

Instructions for Requisitioning and Compensating

Independent Contractor Services Agreement (ICSA) Guest Speaker or Short-term Services

Purpose of the Process: To ensure that the *Independent Contractor Services Agreement* (ICSA) is complete and accurate and used only for individuals that are not performing employee services. The Evaluation for Determining Independent Contractor Status assists in distinguishing between "employee" and "independent contractor" and safeguards the University and its employees from potential liability related to incorrect classification and compliance with Federal Requirements.

The ICSA contracts with individuals to provide technical, professional or specialized skills on a limited basis such as guest speakers, athletic officials, consultants, and/or entertainers/performers and to request honorarium payments to individuals who:

- Provide one-time nonrecurring services; **and**
- Are to be paid \$10,000 or less (no receipts required, all payments reported as taxable income); **and**
- Are not otherwise employed by the Nevada System of Higher Education (which includes CSN, DRI, GBC, NSC, TMCC, UNLV, UNR, WNC, or NSHE System Administration).

Foreign Nationals: Nonresidents may be subject to federal tax withholding and/or reporting regardless whether receiving compensation, travel reimbursement, or having travel pre-paid on their behalf by UNLV. If an individual is neither a U.S. Citizen nor a lawful permanent resident (green card holder), additional documents may be required. To ensure compliance with federal requirements, please contact the Nonresident Alien Tax Specialist office at 702-895-1243 or nrat@unlv.edu prior to engaging in expenses on behalf of the individual or for additional information and payment instructions.

Non-Resident Alien compensation, travel reimbursement, or travel pre-payment will be reported on an IRS 1042 Form as appropriately determined by the NRA Tax Specialist.

STEP ONE: Establish Status

The department is responsible in assuring that appropriate evidence has been gathered to support the position that the University has engaged an independent contractor.

Before an ICSA is initiated, the independent contractor status must be determined by completing the *Evaluation for Determining Independent Contractor Status* and the requirements of the services. Please contact UNLV Accounts Payable at accountspayable@unlv.edu for questions related to the evaluation process.

STEP TWO: Payment Guidelines

When negotiating this one-time payment, determine if the payment will consist of a fee as well as travel expenses. For ease in accommodations, Independent Contractors should make their own travel arrangements. The total payment terms would then include the budgeted amount for services to include an estimated cost for travel expenses.

If the department prepays lodging, the rate must comply with current GSA lodging per diem rates. If the department prepays airfare, the cost must comply with current UNLV policy and restrictions.

Please keep in mind that UNLV issues payments on a Net-30 basis after the date of service. When completing the Independent Contractor Services Agreement Payment terms, please indicate the payment e.g.: "\$1500 to be paid within 30 days after services provided".

Whenever possible, coordinate/obtain preliminary agreement by email as confirmation.

STEP THREE: Complete the ICSA Form

We highly recommend that the electronic signature routing process be utilized instead of the manual ICSA Form. To utilize the electronic signature process, access the Qualtrics Survey at <https://www.unlv.edu/controller/forms#ic>

Complete the header, Part One and the department information of the ICSA Form and insert the contractor's name on the Affidavit Page. Send all three pages of the Form to the contractor.

Request that Part Two be completed and that the contractor sign and date the 'Independent Contractor Determination' section and the Worker's Compensation Affidavit form (Contractor **must** check one of the three boxes). Please keep in mind that UNLV issues payments on a Net-30 basis after the date of service. When completing the ICA Scope of Services and Payment terms, please indicate the payment as: "\$1500 to be paid within 30 days after services provided".

STEP FOUR: Initiate Requisition or Supplier Invoice Request

Ensure your Independent Contractor is registered in the SREG Lite Payment Registration system at <https://suppliers.nevada.edu/lite>. The Requisition/Payment process will not move forward without a valid Supplier ID.

Submit a requisition to issue a purchase order to the contractor. Attach the fully completed and signed Independent Contract Agreement (Manual ICSA contract or Electronic Signature Qualtrics Survey with *ICSA Signature Page*). The purpose of the REQ is to initiate a PO prior to services being provided. If the services have already been provided, then this process is skipped.

After services are provided, the department initiates the receipt against the PO (this process is also skipped if no PO.) To issue payment, the department submits an SIR with a copy of the ICSA as the invoice. If no PO was issued, mark the SIR as an "after-the-fact" payment.

SPECIAL NOTE

For the purposes of the ISCA process:

US Citizen or lawful permanent resident (green card holder) receiving only a travel reimbursement supported by receipts will not be reported on an IRS 1099 Form.

US Citizen or lawful permanent resident (green card holder) Independent Contractors receiving compensation payment and travel reimbursement (regardless of receipts) will be reported on an IRS 1099 Form.

