

Purchase Request: _____

This form is used to determine if an individual should be classified as an employee or independent contractor based on the scope of work provided. The individual is not authorized to perform any work for Northern Arizona University (the University) until this request has been reviewed and an appropriate contract issued and signed.

The Independent Contractor Request form shall be required for individuals reporting income/payments to a Social Security Number (SSN). The Independent Contractor request form shall not be used for individuals reporting income/payments under a Federal Identification Number (FID).

University employees performing work outside of their job description or performing within their job description, but outside of their home department shall be paid through their applicable payroll system. These individuals shall not be considered Independent Contractors.

Independent Contractor: As defined for federal tax purposes, is an individual having no employment relationship to Northern Arizona University, either by statutory, common-law, or regulatory tests. The University has no FICA or income tax withholding obligations for the Independent Contractor. An Independent Contractor offers services to the general public and possesses specialized knowledge and skills, provides a specific product or service and functions autonomously in determining when and how the work shall be accomplished. The University utilizes Independent Contractors for services, skills or capabilities, which are not available from within the University and for which no similar employee position exists at the University. An independent contractor is not considered an employee of the University.

NOTE: Independent Contractors may be required to provide a Certificate of Insurance prior to beginning work for the University, refer to Appendix B for requirements. Determination of the requirement for a Certificate of Insurance will be made by Contracts, Purchasing and Risk Management during the Purchase Request review process.

Independent Contractor Information

Name: _____

Address: _____ E-Mail: _____

City: _____ State: _____ Zip: _____

License and expiration
date, if applicable: _____ Telephone: _____

1. ☐ U.S. Citizen/Permanent Resident Alien
☐ Nonresident Alien Federal Income Tax of 30% shall automatically be withheld from this payment.
2. Has the Independent Contractor ever been employed (on paid status) by Northern Arizona University? ☐ Yes
☐ No

If 'Yes', explain
(include employment
dates)

3. Describe, in detail, services that shall be provided by service provider and the nature of qualifications. Attach any pertinent/relevant information: (if necessary, attach additional sheets)

4. Dates of Service:
From _____ to _____

5. Fee for service:
\$ _____

Terms of payment: ☐ Fixed lump sum ☐ Per hour/day ☐ Per unit of service

If other than fixed lump sum, provide detailed explanation:

6. Expenses requested to be reimbursed, if applicable (note, any expenses reimbursement, if any, will be outlined in the contract and comply with the requirements below):

Reimbursements for airfare shall be for standard airline coach travel only. Reimbursement for auto travel and lodging accommodations shall be at the rates permitted by [SAAM Reimbursement Rates](#).

7. Independent Contractor Determinants:

The Internal Revenue Service has provided a list of twenty (20) common law factors to assist in determining if the service provider is an employee or an Independent Contractor. Examples of Employee vs. Independent Contractor determinants are presented in Appendix “A” on pages 4 and 5.

Does the service provider:

	YES	NO
1. Comply with employer’s instructions about the work?	<input type="checkbox"/>	<input type="checkbox"/>
2. Receive training from or at the direction of the employer?	<input type="checkbox"/>	<input type="checkbox"/>
3. Provide services that are integrated into the business?	<input type="checkbox"/>	<input type="checkbox"/>
4. Provide services that must be rendered personally?	<input type="checkbox"/>	<input type="checkbox"/>
5. Hire, supervise, and pay assistants for the employer?	<input type="checkbox"/>	<input type="checkbox"/>
6. Have a continuing relationship with the employer?	<input type="checkbox"/>	<input type="checkbox"/>
7. Follow set hours of work?	<input type="checkbox"/>	<input type="checkbox"/>
8. Work full-time for an employer?	<input type="checkbox"/>	<input type="checkbox"/>
9. Accomplish their work on the employer’s premises?	<input type="checkbox"/>	<input type="checkbox"/>
10. Accomplish their work in a sequence set by the employer?	<input type="checkbox"/>	<input type="checkbox"/>
11. Submit regular reports to the employer?	<input type="checkbox"/>	<input type="checkbox"/>
12. Receive payments of regular amounts at set intervals?	<input type="checkbox"/>	<input type="checkbox"/>
13. Receive payments for business and/or traveling expenses?	<input type="checkbox"/>	<input type="checkbox"/>
14. Rely on the employer to furnish tools and materials?	<input type="checkbox"/>	<input type="checkbox"/>
15. Lack a major investment in facilities used to perform the service?	<input type="checkbox"/>	<input type="checkbox"/>
16. Make a profit or suffer a loss from their services?	<input type="checkbox"/>	<input type="checkbox"/>
17. Work for one employer at a time?	<input type="checkbox"/>	<input type="checkbox"/>
18. Offer their services to the general public?	<input type="checkbox"/>	<input type="checkbox"/>
19. Be fired by the employer?	<input type="checkbox"/>	<input type="checkbox"/>
20. Quit work at any time without incurring a liability?	<input type="checkbox"/>	<input type="checkbox"/>

8. Signatures:

ARS §38-511 requires the disclosure of any substantial interest by an employee in any contract, sale, purchase, or service by or to the University as well as disclosure of any substantial interest in any decision of the University. If such an interest exists the employee shall refrain from participating in the decision, contract, sale or purchase in any manner.

