

METROPOLITAN STATE UNIVERSITY REGULATIONS



Instructional Services - Independent Contractor Requirements

Administrative Affairs Procedure #455

Section 1. Procedure

This procedure defines university information related to instructional services by firms as independent contractors and the requirements for establishing that status.

Section 2. Authority

This procedure is issued pursuant to the operating authority granted the university's Chief Executive Officer by the Minnesota State University Board.

Section 3. Effective Date

This shall become effective upon signature by the Vice President and remain in effect until modified or expressly revoked.

Section 4. Responsibility

The responsibility for implementation of this procedure is assigned to the Vice President of Administration and Finance.

Section 5. Objective

To provide information on establishing a firm as an independent contractor for purposes of payment.

Section 6. Implementation

- a. Regular credit courses are always taught by resident or community faculty members who are employees of the university.
- b. Firms may be retained to provide instruction in special circumstances, usually workshops, seminars, or non-credit short courses at the discretion of the university.
- c. Such firms must meet the requirements of the U.S. Internal Revenue Service and the university to clearly establish a non-employee status and the firm must ensure it meets insurance requirements.
- d. An individual or firm claiming status as a business must complete a Community Faculty Employment/Business Classification Questionnaire prior to providing services. In addition, such individual or firm must provide evidence of workers compensation

insurance, general liability, and property damage with limits of at least \$200,000 per individual and \$600,000 per incident.

Section 7. Review

This procedure will be subject to review on an annual basis.

Section 8. Approval

Issued on this 6th day of May, 1994.

W. Gordon Scott, Vice President of Administration and Finance

COMMUNITY FACULTY EMPLOYMENT/BUSINESS CLASSIFICATION QUESTIONNAIRE

The Internal Revenue Service tax laws require Metropolitan State University, herein Metro State, to diligently ensure proper classification of the relationships between ourselves and those we employ to perform educational instruction. Therefore, in order to determine the proper classification, we respectfully request that you complete the following questionnaire for documentation of accurate classification of you as a community faculty member, herein CF. Listed below are the 20 common law factors the IRS utilizes in classifying relationships:

1. Is there required compliance with Metro State's instructions _____
2. Does Metro State provide training to CF _____
3. Are CF services integrated into Metro State's business operations _____
4. Does the CF provide the service personally _____
5. Does Metro State hire, supervise and pay CF's assistants _____
6. Does the CF have a continuing relationship with Metro State _____
7. Does Metro State set the CF's work hours _____
8. Is the CF required to work full time by Metro State _____
9. Does the CF perform work duties on Metro State's leased/owned premises _____
10. Does Metro State set the order or sequence of work performed _____
11. Is the CF required to provide oral or written reports concerning the work performed _____
12. Is the CF paid by the hour, week or month _____
13. Is the CF reimbursed for business/travel expenses _____
14. Does Metro State provide the CF with tools and materials _____
15. Is there a significant investment by the CF in Metro State _____
16. Does the CF have a realization of profits and losses _____
17. Does the CF work for more than one company at a time _____
18. Does the CF perform this same service to the general public _____
19. Does Metro State have the right to discharge the CF _____
20. Does the CF have the right to terminate from Metro State _____

The contractor shall procure and maintain public bodily injury liability and public property damage insurance for and on behalf of Metropolitan State University from claims for damages arising out of acts and of its activities and those of its members for bodily injury and property damage in the amounts of \$200,000 per individual and up to \$600,000 per occurrence. A Certificate of Insurance naming Metropolitan State University is required. The contractor shall provide a Certificate of Insurance or other evidence of coverage for worker compensation insurance for the period of the contract.

PLEASE MARK "YES" OR "NO" TO EACH OF THESE QUESTIONS, SIGN, DATE & RETURN ALONG WITH THE REQUIRED INSURANCE PAPERS

Signature

Date

Though some may or may not apply, the information will be used to determine the necessary classification and handling of the relationship between Metro State and yourself within the IRS laws and guidelines. Services and payment for those services may not begin unless this questionnaire has been completed and returned to METROPOLITAN STATE UNIVERSITY, PERSONNEL OFFICE, BUILDING ROOM 303, ST. PAUL, MINNESOTA 55106-5000. If you have questions while completing this questionnaire, please feel free to call Kris Henel, Business Manager at 772-7740 or Sharon Mohr, Personnel Assistant at 772-7701.