

PAYMENT FOR PERSONAL SERVICES

PLEASE READ BEFORE COMPLETING THE ATTACHED FORMS

The purpose of completing the attached requisition is to assist you and other representatives of this institution in determining the proper method of payment for the individual whose services are being contracted for. A determination must be made relative to the existence of an employee-employer relationship between the individual and the institution in conjunction with the services being performed. If such a relationship exists, the individual must be paid via the payroll. The consequences of not properly paying these individuals in the event of an audit by the Internal Revenue Service are costly. In addition to the penalties imposed by the by the Internal Revenue Service, the institution is obligated to pay both the employee and institutional share of federal taxes normally handled via the payroll process. Conversely, the institution is also subject to a fine if an individual is payrolled when he/she should have been paid as independent contractor. In those instances where the individual is not a sole source, purchasing guidelines apply. **NOTE:** UW Eau Claire students and employees of other State Agencies must be paid on their home payrolls. Current employees of the University System, whose services are provided outside the scope of the individual's employment at the home institution, are paid on UW-Eau Claire's payroll. Contact Accounts Payable, 36-4528, for additional assistance and information.

We ask, therefore, that you before you submit the requisition and a Payment to Individual Report Form (PIR) to Accounts Payable for processing, please give careful consideration to some information provided by the Internal Revenue Service. Factors to consider in determining an employer-employee relationship prepared by the Internal Revenue Service in addition to other important information on payments for personal services are available for review as part of the University of Wisconsin System Administration's Financial Policy and Procedure Paper #31, Payment for Personal Services. This document is available on the Internet: <http://www.uwsa.edu/fadmin/fppp/fppp31.htm>

Listed below is criteria used in determining whether persons providing services for the University are employees of the University System or independent contractors:

A. The following factors indicate an employment relationship may exist:

1. Instructors of college credit courses when the University contracts with the instructor.
2. Primary instructor of a course, be it for college credit, continuing education credit, or non-credit.
3. University of Wisconsin faculty members who provide services for the extension programs.
4. A rate of pay which is not unusually high or low for the services performed.
5. The fee or rate of pay is set by the UW System.
6. Performance of services is done in regularly scheduled classes over a period of time.
7. A continuing relationship between the UW System and the provide of the services exists.
8. The location and facilities are provided by the UW System.
9. The UW System has the right to discharge the provider of the services.
10. The provider of the services and the right to terminate the relationship with the UW and the UW would have the obligation to replace the individual, cancel classes, etc.

B. The following factors indicate that an independent contractor relationship exists:

1. Guest lecturers and consultants who are not the course instructors.
2. An unusually large (indicating expert) or small (indicating token appreciation) amount of pay for the service provided.
3. The UW System competes for the services of the provider, and pays his/her rate.
4. Contracting with a provider of services whose business is conducting workshops at many different universities and campuses.
5. The facilities are arranged and paid for by the provider of the services.

**PLEASE COMPLETE THE FOLLOWING
EMPLOYEE/INDEPENDENT CONTRACTOR DETERMINATION QUESTIONNAIRE**

I. Please print all information

Individual's Name _____

Taxpayer ID Number _____

Department _____

Form Preparer _____

Phone Number _____

II. Current Relationships

Is this individual a UW Eau Claire student, an employee of the University, or an employee of another State Agency?

- Yes--Treat as an employe
 No---Go to Section III

III. Classification Guidelines (Complete only one of A, B, or C, depending on the services performed by the individual.)

0A. Teacher/Lecturer/Instructor

1. Is the individual a "guest lecturer" (e.g., an individual who lectures at only one or two class sessions during the semester)?

- Yes--Treat as an ind. Contractor
 No---Go to #2

2. Is the individual the primary instructor in a departmental course being offered for academic credit toward a University degree?

- Yes--Treat as an employe
 No-- -Treat as an ind. Contractor

1B. Researcher

Researcher hired to perform services for a University department are presumed to be employes of the University. If, however, the researcher is hired to perform research for a particular University professor/doctor, please indicate which of the following relationships is applicable.

Relationship #1: The individual will perform research for a University Professor/doctor under an arrangement whereby the University Professor/doctor serves in a supervisory capacity (i.e., the individual will be working under the direction of the University professor/doctor.

- Treat as an employe

Relationship #2: The individual will serve in an advisory or consulting capacity with a University professor/doctor (i.e., the individual will be working with the University professor/doctor in a "collaboration between equals" type arrangement.

- Treat as an ind. Contractor

C. Individuals Not Covered Under Teacher/Lecturer/Instructor/Researcher

1. Does the individual routinely provide the same or similar services to the general public as part of a continuing trade or business with the opportunity for profit or loss?

- Yes-- Go to #2
 No--- Go to 1a

1a. Does the individual offer their services to the general public through advertising, solicitations, brokers or other similar activities?

- Yes--Go to #2
 No---Go to 1b

1b. Does the individual provide services under a registered or licensed business name:

- Yes-- Go to #2
 No ---Treat as an employe

2. Does the individual have a written contract for a specific period of time or to complete a specific result which also identifies the individual as an independent contractor?

- Yes--Treat as an ind. contractor
 No---Go to #3

3. Will the department provide this individual with specific instructions regarding performance of the required work rather than rely on the individual's expertise?

- Yes--Treat as an employe
 No--- Go to #4

4. Will the University set the number of hours and/or days of the week that the individual is required to work, as opposed to allowing the individual to set own work schedule?

- Yes--Treat as an employe
 No---Treat as an ind. contractor

Instructions: If you have determined that you are securing the services of an independent contractor, complete the reverse side of this form and forward to Accounts Payable, S104. If you have determined you are hiring an employee, contact the Personnel Office to effect payment.

PURCHASING, UNIVERSITY OF WISCONSIN - EAU CLAIRE, WI 54701)

PURCHASE REQUISITION) TO CONTRACT FOR PERSONAL SERVICES IN EXCESS OF \$500 THAT ARE
UNIQUE, NONCOMPETITIVE, AND SUPPORT INSTRUCTION, RESEARCH OR PUBLIC SERVICE)

=====

VENDOR _____ REQUESTED BY _____

DEPARTMENT _____ PHONE _____

BLDG/ROOM # _____ DATE _____

ACCOUNT _____ AMT _____

Employed in the UW System Yes No Employed by a State Agency Yes No

Tax ID# _____ Check One: Individual Partnership Corporation

=====

Description of Service

Provide documentation/explanation to support the cost of the services.

=====

1. To the best of your knowledge, are there any resources within the UW-System or other state agencies that will support the program goals? Yes No

If yes, explain why state services are not being used.

2. To the best of your knowledge, is the contractor named above the only available provider of this service that will support the program goals. Yes No

If no, explain why this contractor is being selected.

=====

APPROVALS:

1. _____ / _____ Account Responsible/Date

2. _____ / _____ Department Chair/Date

I certify that the service(s) is (are) unique, non-competitive, and supports instruction, research or public service

I certify that an employee/employer relationship does not exist.

3. _____ / _____ Dean or Director/Date

4. _____ / _____ Account Payable Personnel/Date