



Using Independent Contractor Forms

These procedures are for dealing with individuals from outside the campus who provide services to the College.

(See Page 2 for “Independent Contractor versus Employee”)

What do we need before the independent contractor begins work for RMC?

- A. An independent contractor must sign three documents before beginning the job. The program director will sign on behalf of RMC.** (All forms can be found at the Business Office webpage.)

1. *Independent Contractor Agreement*

This describes the general conditions and responsibilities of the independent contractor, and the College, and establishes that the contractor is indeed an independent contractor, and not an employee of the College.

2. *Appendix A to the Independent Contractor Agreement*

There are currently three versions of Appendix A. All three versions define the termination date of the agreement for services, the amount of compensation and the work to be performed under the agreement. *One Appendix A must be used with each independent contractor agreement.*

The Physician Assistant Program Preceptor version of Appendix A and the Masters of Educational Leadership Mentor version spell out certain responsibilities in more detail, and are used only for the services identified in the name of the Appendix.

The short form Appendix A is mostly blank. It is used with all other independent contractor agreements. Be sure to specify carefully the services you expect the contractor to provide.

3. *Form W-9*

- B. The independent contractor also needs to provide proofs of insurance as described on the page 2 of this procedure before beginning work.**

How can we extend the time the independent contractor works for the college?

For example, to rehire a masters of education mentor or a physician assistant program preceptor for the following academic period, it is not necessary to redo the agreement. Simply complete the “***Addendum to Independent Contractor Agreement - Renewal***” specifying the new termination date and compensation amounts.

What if the independent contractor wants to use his/her standard contract?

This is common with performers. Use both. We can sign his/her contract, and they can sign our independent contractor agreement as well.

Are there independent contractors who don't need to sign the agreement?

Yes.

- Referees are contracted on a game-by-game basis and have the required insurance coverage from his/her association.
- Student teaching mentors should use the general agreement, and don't need proof of insurance since they are covered by his/her school.

Distinction between Independent Contractors and Employees

The IRS has many regulations covering this topic, and Montana has its own different version. The basic gist is that independent contractors do or could do the same work for other parties, use his/her own equipment, and decide what, how and when to do the job. An employee is subject to the employer's requirements as to when, where and how. Also, an independent contractor has a predefined termination date, while most employees do not.

Montana leans heavily towards calling people employees, to assure that worker's compensation insurance is provided.

Employees are paid through Human Resource Action Requests; independent contractors will generally invoice for his/her services. Payment to independent contractors is authorized by a purchase order initiated by the department using his/her services.

Most independent contractors need to provide two insurance-related documents (not needed from preceptors, mentors or officials):

1. **A state-authorized Independent Contractor's Exemption Certificate**, which exempts only the contractor (not his employees, if he has them) from having workers compensation insurance. If he doesn't have the certificate, he needs proof of his own worker's comp insurance.
2. **A currently valid certificate of liability insurance, with RMC named as an additional insured.** The contractor requests his insurance company to send this directly to RMC. With small independent contractors, it is important to verify that the liability coverage is in effect until the job is completed; it is not unknown for them to have the certificate of liability insurance sent, and then cancel the insurance shortly after that.

Nearly all independent contractors also need to sign an independent contractor agreement with the college.

Employee? Independent Contractor? Examples at RMC

Physician's Assistant Program – patient models are employees; preceptors are independent contractors, adjuncts are employees

Master's of Educational Leadership and Education – supervisors are employees; mentors are independent contractors (both M.Ed. mentors and student teaching mentors)

Aviation – flight check personnel and spin plane trainers may be independent contractors if they qualify; otherwise they are employees

Equestrian – farriers and vets are independent contractors if they qualify; event judges are generally independent contractors

Repairs, Maintenance, etc. – piano tuners, tree trimmers, electricians, plumbers, carpet installers, and people who repair equipment are generally independent contractors, if not on-staff

Events – performers, speakers, lighting and sound people, talent show judges, massage therapists, and ice-climbing instructors are independent contractors