

California State University, Long Beach Research Foundation
Engagement of Independent Contractors Policy and Procedure
Updated February 2013

All Independent Contractor Agreements must be approved in advance by the Research Foundation Human Resources Department prior to the commencement of any services by the Independent Contractor.

BACKGROUND AND DEFINITIONS

Occasionally, there may be need for short-term professional services that cannot be performed by existing employees. The use of an independent contractor may satisfy this need in some qualified situations. Although the classification of independent contractors is defined by federal or state taxing agencies (i.e. the Internal Revenue Service (IRS) and the Employment Development Department (EDD) respectively) we have set forth the following guidelines to aid in the appropriate use of independent contractors.

Independent Contractor - An independent contractor is an individual entity that is not affiliated with the University (CSULB), hereby referred to as 38 Q L Y H U \ U H I Research Foundation who is providing primarily professional or technical advice or services under a written agreement or engagement letter.

Employee - An employment relationship exists when the employee Research Foundation has the right (whether or not it exercises the right) to supervise and control the manner of performance as well as the results of the service by the individual (employee). When such a relationship exists, the formal employment process must be followed.

Independent contractors are in business for themselves and receive a fixed amount for services rendered (this fixed amount includes all expenses associated with providing the service as applicable and agreed upon travel, lodging, meals, mileage, resources/materials, copy fees, etc.) Research Foundation is not required to withhold federal or state taxes (except for certain Resident Aliens), or unemployment, social security, workers' compensation or disability insurance benefits from their payments. It is very important that individuals who have been employees be set up as independent contractors due to the potentially severe financial consequences facing the employee (Foundation) project. Both the

