

**PennDesign**  
**Independent Contractors**  
**Effective January 2017 (Amended March 1, 2017)**

The following protocols are guidelines when discussing with an individual the services they can offer to the School, a department, or to faculty, staff, or students *prior* to engaging the individual in the services needed. The determination of whether the individual is an **independent contractor (IC)** or an **employee** of the University resides at the School-level.

**Independent Contractor (Object Code 5319)**

An individual who supplies goods and/or services to the School, a department, or to faculty, staff, or students who is deemed by the School as independent contractor. Independent contractors typically should supply their own workplace, are not supervised, have control over their work schedule, have a set of skills not found elsewhere within the University, and provide the same or similar services to the general public as part of a continuing trade or business.

The following steps should be taken as soon as an individual is identified as a possible service provider and *prior* to the individual performing their services:

- (1) Obtain a scope of work and estimate (quote) for the proposed services. The signature of acceptance must be signed by Purchasing, please do not sign.
- (2) Send the individual a [Service Provider Questionnaire](#) to complete along with the appropriate forms from the list below.
- (3) Return the signed (department requestor) questionnaire, appropriate forms, scope, and estimate to the Financial Administration Office (FAO) as one packet via [pdpo@design.upenn.edu](mailto:pdpo@design.upenn.edu)
- (4) FAO will review, consult, and make a final determination on whether the individual is an **IC** or temporary hourly employee (999 hour limit per fiscal year).
- (5) IF the individual is deemed an **employee**, a Professional Service Provider (temporary hourly employee) letter will be generated [Payroll and Human Resources](#) and the individual will go onto payroll. Individual will report hours weekly using e-time reporting.
- (6) If the individual is deemed an **IC**, Purchasing Services will send a supplier questionnaire invitation to the contractor to complete and return.
- (7) When the contractor is added the Purchasing system, a requisition needs to be created to generate a purchase order. The **IC** will send an invoice for services (and travel expenses if applicable) rendered against the purchase order.

For U.S. Citizens: [W9](#)

For Nonresident Aliens: [W-8BEN](#), Passport and Stamp of Entry, [Certificate of Foreign Source Income](#) (if applicable), Form 8233 (Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual and Certain Dependents) Determination of eligible treaty benefits are made by Tax and International Operations. Nonresident aliens who may be eligible to receive a tax treaty exemption will be provided with IRS Form 8233 and the applicable statement by the Tax Department. The nonresident alien must submit a signed Form 8233 to the department initiating the request for payment in order to ensure that U.S. income tax will not be withheld from the payment.