



**FINA 2.40 – APPENDIX A
INDEPENDENT CONTRACTOR CHECKLIST**

Purpose/Requirement: **Before** a department contracts with an individual, this checklist must be completed and retained to ensure the appropriate classification and payment of independent contractors (versus classification and payment as an employee). This checklist encompasses the criteria outlined in Policy FINA 2.40 (Independent Contractors). See Procedure FINA 2.40 for details regarding the limited exceptions to this requirement.

If this checklist indicates the individual should be classified as an **employee**, contact your department’s Human Resources manager or the Division of Human Resources for assistance – refer to the ACAF 1.00, ACAF 1.02, HR 1.24, HR 1.25, and/or HR 1.86, as applicable.

If this checklist indicates the individual should be classified as an **independent contractor**, refer to FINA 2.12 to determine the appropriate payment method and contact the Purchasing Department to assist with the procurement of services when required (refer to BUSA 7.00).

Contact the Controller’s Office at controllercompliance@sc.edu.

SECTION 1 – EXISTING EMPLOYEE/EMPLOYER RELATIONSHIP

CURRENT RELATIONSHIP WITH USC	YES	NO
1. Does the individual currently work for USC?	<input type="checkbox"/> GO TO #4	<input type="checkbox"/> GO TO #2
2. In the last 12 months, was the individual on USC’s payroll as a regular or temporary employee?	<input type="checkbox"/> GO TO #4	<input type="checkbox"/> GO TO #3
3. Does USC plan to hire the individual as an employee immediately following the performance of their services?	<input type="checkbox"/> GO TO #4	<input type="checkbox"/> GO TO #5
4. Are the contracted services related the individual’s normal duties as an employee and USC’s primary purpose and normal course of business?	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>	<input type="checkbox"/> CONTACT THE CONTROLLER’S OFFICE
5. Is the individual a student of USC?	<input type="checkbox"/> CONTACT THE CONTROLLER’S OFFICE	<input type="checkbox"/> GO TO #6
6. Is the individual a retiree of USC?	<input type="checkbox"/> CONTACT THE CONTROLLER’S OFFICE	<input type="checkbox"/> GO TO SECTION 2

SECTION 2 – NON-EMPLOYEE INDIVIDUALS

DETAILS OF SERVICE	YES	NO
7. Is the individual the primary instructor of a course offered for academic credit at USC?	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>	<input type="checkbox"/> GO TO #8
8. Does the individual provide the services exclusively for USC (e.g., versus routinely providing similar services to the general public)?	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>	<input type="checkbox"/> GO TO #9
9. <u>Profit/Loss Opportunity:</u> Does the individual have the potential to earn profits or suffer losses through their own independent effort and decision making (versus being economically dependent on USC)?	<input type="checkbox"/> GO TO #10	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>
10. <u>Investment:</u> Will USC provide the individual with significant capital (e.g., facilities, equipment, supplies) and/or hire assistants for the individual to perform the services?	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>	<input type="checkbox"/> GO TO #11

11. <u>Permanence</u> : Is the work continuous (not associated with a fixed ending date) or representative of the individual's only work relationship (versus sporadic or project-based work with a fixed end date)?	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>	<input type="checkbox"/> GO TO #12
12. <u>Nature/Degree of Control</u> : Does USC have control over the individual's supervision, schedule, ability to work with others, work performance, work materials, benefits, and/or other economics of the relationship?	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>	<input type="checkbox"/> GO TO #13
13. <u>Integral</u> : Is the provided service critical, necessary, or central to USC's normal course of business (versus an independent function, service, product, etc.)?	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>	<input type="checkbox"/> GO TO #14
14. <u>Skill/Initiative</u> : Does the work require the individual to rely on USC to provide the necessary training for the job (versus using their own specialized skills to perform the work)?	<input type="checkbox"/> TREAT AS <u>EMPLOYEE</u>	<input type="checkbox"/> TREAT AS <u>INDEPENDENT CONTRACTOR</u>

SECTION 3 – SERVICE PROVIDER INFORMATION

Service Provider Name: _____

Description of specific services to be provided:

Start Date: _____ **End Date:** _____

SECTION 4 – CERTIFICATION

I certify that I have firsthand knowledge of the potential service relationship and that the provided responses are complete and accurate to the best of my knowledge and reflect no misrepresentation.

I have reviewed the above responses and acknowledge that should the Internal Revenue Service (IRS) disagree with the classification, the University may hold the department responsible for any additional compensation, taxes, interest, or penalties assessed by regulatory bodies.

Name of Departmental Representative **Signature of Departmental Representative**

Email Address **Phone Number**

Department Name/Number **Date**