_____ Department Name	_____ Box Number	_____ Phone	_____ AREA/ORG
_____ Project Director	_____ Signature		_____ Date
_____ Sponsored Projects	_____ Date	(Only if grant funds are used.)	

I hereby certify to the Arizona Board of Regents and Northern Arizona University that, to the best of my knowledge, the information provided is true, complete and correct.

Under penalties of perjury, I certify that:

- a. I AM NOT SUBJECT TO BACKUP WITHHOLDING.
- b. I AM A U.S. PERSON.

Independent Contractor Signature

Date

For Purchasing Services Use Only

- ☐ Request approved as an Independent Contractor
- ☐ Request denied. Department notified to contact Human Resources for the purpose of hiring service provider as an employee.

Evaluator: _____ Date: _____

Appendix “A”

EMPLOYEE VS. INDEPENDENT CONTRACTOR: The factors are intended as guidelines not strict rules. Not all factors may be needed to make a decision. For example, in a given situation, certain factors may be more important than others in determining the relationship, while other factors may not apply. If the proper relationship is unclear after analyzing these factors, an employer-employee relationship shall be established. The twenty (20) common law factors are as follows:

- RULE 1** **INSTRUCTIONS:** *EMPLOYEE RELATIONSHIP:* Required to comply with instructions on when, how and where to work. Employer’s right to instruct, not the exercise of that right, is the key. Instructions may be oral or in written procedures or manuals.
INDEPENDENT CONTRACTOR RELATIONSHIP: Hired to provide goods and/or services and is not instructed in great detail on how to provide the goods and/or services.
- RULE 2** **TRAINING:** *EMPLOYEE RELATIONSHIP:* New employee is trained by an experienced employee. Employer wants job done in a certain way.
INDEPENDENT CONTRACTOR RELATIONSHIP: Uses own methods, hired for expertise, receives no training from institution.
- RULE 3** **INTEGRATION:** *EMPLOYEE RELATIONSHIP:* Employees duties are integrated into the normal business operations.
INDEPENDENT CONTRACTOR RELATIONSHIP: Services can usually stand alone; are not integrated into business operations.
- RULE 4** **PERSONAL SERVICE:** *EMPLOYEE RELATIONSHIP:* Hired to render services personally. Employer concerned both with methods and results of service.
INDEPENDENT CONTRACTOR RELATIONSHIP: Hired to provide a service. Employer often doesn’t care who does the job.
- RULE 5** **HIRING ASSISTANTS:** *EMPLOYEE RELATIONSHIP:* Employee doesn’t hire assistants. Employer hires and controls with whom the assistants work.
INDEPENDENT CONTRACTOR RELATIONSHIP: Hires, supervises, and pays assistants under contract to attain a given goal.
- RULE 6** **CONTINUING RELATIONSHIP:** *EMPLOYEE RELATIONSHIP:* Has a continuing relationship with employer, even if performed at irregular intervals, on a part-time basis, seasonally, or over a short term.
INDEPENDENT CONTRACTOR RELATIONSHIP: Has a defined relationship that ends when the services are completed.
- RULE 7** **SET HOURS:** *EMPLOYEE RELATIONSHIP:* Has hours of work set by employer, which bars employee allocating time to other work—a right of the independent contractor.
INDEPENDENT CONTRACTOR RELATIONSHIP: Tends to establish time use as a matter of right.
- RULE 8** **NUMBER OF EMPLOYERS:** *EMPLOYEE RELATIONSHIP:* Works full time for employer, even if schedule is not a standard one.
INDEPENDENT CONTRACTOR RELATIONSHIP: Is free to work for as many employers as desired.
- RULE 9** **ON EMPLOYER’S PREMISES:** *EMPLOYEE RELATIONSHIP:* Works on employer’s premises, implying employer control. At least physically within employer’s direction and supervision. Employer may still control work off-site.
INDEPENDENT CONTRACTOR RELATIONSHIP: Completes work on or off premises.
- RULE 10** **PRESCRIBED SEQUENCE:** *EMPLOYEE RELATIONSHIP:* Must often perform duties in a set sequence. Right to set the sequence is the key, not exercise of right.
INDEPENDENT CONTRACTOR RELATIONSHIP: Is free to perform duties in any manner that gets job done.
- RULE 11** **WRITTEN REPORTS:** *EMPLOYEE RELATIONSHIP:* Submits written reports that show employer control over employee’s work.
INDEPENDENT CONTRACTOR RELATIONSHIP: Submits reports only as specified by the contract, and then may be in broad terms and less frequently than an employee.
- RULE 12** **MEANS OF PAYMENT:** *EMPLOYEE RELATIONSHIP:* Usually paid in regular intervals. Guaranteed a minimum salary and/or a drawing account at stated intervals with no requirement to repay any excess over earnings.

