestor” based on the amount identified below:

$0.00-$2,499.99 Chair, Director, or Coordinator

$2,500.00-$4,999.99 Dean or Executive Director

$5,000.00-$9,999.99 ELT Member

$10,000-$25,000 Vice President, Business &Finance/CFO

Above $25,000 President

# Terms to Know

* Independent Contractor (IC) Non-Employee Providing Service as subject matter expert
* Employee A-B Tech Employee, paid by A-B Tech, managed by A-B Tech
* Requestor Appropriate level of supervisor based on the total amount of services
* e-Procurement (e-Pro) Online system for processing payment of all Independent Contractors
* Questionnaire Online form that must be approved through HR prior to payment to IC
* Invoice Created by Independent Contractor to submit for payment in e-Pro
* Employee Services Agreement (ESA) Must be completed by employee to receive payment for services
* Professional Services Agreement (PSA) Professional Services Agreement
* Exempt Employee Not subject to overtime rules, does not accrue Comp Overtime
* Non-Exempt Employee Accrues Comp Overtime for any hour worked over 40 in workweek

*Please note that payment for services provided by an employee and a non-employee have different processes.*

# Independent Contractor Process

This process is used when the College utilizes professional services that are provided by an individual who meets the IRS guidelines for independent contractor classification, or a bona fide organization that has a tax identification number.

* Organizational Independent Contractor

If the organization provides a tax identification number and W-9 form, it can be considered an independent contractor without completion of the Independent Contractor Questionnaire. The professional services performed must be reasonably correlated to those offered by the organization. Independent Contractors must register in e-Procurement in order to receive payment. All required documentation will be collected through e-Procurement.

Process

1. Organization registers in e-Procurement
2. Requestor submits requisition for estimate of services in e-Procurement
3. Organization submits invoice to requestor 🡪 Requestor processes e-Pro 🡪 e-Pro mails payment to IC.

If a current employee is an owner or partner there is a financial interest. Except when there are extenuating circumstances, the College will not request permission to contract with such a business. Consistent with this intent, A-B Tech supervisors should NOT contract with any business when an employee has an ownership interest in the business per 01 NCAC 05B.1509 – Purchasing From or Through Agency Employees.

* Individual Independent Contractor

If the College wants to contract professional services provided by an individual, the first step is to ensure the individual is not considered an employee. The Online Independent Contractor Questionnaire must be completed and approved through HR prior to rendering services. Independent Contractors must register in e-Procurement in order to receive payment and complete the PSA. All required documentation will be collected through e-Procurement.

Process

1. Requestor sends IC instructions of how to register in e-Pro and complete the PSA.
2. Requestor completes the PSA Independent Contractor Questionnaire 🡪 Payroll Approves 🡪 ED of HR Approves🡪 Requester receives e-mail confirmation of approval/denial
3. Requestor proceeds:
   * 1. Send Business Office PSA and Questionnaire Approval Email
     2. Submit requisition for estimate of cost in e-Pro, attach PSA
4. After services are finished, Individual IC submits invoice ­­🡪 Requestor processes e-Pro and sends approved Invoice to Business Office 🡪 e-Pro sends payment to IC

# Employee Services Agreement (ESA) Process

This agreement is used in the occasional situation where an employee is providing a temporary service that is not related to the primary position. Non-exempt employees cannot provide services under an Employee Services Agreement.

Process

1. Employee completes the updated ESA Form, submits to requester 🡪 Human Resources
2. Payroll processes the payment

It is important to note that the individual must already be an employee before an Employee Services Agreement can be used.

# Help/Questions

Please contact the Human Resources Department for questions or concerns regarding ESA or Questionnaire for IC:

Susan Arnsperger Payroll Accountant 398-7154

Shanna Chambers Executive Director of HR&OD 398-7178

Please contact the Business Office for questions or concerns regarding e-Procurement or Independent Contractors:

Melissa Valko Assistant Controller 398-7542

Becky Watkins Purchasing Agent 398-7151

# LinkS

E-Procurement <http://eprocurement.nc.gov/Vendor.html>.

Online Questionnaire [Independent Contractor Questionnaire](https://forms.office.com/Pages/ResponsePage.aspx?id=_MeIk0Zj7kij9sFh1rwT-a8IEOW_zP5PtWrfgAiBU0ZURDlBQllDTjZaNkE0MFlIRVpZTlAzNVYxRC4u)