



Independent Contractor Determination and Payment Procedures

This document outlines the step-by-step process for assessing and determining independent contractor status at the University of Iowa. It also provides guidance for subsequent payment procedures. An authorized UI Departmental Representative, in collaboration with Payroll Services, must follow these procedures to determine if service providers meet the requirements for Independent Contractor status. **The first two steps must be completed PRIOR to the service being performed.**

NOTE: Follow up and further investigation may be necessary by Payroll Services to determine independent contractor versus employee status.

STEP	PERSON RESPONSIBLE	INSTRUCTIONS/RESOURCES	ADDITIONAL INFO
1	Initiator	<ol style="list-style-type: none"> 1. Complete the Independent Contractor Information Form (ICIF) <i>before</i> the individual is hired to perform a service. An IRS form W-9 or W-8BEN (for non-U.S. Citizens) must also be completed. 2. In certain circumstances, a Payroll Voucher, or Professional Services Agreement (PSA) may also be required. (Refer to hyperlinks under Additional Info, for more information.) 3. Email ICIF to Payroll Services for final determination and signature. <p>Form links: IRS form W-9 (pdf) IRS form W-8BEN (for non-U.S. Citizens) (pdf) Payroll Voucher Form (pdf)</p>	<p>For more information, refer to:</p> <ul style="list-style-type: none"> • Independent Contractor Payments • Professional Services Agreements (PSAs) • Payroll Vouchers • Conflict of Interest in Purchasing • Other Resources and Contacts <p>NOTE: PSAs must be approved by the Purchasing Department. Payroll Vouchers are approved by Payroll Services.</p>
2	Payroll Services	<ol style="list-style-type: none"> 1. Complete an analysis of the Independent Contractor Information Form <u>within 3 business days</u> of receipt. 2. Return the approved form to the initiator. (Email signed ICIF with final determination of whether the service qualifies for independent contractor or employment status.) <p>NOTE: If employment is recommended, contact Payroll Services for questions about which HR Transaction form to use. Any other questions about this process should be directed to workforce-operations@uiowa.edu.</p>	<p>If Payroll Services determines an individual should be paid as an employee, the payment must be made using an HR Transaction form: Appointment, Special Compensation, or Short-Term Appointment. An I-9 Employment Eligibility form may need to be completed. Guidance will be provided on the appointment transaction.</p>

3	Initiator	<p>Upon receipt of the approved determination of independent contractor status, complete the following procedures.</p> <ol style="list-style-type: none"> 1. Obtain a completed IRS Form W-9 or Form W-8BEN (for non-U.S. Citizens) from the independent contractor. 2. If applicable, PSA, Payroll Voucher, etc. signed by the independent contractor or individual with authority pursuant to the University of Iowa's Contracting Policy (Chapter 6, 6.2-6.3) (No one else should sign the form on behalf of the UI.) <p>NOTE: If a PSA or Payroll Voucher is required, payment is NOT processed using an eVoucher. In this case, a Purchase Requisition (PReq) should be initiated. Contracting and payment will be handled by the Purchasing Department and Accounts Payable.</p> <ol style="list-style-type: none"> 3. Make sure all authorized signatures are obtained for each form required in #2 and attached to the PReq. 4. Using the Services Voucher in the e-Pro System, request payment and submit it to Payroll Services through workflow, along with the following items attached: <ol style="list-style-type: none"> a. A copy of the completed Independent Contractor Information Form with all authorized signatures. b. The completed IRS Form W-9 or Form W-8BEN. c. An invoice, or similar paperwork which identifies the services rendered. 5. NOTE: Payroll Services must review and make final payment determination. 	<p>Questions? For non-U.S. Citizens or Nonresidents of U.S. territories, contact payroll-nra@uiowa.edu with questions.</p> <p>All other requests, contact payroll-services@uiowa.edu with questions.</p>
4	Payroll Services	<p>Review all information to make sure all documentation has been provided. The following documentation should be attached to the Services Voucher in the e-Pro System/eVoucher:</p> <ol style="list-style-type: none"> 4. Copy of fully approved Independent Contractor Information Form, email notification, and/or other forms stating approval of determination of Independent Contractor. 5. Invoice or similar paperwork which identifies services rendered. 6. Any other pertinent documentation relevant to the payment request. 7. For new vendors, either the IRS Form W-9 or W-8BEN (for non-U.S. Citizens) <p>Contact the initiator with any questions about the payment request.</p> <p>When approved, the service voucher will advance to Accounts Payable for payment processing.</p>	<p>All documents are held securely in the eVoucher system.</p>
5	Accounts Payable	<p>Creates the payments and issues the 1099-MISC and 1099-NEC income forms at year end for payments over \$600.</p>	<p>NOTE: Allow for 5-7 business day for processing payment upon completion of appropriate documentation to Accounts Payable.</p>