

FAQ's for the Independent Contractor Determination (ICD) Process

When does an ICD checklist need to be completed? Where is the ICD checklist located?

An [ICD Checklist](#) should be submitted whenever you want to engage an individual, sole proprietor, or single member LLC for services. Partnerships, corporations, trusts, or other LLCs are not required to submit ICD checklists. The ICD must be completed and approved prior to commencement of services each calendar year. The [ICD Checklist](#) is located within SharePoint (SMU network credentials are required).

The procedures and additional information regarding classification are also located at the following website:

<http://www.smu.edu/BusinessFinance/OfficeOfBudgetAndFinance/TaxCompliance/IndependentContractorDetermination>

How do I determine the company's tax status?

Review the W-9 form. If the box for sole proprietor or single member LLC is checked, an ICD checklist must be completed.

When is an ICD checklist NOT required?

- If company is a partnership, corporation, trust, estate, other than single member LLC
- Purchase of products
- Rental fees
- Maintenance agreements
- Reimbursements
- If there is an employment relationship with SMU (e.g. currently working or previously worked for SMU during the calendar year when services will be performed)

What are examples of characteristics of an employee?

- Performs duties dictated or controlled by others
- Is given training for work to be done
- Anyone who teaches a course from which students may receive academic credit

What are examples of characteristics of an independent contractor?

- Operates under a business name
- May have his/her own employees
- Maintains a separate business bank account
- Advertises his/her business services
- Invoices for work complete
- Sets own work hours and has own tools

Can adjunct faculty be paid as an independent contractor?

No, an individual who is the primary instructor teaching credit bearing courses cannot be paid as an independent contractor.

What are the options if the individual is not classified as an independent contractor?

The individual will be classified as a temporary employee paid through Kelly Services or, in limited situations, a temporary employee through SMU. Contact Human Resources at smuhr@smu.edu for assistance with hiring the individual.

What must be included with the ICD checklist?

A detailed statement of work should be attached to the ICD checklist.

What is a statement of work?

A statement of work is a document that lists the project-specific activities, deliverables, and timelines for an individual providing service to SMU. Guidelines to writing a statement of work can be located on the [Contracts Administration page](#).

Do I need to complete an ICD checklist if the consultant/contractor will be paid from a grant?

Yes, any individual or business that performs services will need to be reviewed through the ICD process, regardless of whether their fee will be charged to a grant. Once the individual or business has been approved as an independent contractor you will need to send the ICD approval e-mail, statement of work, and contract intake form to researchcontracts@smu.edu so that a consulting or contract for services agreement can be completed for the work that is being charged to the grant.

What if I do not know the answers to some of the questions?

We recommend contacting the vendor to request accurate information. The vendor should NOT complete the form.

What information should I provide if the individual works full-time outside SMU?

Check YES to Section C Question 4, and insert the name of the company or institution.