



INDEPENDENT CONTRACTOR HIRING PROCESS SUMMARY (FOR STATE FUNDS & INDIVIDUALS/SOLE PROPRIETORS ONLY)

Detailed instructions and related informational resources are contained in the "[Independent Contractor Hiring Process Training Manual](#)." The [Independent Contractor \(IC\) Pre-Hire Worksheet](#) will need to be completed and approved before work can commence per [JCSUAM 5412.0, Section 100](#).

STEP 1: COMPLETE IC PRE-HIRE WORKSHEET TO DETERMINE WORK RELATIONSHIP

- Determine Potential Conflict of Interest (Review [HR 2003-21](#) and [HR 2004-18](#) to ensure compliance with code restrictions.)
- Review Background Check Policy [HR 2015-08](#) applicability. Contact HRM for questions and concerns.
- Email completed form to: bfstaxcompliance@calstatela.edu

STEP 2: VERIFY BUSINESS INSURANCE COVERAGE

Upon receipt of approved IC Pre-hire Worksheet, confirm appropriate business insurance coverage and obtain a copy of the Certificate of Insurance. For requests of an insurance waiver, complete the [Risk Identification and Evaluation](#) form and **submit with the APPROVED IC Pre-Hire Worksheet** to [Kevin Brady and Dan Thomas](#). For more information, please refer to [Executive Order 1069](#) and [Technical Letter RM 2012-01](#).

STEP 3A: FOR TRANSACTIONS GREATER THAN \$500, SUBMIT ON-LINE REQUISITION ALONG WITH THE COMPLETE ENGAGEMENT PACKAGE TO PROCUREMENT AND CONTRACT SERVICES.

OR

STEP 3B: FOR TRANSACTIONS EQUAL TO OR LESS THAN \$500, SUBMIT DIRECTPAY FORM ALONG WITH THE COMPLETE ENGAGEMENT PACKAGE TO BUSINESS FINANCIAL SERVICES.

Procurement and Contract Services will issue a purchase order and/or a written agreement upon review and approval of the on-line requisition and complete engagement package. Business Financial Services will issue payments upon review and approval of the [DirectPay Form](#) and complete engagement package.

EXCEPTIONS

An IC form is **not** required for travel reimbursements, provided that 1) the IRS Accountable Plan (IRS Pub 463) rules are met¹ and 2) the travel reimbursements made are in connection with services to be performed. Please note that the [Risk Identification and Evaluation](#) form is still required if the worker does not have valid business insurance coverage.

Complete Engagement Package Includes:

- ✓ **Approved Independent Contractor Pre-hire Worksheet**
- ✓ **Proof of business insurance coverage or approved Risk Identification and Evaluation form**
- ✓ Completed [Vendor Data Form \(Form 204\)](#) for new vendors only
- ✓ GLACIER Record (if applicable)
- ✓ Approved [After-the-Fact Submission Form](#) if submitting paperwork after services have been rendered

Note: Contingent upon complete and correct package submission, please allow 10 business days for processing and approval by Administration and Finance.

¹ IRS Accountable Plans Rules (IRS Pub 463):

- Expenses must have a business connection- that is, the workers must have paid or incurred deductible expenses while performing services
- Workers must adequately account for these expenses within a reasonable period of time (i.e. receipts or backup records required)
- Workers must return any excess reimbursement or allowance within a reasonable period of time