Independent Contractor’s and Non Resident Aliens

Independent Contractor Definition

- Independent Contractors are outside companies or individuals that provide services to the university. They are subject to the same regulations as other commodities meaning if the services are over $5k you must provide competitive quotes and if their services exceed $75K, they must be publicly bid or exempted by regulation 4.02040.
- Some rules of thumb: no USF employee can be deemed an independent contractor; no one doing work that can be defined as clerical or secretarial or teaching a class can be considered an independent contractor; persons receiving payment on a payroll type of schedule (weekly or monthly) is considered to have an “ongoing” relationship with the university and thus an employee; an “ongoing” relationship can also exist if the person has been hired to perform the same service as in the past unless they are in the business of supplying that service to other organizations besides USF.
- Entertainers and lecturers are generally defined as independent contractors. The department should provide in the requisition the brochure or advertisement with the entertainment/lecture information along with the independent contractor worksheet found on the purchasing website under forms and schedules.
- Consultants who work over a long period of time can sometimes be justified with documentation of legal authority such as grant guidelines (i.e. narrative or proposal). A description of the work they are doing and why no one at USF can do this will be helpful in getting approval.
- If the contractor’s travel is to be reimbursed in addition to his/her fee, the department should note this on the requisition or in the notepad.
Non Resident Aliens (NRA)

- All non-resident aliens providing services in the United States must be approved through Payroll. The following forms must be filled out: W-8BEN, University of South Florida Foreign National Information Form (FNIF), copy of Passport and Visa and the Independent Contractor (IC) Worksheet.
- It is the department’s responsibility to email all of these forms to the tax specialist in Payroll to obtain a tax memo where applicable taxes are to be withheld and paid to the IRS. This responsibility falls to the department as the payment may be increased or “grossed up” to cover the amount of taxes that are to be withheld, allowing the vendor to receive an agreed upon amount.
- In order to complete forms the department can enter the requisition to obtain a requisition number and not push the requisition into workflow. The credit memo is then attached to the requisition and the amount is finalized.
- Taxes will be withheld from all NRA’s as long as work is done on U.S. soil. If the work was not done on U.S. soil no tax memo is required and the department is to only attach the W-8BEN, FNIF, IC worksheet.

Rates, Dates and Deliverables

All Independent Contractors (IC’S) and Non Resident Aliens (NRA’s) are performing a service to the University and ALL service requisitions require the following information for review and approval.
- Dates – When the service is to take place. These must be exact dates of service, not simply stating Fall or Spring Sessions or giving months as dates.
  If you do not know when the dates are, simply state that the dates you are providing are an estimate of service dates and list an exact approximation of the service dates.
  If the service dates have already started or the service is complete you will need an After the Fact Justification as to why USF policy
USF4.02060(I) was not followed and a valid USF purchase order was not obtained prior to allowing service to begin.

- **Rates** – This is the amount shown on your quote, or something showing how you arrived at the total on your requisition. If you are following a scope of work that shows the rate information, that must be typed into the requisition header comments. Simply attaching the scope of work is not acceptable. If a blanket purchase order is requested you must show the rate of compensation and hours allowable in the header comments.

- **Deliverables** – A complete description of the deliverables must be typed into the description or if more space is required the header comments may be utilized. The more detail you can provide the better. Simply attaching a scope of work or quote with a description of see attached scope of work will result in a requisition being returned to you for more details.

**Filling out the IC Worksheet**

- It is the department’s responsibility to fill out the IC worksheet prior to having the IC/vendor sign the worksheet. The IC/vendor may be contacted to assist with answers.

- It is also important for someone in the department with payroll authority to sign the bottom of the IC worksheet where indicated. Failure to sign the worksheet will result in the requisition being recycled back to the department until this is completed.

- The department is to submit the IC worksheet every time the IC is used.

- The department may keep a copy of the IC form that was previously signed, however the form must be dated currently by the department stating that none of the information has changed on the form.
Honorariums

- Honorariums are treated the same as Independent Contractors. They provided some service to the University and the IC worksheet must be submitted for payment. Honorariums are not “gifts”.

W-9 Information

- When submitting a W-9 to have a vendor added to the database, a physical address is required no P.O. Boxes will be accepted for a vendor's address. The vendor must submit a valid street address on the W-9 in order for the vendor to be added to the database.
- A PO Box may be used as the remit to, billing or any other address.

Filling out a W-9 when the Vendor is a DBA

- Checks are written to the first name of the vendor. If the check should be written to the person, the name is John Smith d/b/a Acme Manufacturing. If the check should be written to the company name, the first line of the W9 should be Acme Manufacturing c/o John Smith.

NOTE: If we are paying an individual, I.C. individual rules apply.
II. B. Definition of Equipment or Property: The words "equipment," "items," "assets," or "property" used in this section are interchangeable and refer to equipment, fixtures, and other tangible property of a non-consumable and non-expendable nature (excluding books), the value or cost of which is $5,000.00 or more including shipping/freight charges, with a normal expected life of one year or more.

