

**THE TWENTY FACTORS OF THE "COMMON LAW TEST"
FOR
CLASSIFYING INDEPENDENT CONTRACTORS**

TO BE COMPLETED BY PROJECT DIRECTOR:

PROJECT DIRECTOR'S NAME: _____
(Please Print)

ACCOUNT NUMBER: _____

VENDOR NAME: _____

All of the factors listed below **must** be considered in determining whether an employment relationship exists. In the right hand column, check either "Employee" or "Independent Contractor" to certify which relationship best fits each of the twenty factors.

	<u>Employee</u>	<u>Independent Contractor</u>
1. <u>Compliance with instructions</u> – employees must comply with another person's instructions on when, where, and how the work is performed. In a true independent contractor relationship, the only control to which the contractor is subject is the result.	[]	[]
2. <u>Training required</u> – independent contractors are not normally trained but rather are hired for their expertise in a field.	[]	[]
3. <u>Integration of services into business operations</u> – employees' services are usually a vital part of the daily operation of an employer's operation.	[]	[]
4. <u>Services rendered personally</u> – employees personally render the services, while contractors may delegate such work to others.	[]	[]
5. <u>Hiring, supervising, and paying assistants</u> – usually individuals who perform all these functions are treated as independent contractors.	[]	[]
6. <u>Continuing relationship</u> – employees are usually hired for an ongoing period, while a contractor's work ends when the job does.	[]	[]
7. <u>Set hours of work</u> – employees usually must adhere to a worker schedule established by the employer.	[]	[]
8. <u>Full time required</u> – generally, employees work full-time for an employer, while independent contractors work when and for whom they choose.	[]	[]

9. **Doing work on employer's premise** – those working at the employer's site may be viewed as employees. [] []
10. **Services performed in order or sequence set** – persons told to perform work in a certain sequence generally are considered employees. [] []
11. **Oral or written reports** – employees are more likely to be required to submit regular reports to the employer. [] []
12. **Payment by hour, week, month** – typically, employees are paid on a regular basis, while independent contractors are compensated by the job or on a lump-sum or straight commission basis. [] []
13. **Payment of business and/or travel expenses** – employer payments of a person's work-related travel expenses generally indicates employee status. [] []
14. **Furnishing of tools and materials** – employees, not individual contractors, are generally provided with supplies. [] []
15. **Significant investment** – individuals who have a significant personal investment in the facilities they use for work are normally independent contractors. [] []
16. **Realization of profit or loss** – unlike employees, independent contractors realize a profit or loss based on their success in performing a service. [] []
17. **Working for more than one firm at a time** – individuals who perform services for a number of employers are usually independent contractors. [] []
18. **Making services available to general public** – individuals who regularly make their services available to the general public are usually treated as independent contractors. [] []
19. **Right to discharge** – employees can be fired, while independent contractors cannot be discharged if they fulfill contract specifications. [] []
20. **Right to terminate relationship without incurring liability** – an employee can terminate his employment relationship with his employer at any time, whereas an independent contractor may be liable for breach of contract for leaving work unfinished. [] []

PROJECT DIRECTOR'S SIGNATURE

DATE

Description of Services:

Period of Service:

Fees and Expenses (Include maximum dollar amount of compensation):

Payment Schedules:

Technical and Final Reporting Requirements:

Other Information:
