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 ICSUAM 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: hfstaxcompliance@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 met 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.

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1 IRS Accountable Plans Rules (IRS Pub 463):
   a) Expenses must have a business connection- that is, the workers must have paid or incurred deductible expenses while performing services
   b) Workers must adequately account for these expenses within a reasonable period of time (i.e. receipts or backup records required)
   c) Workers must return any excess reimbursement or allowance within a reasonable period of time