



ConnectCarolina 2018 User Conference

Working with Independent Contractors

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Accounts Payable and
Travel Services
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- Independent Contractor definition
- Domestic Independent Contractor
- Foreign Independent Contractor
- Required documents of Foreign IC doing job in U.S.
- Background check exclusions
- FAQ's
- Questions



In this workshop you will learn how to request:

- Domestic Independent Contractor approval request
- Foreign Independent Contractor approval request
- Documents necessary to submit with the IC approval request



Who is an Independent Contractor:

- An individual who is engaged by the University to provide a service
- An employer/employee relationship must be judged Not to exist



Factors that help to determine if it's an IC:

- Does the University have the control on **WHAT** the worker does
- **HOW** the worker performed the job (methods) to accomplish the result
- or-
- Only on the **final results** of the job



IMPORTANT TO DETERMINE:

- **DOMESTIC INDEPENDENT CONTRACTOR**
- **FOREIGN INDEPENDENT CONTRACTOR**



Policy 708: Domestic Independent Contractors

- Approval request need to be submitted through **Connect Carolina: Main Menu/Finance Menu/ UNC Campus/Independent Contractor**
- Attach to the IC approval request:
 - Independent Contractor Determination Checklist
 - IRS W-9 form (current version Nov. 2017)on IRS and our Website
 - Background check or an explanation of why it's not necessary per **Exclusions on Procedure 708.1**



EXCLUSIONS OF BACKGROUND CHECK:

Procedure 708.1

- If the assignment is **10** or less calendar days **without** any continuous relationship and involves supervised access to sensitive populations or sensitive facilities a background check isn't required.
- If the contractor:
 - Will perform the assignment in **his/her own facilities**
 - Has **no access** to confidential or protected records or data
 - Has **no direct contact** with sensitive populations a background check is NOT required



Approval or Denial of Domestic IC request:

▪ Approval or Denials of IC's request:

- The Department Representative that submitted the request will receive an Approval or Denial Email

▪ IF the IC request is denied:

- Reasons of the Denial are included in the email and *on the Approver Comments on the IC request screen*



Policy 709 and Procedure 709.1

- **Foreign Independent Contractors :**

Important to consider IF

- Services in United States
 - Services out of United States
-
- The Foreign IC approval request needs to be submitted through email

IC_review@unc.edu



- **Foreign IC providing services OUT of United States, documents necessary to submit:**
 - Employer Independent Contractor Determination Checklist (EIDC) Form 708.1.1f
 - IRS W-8BEN (current version July 2017) on IRS and our website
 - Copy of Passport
 - Foreign Vendor Creation Form
 - Foreign Wire Setup Form or Vendor Direct Deposit Authorization Form



- **Foreign IC providing services ON of United States, documents necessary to submit:**
 - same documents as Foreign doing job out of United States
AND
 - **Visa copy (or Visa Waiver evidence)**
 - **Foreign Vendor Withholding Assessment Form- 709.1.1f**
 - **I-94 and Travel Records** (upload from the Department of Homeland Security site)
 - **IRS 8233 Form- Tax Treaty Benefit- (Could be claim IF:**
 - **IC has a U.S. Tax Identification Number on line 5 W-8BEN)**



▪ Foreign Vendor Withholding Assessment Form

PAGE 1:

- Personal Information
- Passport Information
- Tax Residency Verification- (*where the person is paying taxes*)
- Resident or Non- Resident Alien for tax purpose



■ Foreign Vendor Withholding Assessment Form cont'd

PAGE 2:

■ Visa Type and Immigration Status Information

Additional Documents if it is:

- J-1: DS-2019 and letter of permission from home department and International Office
- F-1: I-20 and letter of permission from home department and International Office

■ Purpose of the Visit

- Arrival and Departure dates **(US)**
- First and Last Day at **UNC**



■ **Foreign Vendor Withholding Assessment Form cont'd**

PAGE 2

■ **US Immigration/ Travel History**

- First date enter in U.S.
- List of the visits to the U.S. in the **last 3 calendar years**
- Date of entry/ Date of Exit/Visa Type/ Purpose of the Visit/ Tax Treaty taken

- (U.S. **Travel History** information could be find in the Travel History document from the Department of Homeland Security site)



➤ Foreign Vendor Withholding Assessment Form cont'd

PAGE 2

▪ Certification

Yes/No answers :

- If UNC can access the **I-94** and Travel History records?
- Is the Activity to last more than **9** days?
- Did you receive Honorarium payments from more than **5** Institutions in the prior **6** months?
- If it's an academic activity?



■ **Foreign Vendor Withholding Assessment Form cont'd**

PAGE 3

- Include the amount of the payment
- Department Representative name and signature



- Additional documents for payment in excess of **\$10,000**:
 - For both **Domestic & Foreign Independent Contractors**
 - IC Services Agreement with Statement of Work
 - Waiver of Competition Form
 - Letter of Justification for Sole Source (it's not a form)



- After the Independent Contractor has been approved the Department must perform the following steps:
 - Requesting a New Campus Vendor
 - **Domestic IC-** submit through Connect Carolina
 - or-
 - **Foreign IC- after Foreign IC is approved,**
IC approver forward the IC approval with the related documents to the Foreign Vendor Coordinator

NOTE:

THE FOREIGN VENDOR COORDINATOR WILL CONTACT IF ADDITIONAL INFORMATION IS REQUIRED



- **Employee/ Independent Contractor Determination Checklist**
 - Valid period of the IC approval status
 - Can't exceed 12 months after the Start Date of Services
 - Page 3 IC Determination Checklist
 - The Service Fee could be estimate (if paying per hour include the total hours during the period)
 - If the University is going to pay both Service Fee and Travel expenses each amount needs to be included individually (page 3 of the IC Determination Checklist)
 - If the University is going to pay just for Travel Expenses it's not necessary to request the IC approval



- University Departments may not engage an individual as an IC if they have worked as a permanent, full-time or part-time employee of the State of North Carolina (including UNC-Chapel Hill or any other UNC System campus) within the past 12 months (365 calendar days)
- A person already hired as a permanent, full-time or part-time employee of the University or any other State agency cannot be an Independent Contractor



Questions





Thanks for your attendance





- Contact information:

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