

INDEPENDENT CONTRACTOR GUIDELINES

An independent Contractor is not an employee and is not under the control of the District. In general, an Independent Contractor is an individual with a specific skill or technical knowledge hired by means of a written agreement to do a particular job for a designated period of time.

A District Employee should not be employed as an Independent Contractor. The IRS scrutinizes the returns of individuals who receive both a W-2 Form and a 1099 Form in the same calendar year from one employer. If a District employee is hired to perform a service outside the scope of their normal duties, he/she must be paid through the payroll process.

INSTRUCTIONS FOR AGREEMENTS WITH INDEPENDENT CONTRACTOR (IC)

All of the following information is required from the IC before the contract can be officially agreed upon.

1. **Independent Contractor Questionnaire.** This is the first step in the process and the one that evaluates conditions of an engagement and service provider's background concluding if it meets the criteria of an independent contractor. This questionnaire is completed by a representative from the Division requesting the services and reviewed by the Dean/Director or a designee.
2. **Scope of Work (SOW).** The SOW must be provided by the IC. The SOW should contain cost, milestones, reports, deliverables, timelines and end products that are expected to be provided by the IC.
3. **W-9.** The IC must complete and turn in a W-9 or have a current one on file with the District Purchasing Department.
4. **Insurance Requirements.** Certificate of Insurance should be made out to the District, naming the District as additional insured, along with an Additional Insured Endorsement. The limits are as follows:
 - **Workers' Compensation** – in accordance with California Labor Code Section 3700, Contractor shall secure Workers' Compensation coverage in a form and amount covering Contractor's full liability under the California Workers' Compensation Insurance & Safety Act and in accordance with the applicable state and federal laws.
 - **General Liability** - The policy shall contain a combined single limit of liability of not less than \$1,000,000 per occurrence/\$3,000,000 annual aggregate.
 - **Automobile Liability** – If Contractor is using any automotive vehicles in connection to this agreement, Contractor shall maintain an automobile liability policy, which shall include coverage on all owned, non-owned and hired vehicles and shall have a minimum limit of liability of not less than \$1,000,000 per occurrence.
 - **Cyber Liability (Technology E&O)** - Contracts for services provided by: technology or IT consultants, systems analysts, website designers, online services and content providers, cloud based providers, computer programmers and software consultants, system installation or software personnel. Minimum coverage shall be \$1,000,000 per occurrence/\$3,000,000 Aggregate.
 - **Cyber Liability** - Contracts for services provided by: Payroll personnel/companies and Vendors or Contractors having access to Personally Identifiable Information of employees and

students. Minimum coverage shall be \$1,000,000 per occurrence/\$3,000,000 Aggregate.

5. **Contract.** Preparing the contract is the last step in this process. The contract will be signed only after the first four stages have been completed. The person preparing the contract must ensure that the following documents are attached with the contract for signature:
- The Independent Contractor Questionnaire.
 - A Scope of Work.
 - A copy of the insurance coverage.
 - A completed W-9 form if the IC is new and does not have a copy on file in Purchasing.

Contract of \$5,000 or less can be signed by the following positions (AP6150):

- Chancellor
- Vice Chancellor
- College Presidents
- Provost
- Vice President, Administrative Services
- Director, Fiscal Affairs
- Director, Budget & Finance
- Manager, Administrative Services
- Manager, Campus Accounting

Contracts over \$5,000 can be signed by the Vice-Chancellor, Finance & Facilities and the District Director, Purchasing. The NOCCCD Board of Trustees approves amounts in excess of bid limit \$88,300 (this amount changes annually).

6. **Requisition (RQ).** The person preparing the contract must verify that the RQ has been entered into the Banner system.
7. **Purchase Order (PO).** The Purchasing Department will issue a PO when a complete contract packet is received.

The IC may not begin working without an executed contract signed by the District and a Purchase Order signed by Purchasing.

8. **Exception.**

- a. **Worker Compensation Exemption.** In the event where the IC is the sole employee of the firm, the IC must complete the Exemption from Worker's Compensation form to be exempt from this requirement.
- b. **Independent Contractor for Performer / Guest Speaker / Referee.** In the event where the IC is a Performer, Guest Speaker, or Referee, the standard IC Agreement will be substituted for the Performer / Guest Speaker / Referee Agreement Release of Liability.
- c. **Pro Bono Service.** In the event where the IC provided professional work voluntarily and without payment, the Pro Bono Service agreement shall be used.