Payment to Independent Contractors/Consultants as of January 1, 2010

Paying Independent Contractors

Service Cost in Total

For USG (University System of Georgia) Employees, prepare Employee Compensation Agreement Form. Form must be signed by the president of the providing institution before routed at GSU with a Contract Routing Form. The Office of Legal Affairs must review the agreement and sign before it is submitted to the GSU President for signature. Then an Express PO will be entered by Dept. in the name of the providing Institution.

Less Than $5,000 in Total

Departments must prepare Common Industry Practices Checklist (CIPC) - not used for subcontracts. If service is not listed on the pre-approved CIPC, a Worker Classification Review Questionnaire (WCRQ) must be completed and sent to the Office of Disbursements for classification determination. Disbursements will respond within 7 Business Days for approval (no work shall be done before approval for WCRQ only). If the Individual is a USG employee, then a Employee Compensation Agreement Form must be prepared.

Dept. should prepare a memo with vendor of expectation of work (if multiple payments are to be made a contract is required). Have vendor complete W-9 Form to W-8BEN for foreign nationals.

Once Service has been performed and invoice received, prepare Payment Request Form. Create Spectrum Plus voucher. Log voucher # on the Payment Request Form. Then send the 1)Payment Request Form & 2)Vendor Invoice & 3)The approved CIPC or WCRQ to the Office of Disbursements.

Services $5,000 and Greater in Total

Contact Purchasing Dept to determine if competitive bidding is needed and describe services.

Services require a contract and an Express Purchase Order (PO) (Except for Honorarium)

Departments must prepare Common Industry Practices Checklist (CIPC) - not used for subcontracts. If service is not listed on the pre-approved CIPC, a Worker Classification Review Questionnaire (WCRQ) must be completed and sent to the Office of Disbursements for classification determination. Disbursements will respond within 7 Business Days for approval (no work shall be done before approval for WCRQ only). If the Individual is a USG employee, then a Employee Compensation Agreement Form must be prepared.

Have the service provider complete W-9 Form for submission to purchasing. Vendor setup is still the responsibility of the unit. For foreign nationals complete W-8BEN and submit to purchasing for Vendor Setup.
Payment to Independent Contractors/Consultants as of January 1, 2010

Office of Disbursements will process payment to Independent Contractor/Consultant. At Calendar Year-end Form 1099 will be sent to contractors for all payments made over $600 that year.

**Additional Points**

- **Honorarium** - An Honorarium is a one-time payment given to a professional person (excluding University employees) for short-term services rendered, for which fees are generally not legally or traditionally set.

- If Consultant/Service Provider is a corporation, partnership, or other legal entity, complete this checklist for the individual/s who will be performing services for the University.

- CIPC Form is not required if the individual being considered as a service provider is an employee of another institution governed by the Board of Regents of the University System of Georgia. Under this scenario the **Employment Compensation Agreement Form** is required to be signed by the Presidents of both institutions. The form requires the identification of specific services to be provided.

- Service provider cannot be a faculty or staff of Georgia State University who is currently paid on Payroll and/or who has been paid on Payroll at any time during the current calendar year, January 1 through December 31. (Faculty or staff members who have terminated employment during the calendar year may be paid on a fee-basis through Payroll. Service Provider cannot have a “pending” faculty contract.

The Hiring Dept. should enter an **Express Purchase Order (PO)** into Spectrum Plus in the name of the Service Provider.

If Purchasing accepts the Express Purchase Order, then an email confirmation will be sent stating "OK to Proceed".

Hiring Dept. will then prepare **Consultant Agreement - Long form** (other than State of GA entities), or Prepare the **Consultant Agreement - Short form** (non-higher education State of GA entities), or **Employee Compensation form** relative to USG Employees (between institution).

Contract agreement must be routed for approval and signed by all parties with the attached **Contract Routing Form** (employee compensation agreement form must be signed by the President of the providing institution and reviewed by the Office of Legal Affairs before routed to GSU President).

Department must deliver the **Original** contract with attachments to Purchasing for review. The attachments include **Completing contract routing form**, the pre-approved **(CIPC)**, or the **(WCRQ)**. The **Employee Compensation Agreement Form** must be accompanied by a completed **Contract Routing Form**.

Purchasing will review the contract and send an email to the Hiring Dept. when PO has been dispatched including the PO number assigned.

Once Service has been performed as agreed, and an invoice has been generated and submitted (by vendor only, except in the case of Honorariums), to the dept. then a **Consultant Payment Authorization Form** is to be attached to each invoice. Submit all to the office of Disbursements for payment.

Office of Disbursements will process payment to Independent Contractor/Consultant against the PO. At Calendar Year-end Form 1099 will be sent to contractors for all payments made over $600 that year and a review/audit will be made on requested payments. The hiring department will retain copies of signed contracts and approvals according to the Records Retention schedule (minimum 7 years).