

EMPLOYEE/INDEPENDENT CONTRACTOR CLASSIFICATION CHECKLIST FOR  
PROFESSIONAL SERVICE CONTRACT PAYMENTS TO INDIVIDUALS

The information provided below will assist the University in determining whether the **individual** performing the services will be classified for federal, state and FICA tax purposes as an employee of the University or as an independent contractor. Complete Section I, Section II, and Section III (if necessary) and ATTACH TO THE PROFESSIONAL SERVICES CONTRACT. (Form required only for individuals and sole proprietors)

I. \_\_\_\_\_  
Contractor's Name AU Vendor Number or Social Security #/TIN  
Department \_\_\_\_\_ Form Preparer \_\_\_\_\_  
Name Phone #

II. **Multiple Relationships with the University** YES NO

A. Does this individual currently work for the University as an employee?  
B. Is it currently expected that the University will hire this individual as an employee immediately following the termination of his or her PSC?  
C. Has this individual been employed (including temporary) at the University in the past?  
D. Is this individual retired from an Alabama Teachers/Employees Retirement Systems (TRS/ERS) affiliated entity (state government/agency, school system, College/University)?

*If the answer is "No" to all questions, proceed to the questions in Section III.  
If the answer to questions A or B is "Yes", the individual should be classified as an employee and paid via the payroll system.  
If the answer to question C is "Yes", contact Procurement and Payment Services for guidance.*

III. **Classification Guidelines (Complete ONLY ONE of IIIA, IIIB, and IIIC depending on the services performed by the Individual)**

A. Teacher / Lecturer / Instructor YES NO

1. Is the individual a "guest lecturer" (e.g. an individual who lectures at only a few class sessions)?  
Treat as an Independent Contractor Go to #2

2. a. Is the individual teaching a course for which students will NOT receive credit toward a University degree.  
b. Does the individual provide the same or similar services to other entities or to the general public as part of a trade or business?

*If the answer to both questions 2(a) and 2(b) is "Yes", then treat the individual as an independent contractor.  
If the answer to either of questions 2(a) and 2(b) is "No", then go to question #3.*

3. In performing instructional duties, will the individual primarily use course materials that are created or selected by the individual?  
Treat as an Independent Contractor Treat as an Employee

B. Researcher

Researchers hired to perform services for a University department are presumed to be employees of the University. If, however, the researcher is hired to perform research for a particular University professor or employee, please indicate which of the following relationships is applicable by placing a check mark in the appropriate blank:

Relationship #1: The individual will perform research for a University professor or employee under an arrangement whereby the University professor or employee serves in a supervisory capacity (i.e., the individual will be working under the direction of the University professor or employee). #1 Treat as an Employee

OR

Relationship #2: The individual will serve in an advisory or consulting capacity with a University professor or employee (i.e., the individual will be working "with" the University professor or employee in a "collaboration between equals" contractor type arrangement). #2 Treat as an Independent Contractor

C. Individuals Not Covered Under Sections IIIA or IIIB YES NO

1. Does the individual provide the same or similar services to other entities or to the general public as part of a trade or business?  
Treat as an Independent Contractor Go to #2

2. Will the department provide the individual with specific instructions regarding performance of the required work rather than rely on the individual's expertise?  
Treat as an Employee Go to #3

3. Will the University set the number of hours and/or days of the week that the individual is required to work, as opposed to allowing the individual to set their own work schedule?  
Treat as an Employee Treat as an Independent Contractor

Contractor's Signature \_\_\_\_\_ Department's Signature \_\_\_\_\_