Contractor/Employment Checklist

Proper characterization of workers as independent contractors or employees is required by the Internal Revenue Service and other governmental agencies (both state and federal). This checklist is one aspect of MATC’s response to meet this requirement as MATC strives to make proper internal characterizations of an individual as an independent contractor or employee. Your completion of this checklist will help keep MATC in compliance with tax and employment laws, rules and regulations.

Before proceeding to the detailed Checklist, the MATC supervisor must answer and initial the answers to the following questions about the work to be performed:

1) Is the person who will perform the work a current or retired MATC employee? ______
2) Is the person who will perform the work an MATC student? ______
3) Is the person who will perform the work replacing an MATC employee, due to leave of absence or other temporary circumstance? ______
4) Do any current employees perform these tasks as part of their regular job? ______
5) Does the project you are planning involve bargaining unit work? ______
6) Is the person who will perform the work a retired MATC employee, who is being brought back for a short time to perform some or all of his/her prior work, or to train someone in the performance of such work? ______
7) Has a Contractor/Employment Checklist been completed and approved by HR during the current fiscal year for the person who will perform the work? ______
8) Is the person who will perform the work assigned to MATC by the state of WI or other entity? (MATC does not select the person) ______

If the answer to any of these questions is “YES” or “I don’t know” STOP here.

If the answer is YES to any of Q 1-6, employee classification is required and you do not need to complete the Checklist. Consult an HR Recruiter to begin the hiring process.

If the answer to Q 7 is YES do not complete the Checklist. Attach a copy of the HR signature page of the current fiscal year prior approved Checklist to a completed Independent Contractor Agreement and submit to Purchasing.

If the answer to Q 8 is YES do not complete the Checklist. Enter information up to “Extent of Control over the Person Performing Work” and attach the completed pages to the Independent Contractor Agreement and submit to the Purchasing Department.

If the answer to all of the prior questions is “NO,” proceed to answer the more detailed questions below, and attach documentation as appropriate.
Name of Proposed Person/Entity Who Will Perform Work: __________________________

Describe Proposed Task/Services (attach separate sheet if necessary): ________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

Initiating Dept. ________________________________________________________________

Checklist Completed By: ___________________________________________  Date __________

Budget Manager: _______________________________________________  Date __________

**Extent of Control over the Person Performing Work**

One of the most important factors in determining whether an individual or entity is an employee or an independent contractor is whether the hiring party has a significant degree of control over that individual or entity. The greater the degree of control, the more likely that employee classification is appropriate.

1. Will the person be supervised in the day-to-day performance of its tasks?  
   - Yes ☐  - No ☐

2. Will the person be trained by MATC?  
   - Yes ☐  - No ☐

3. Will MATC mandate that the subject tasks (or a portion thereof) be performed by a particular individual?  
   - Yes ☐  - No ☐

4. Will MATC require the person to complete certain components of the contemplated task before others?  
   - Yes ☐  - No ☐

5. Will MATC require the person to make or file periodic progress reports?  
   - Yes ☐  - No ☐
## Time Required of the Person Performing Work

Generally speaking, the greater demand MATC places-on an individual’s or an entity’s time, the greater the likelihood that employee classification is appropriate.

1. Will the project require over one-third (1/3) of the person’s time? Yes o No o
2. Will the project require over two-thirds (2/3) of the person’s time? Yes o No o
3. Is MATC expected to retain the person for more than two (2) weeks? Yes o No o
4. Is MATC expected to retain the person for more than three (3) months? Yes o No o
5. Will the person be paid by the hour, day, week or month? Yes o No o
6. Will the person be working for only MATC during the contemplated project? Yes o No o

## Established Business – Include Documentation

The propriety of a classification as independent contractor may often turn on whether or not the individual or firm has an established business. For this reason, not only are your answers to the following questions important, but so too is the follow-up related to building the file with advertisements, business cards and other evidence of the established nature of the individual or firm’s business. **Failure to include documentation supporting the responses to the questions below may result in denial of independent contractor status.**

1. Does the person maintain its own place of business? (For purposes of this question, please disregard an office maintained at the proposed independent contractor’s personal residence) Yes o No o
2. Does the person make its services available to the general public? (e.g., Yellow Pages ad, business cards, newspaper ads, etc.) Yes o No o
3. If the person will employ its own workers on the project, will the person obtain workers’ compensation insurance and pay employment taxes for such workers? Yes o No o
4. Does the person have a Federal Tax ID? Yes ☐ No ☐
5. Does the person provide the same exact services to other businesses? Yes ☐ No ☐

**Independence of Person Performing Work**

The greater the extent to which an individual or firm will rely on MATC in the performance of its tasks, the greater the likelihood that employee classification is appropriate.

1. Will MATC supervise any of the person’s assistants? Yes ☐ No ☐
2. Will MATC provide or hire assistants for the person? Yes ☐ No ☐
3. Will MATC be responsible for any of the person’s business expenses? Yes ☐ No ☐
4. Will MATC be responsible for any of the person’s traveling expenses? Yes ☐ No ☐
5. Will MATC be responsible to provide the person with any of the tools and materials that the project requires? Yes ☐ No ☐
6. Will MATC be responsible for the maintenance of any such tools or materials? Yes ☐ No ☐
7. Has the person made relatively little or no investment in its business? Yes ☐ No ☐
8. Does the entity perform the same work of MATC employees? Yes ☐ No ☐

**Nature of Agreement**

The language of an independent contractor agreement can have a significant impact on the proper characterization of the proposed independent contractor. If a non-standard agreement is to be used, it must be approved by MATC General Counsel.

1. Will the person enter into an approved written independent contractor agreement with MATC? Yes ☐ No ☐

**Risk Assumed by Person**

Independent contractors characteristically face some degree of risk – their profits will depend on their efficiency or they may bear the burden of the failure of a certain contingency to occur. The
absence of any such risks is indicative of employee status.

1. Will the person be guaranteed a certain level of profit on the contemplated project?  
   Yes ☐ No ☐

2. Will both MATC and the person be free from any restrictions on, or penalties related to, their ability to terminate the agreement?  
   Yes ☐ No ☐

### Scoring

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<th>Section</th>
<th># of yes answers</th>
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<td>Extent of Control over person</td>
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<td>Time Required of person</td>
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<td>Established Business</td>
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<td>Nature of Agreement</td>
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<td>Risk Assumed by person</td>
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<td>Total</td>
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### Result

- **0 - 6**  
  Requestor routes this completed Checklist to Human Resources, Main Campus, Room M254 for review.

- **7+**  
  Because evaluation points to an employment relationship, supervisor should enter person into employment process in Human Resources or complete a new Checklist for a different vendor/contractor, or:

  Supervisor may consult the Office of General Counsel for further clarification.

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**For Human Resources Use:**

**Result:** Independent Contractor ☐ Further Review Required ☐ Employee ☐

Reviewed by HR: _________________________________ Date _____________________

If Human Resources codes this request as an Independent Contractor arrangement -

**Requestor’s Next Steps:**

- Contact the Purchasing Department at 414-297-7724 or visit Room M70 to obtain Independent Contractor (IC) Agreement and W-9 forms.
- Complete IC and W-9 forms. Attach forms to the HR Approved Checklist and return to the Purchasing Department – Room M70.
- Enter a requisition (EPR) in Cosmo for this request.