

## Paying an Independent Contractor

Use the check request system to pay Independent Contractors.



### Payee Type Selection

#### Create a New Check Request

Please select a payee type:	<input type="text" value="Contractor (Independent)"/>
Please enter a tax id:	<input type="text"/> <input type="checkbox"/> I certify this person is an alien
<small>The tax id is required if the payee type is Individual or Contractor.</small>	
<input type="button" value="Create"/> <input type="button" value="Reset"/>	

Select Contractor Independent as payee type

Your Notes:

Question: \_\_\_\_\_

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Answer: \_\_\_\_\_

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Question: \_\_\_\_\_

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Answer: \_\_\_\_\_

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Question: \_\_\_\_\_

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Answer: \_\_\_\_\_

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THE UNIVERSITY  
of NORTH CAROLINA  
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M&DS

How To

# INDEPENDENT CONTRACTORS

[Asset Management - Disbursement Services](#)

[Materials Management & Distribution \(MMD\)](#)

[Purchasing Services - P-Card - Surplus Property](#)

[Travel Services](#)

Material & Disbursement Services  
at UNC-Chapel Hill  
104 Airport Drive  
CB#1100  
Chapel Hill, NC 27599

[www.unc.edu/finance/mds/](http://www.unc.edu/finance/mds/)



**Independent Contractors** are classified by state and federal tax law (see IRS Publication 15 A for details). These laws provide significant

penalties for employers who do not follow the rules. According to the IRS definition of independent contractor: "People such as lawyers, contractors, subcontractors, public stenographers, and auctioneers who follow an independent trade, business, or profession in which they offer their services to the public, are generally not employees. However, whether such people are employees or independent contractors depends on the facts in each case. The general rule is that an individual is an independent contractor if you, the person for whom the services are performed, have the right to control or direct only the result of the work and not the means and methods of accomplishing the result."

The table on the next two pages should help you decide if someone is an employee or an Independent Contractor.

For further information see the business manual at:

[www.ais.unc.edu/busman/apy/apyapp5.html](http://www.ais.unc.edu/busman/apy/apyapp5.html)

And IRS publication 15 A.



## Independent Contractor Check List

Factors	Employee	Independent Contractor
Instructions	Must comply with employer's instructions about when, where and how to work	Determines place and sequence of work
Training	Trained by employer	Train on their own
Integration	Services are part of business	Services may not be related to employer's business
Services rendered personally	Work is done personally	Others can do the work if contract is completed
Hiring assistants	Has assistants hired by the employer	Employs own assistants
Continuing relationship	Has continuous relationship with employer	Works by the job
Hours of work	Works hours set by employer	Sets own work hours
Full-time work	Works full-time for one employer	Works by the job
Location of work	Work done on employer's premises or designated site	Generally works off-site
Order or sequence set	Must Follow set order of work	Can set own schedule
Reports	Submits regular reports	Files report when job ends; interim reports possible
Payments	Paid by the hour or salary	Paid by the job
Expenses	Business and Travel expenses paid by employer	Pays own business and travel expenses; part of cost of job
Tools and materials	Tools and equipment provided by employer	Furnishes own tools and equipment
Investment	Has no investment in facilities used	Has significant investment in facilities used