Regardless of source of funds, all items meeting the above definition will be considered an asset to be tagged and tracked. Source of funds may include items purchased from expense, operating capital outlay, state, federal, private grants and construction funds.

All property must remain on campus, in the building designated on the Purchase Order or approved invoice, until it has been marked by a Property representative. UNDER NO CIRCUMSTANCES may property that has not been decaled/marked be removed from the University.

Property location must be added to the chartfield location when the equipment category is used.

Also in the header comments the name and phone number of the person responsible for the equipment must be added, as well as the building and room number where the property is to be located. (duplicated to be sure the data is captured)

hardback-covered bound books that are circulated to students or the general public, the value or cost of which is $25.00 or more, and hardback-covered bound books, the value or cost of which is $250.00 or more, are considered property and will be purchased from operating capital outlay funds.

Property Forms

All property forms can be found by following this link: http://usfweb2.usf.edu/purchasing/forms.html

Forms to be most familiar with are:

Off campus Property form (6028). This is to be filled out and submitted if any USF property is leaving campus for business or repairs.
• Request for release from property form (3008). This is the form to have the property taken off your asset account when the equipment is being disposed of or written off.

• Report lost/stolen property (3010). If you have lost or stolen USF property, complete this form.

Selling of USF property
• Steps to take when your area has a piece of USF equipment that they wish to sell.
  o Post to the USF list serve for departmental transfer.
  o Sell the item using Public Surplus, an approved auction site for surplus government equipment.

Single Source
• If an item or service is determined by Purchasing to be non-competitive in nature and is available from only one vendor, a Purchase Order may be issued for that item. The Single Source Certificate must be approved and executed prior to a Purchase Order being issued. Each request must contain information as to the single source nature of the purchase. The Single Source certificate must be publicly posted 72 hours prior to issuance of a purchase order greater than or equal to $75,000. Single or sole sources under the bid threshold of $75,000 must be attached to the requisition for review but do not require public posting.

UTSB/ Technology Acquisition
• When an individual or department identifies the need for a technology purchase, they should first consult with the USF Computer Store to determine if the item is a standard product available through the store (see University Technology Standards Board (UTSB) standards). You may visit the Computer Store in the Marshall Center, call the Computer Store at 974-7980, fax a request to 974-3325, or check on the website www.computerstore.usf.edu.
  • If the item is a standard product, stocked or available through the store, no additional approvals are necessary unless the following thresholds are exceeded:
    o Software purchases in excess of $1,000 or purchase of a 10 user license pack or greater, or software designated for use in general use classrooms and labs.
Technology purchases which require construction/renovation for the accommodation of technology (Infrastructure purchases requiring Space Impact Request approval).

- Purchases of Audio visual and PC equipment for conference rooms and classrooms.
- Non-USF Computer Store standard hardware, network, or communications infrastructure where the cost exceeds $1,000.
- Technology contracts that exceed $5,000.
- Consulting contracts exceeding $5,000.

- If the desired acquisition exceeds the limits noted above, the on-line exception process provides a method for rapid approval consideration. The Computer Store can answer any questions and also assist with this process. Please see the Exception Approval Process Section on the IT website.

Purchasing Department Process in regards to Technology Purchases.

- Products not available through the Computer Store may be requisitioned through the normal requisition process. However, procurements that exceed the following thresholds require approval:
  - Software purchases in excess of $1,000 or purchase of a 10 user license pack or greater, or software designated for use in general use classrooms and labs.
  - Technology purchases which require construction/renovation for the accommodation of technology (Infrastructure purchases requiring Space Impact Request approval).
  - Purchases of Audio visual and PC equipment for conference rooms and classrooms.
  - Non-USF Computer Store standard hardware, network, or communications infrastructure where the cost exceeds $1,000.
  - Technology contracts that exceed $5,000.
  - Consulting contracts exceeding $5,000.
  - Any technology purchase exceeding $20,000.

- If the desired acquisition exceeds the limits noted above, the on-line exception process provides a method for rapid approval consideration.
Purchasing will not issue a Purchase Order until the approval has been given. Please see the Exception Approval Process Section.

P-Card Technology Purchases

- Technology purchases may be made with the USF P-Card but are subject to the same limitations and approval processes as requisitions (listed above).

Automobiles/Vehicles

- All vehicles purchased (with the exception of police vehicles or vehicles that run on diesel fuel) must be flex fuel compliant. This means the vehicles can run on ethanol (E85). Hybrid vehicles are not allowed to be purchased as they are not considered flex fuel vehicles. Vehicles should be purchased from state contract when available. If state contract is not available you must meet the University’s quote policy based on the final price of the vehicle. All vehicles will be tagged by the University and not the dealer. Please contact Lazara Stinnette @ lstinnett@admin.usf.edu for how to obtain a tag for your vehicle.
- Contact the assigned Purchasing Agent for vehicles.
- View State Contract for vehicles online using the following link:

- For information regarding the EPAct Regulation (Flex Fuel mandate) please follow this link:
  http://www1.eere.energy.gov/vehiclesandfuels/epact/index.html

- All vehicles will be delivered to the vehicle compound for inspection and tagging before being released to the department (this includes golf carts).