INDEPENDENT CONTRACTOR RELATIONSHIP: Is paid by the job, in a lump sum, or on a commission basis.

- RULE 13** **BUSINESS EXPENSES:** *EMPLOYEE RELATIONSHIP:* Is reimbursed for business or traveling expenses, showing employer control.
INDEPENDENT CONTRACTOR RELATIONSHIP: Is paid on a job basis and assumes all business expenses, except as specified by contract.
- RULE 14** **TOOLS AND SUPPLIES:** *EMPLOYEE RELATIONSHIP:* Usually is supplied with all tools and supplies needed.
INDEPENDENT CONTRACTOR RELATIONSHIP: Furnishes own tools or supplies needed.
- RULE 15** **INVESTMENT IN FACILITIES:** *EMPLOYEE RELATIONSHIP:* Has little or no investment in facilities.
INDEPENDENT CONTRACTOR RELATIONSHIP: May have significant investment in facilities used to perform duties.
- RULE 16** **PROFIT OR LOSS:** *EMPLOYEE RELATIONSHIP:* Generally does not suffer profit or loss from service provided.
INDEPENDENT CONTRACTOR RELATIONSHIP: Is in a position to realize profit or loss from service provided.
- RULE 17** **ONE EMPLOYER AT A TIME:** *EMPLOYEE RELATIONSHIP:* Tends to work exclusively for one employer.
INDEPENDENT CONTRACTOR RELATIONSHIP: Normally works for more than one employer at a time.
- RULE 18** **SERVICE TO PUBLIC:** *EMPLOYEE RELATIONSHIP:* Generally does not offer services to general public.
INDEPENDENT CONTRACTOR RELATIONSHIP: Makes services available to public, e.g., hangs out a shingle, has a business license, or has telephone directory listings.
- RULE 19** **DISCHARGE RIGHTS:** *EMPLOYEE RELATIONSHIP:* Can be fired by employer. Collective bargaining agreement does not detract from existence of employee-employer relationship.
INDEPENDENT CONTRACTOR RELATIONSHIP: Cannot be discharged as long as results comply with contract specifications.
- RULE 20** **MAY QUIT WITHOUT A LIABILITY:** *EMPLOYEE RELATIONSHIP:* Normally can quit anytime without incurring a liability.
INDEPENDENT CONTRACTOR RELATIONSHIP: Agrees to a specific job and is responsible for satisfactory completion or legally obligated to make good for failure to complete the job.

Professional Service Contracts

Standard Professional Service

INSURANCE REQUIREMENTS:

Upon request, Contractor shall provide the University with a Certificate of Insurance. Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The State of Arizona, Arizona Board of Regents and Northern Arizona University in no way warrants that the above-required minimum insurer rating is sufficient to protect the Licensee from potential insurer insolvency.

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide a certificate with the following minimum insurance coverage and endorsements:

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal and advertising injury coverage.

- | | |
|---|-------------|
| • General Aggregate | \$2,000,000 |
| • Products – Completed Operations Aggregate | \$1,000,000 |
| • Personal and Advertising Injury | \$1,000,000 |
| • Damage to Rented Premises | \$ 50,000 |
| • Each Occurrence | \$1,000,000 |

- a. The certificate shall name the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as Additional Insureds. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from performance under this Contract by or on behalf of the Contractor.
- c. If Independent Contractor is working with children or disabled persons, the policy shall be endorsed to include coverage for **sexual abuse and molestation** and must provide the statement "Sexual Abuse/Molestation coverage is included."

2. Business Automobile Liability

Bodily injury, death, or property damage arising out of the ownership, maintenance or use of any auto in the performance of this Contract.

- | | |
|---|-------------|
| • Combined Single Limit (CSL) for each occurrence | \$1,000,000 |
|---|-------------|

- a. The certificate shall name the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees as Additional Insureds. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from performance under this Contract by or on behalf of the Contractor.

3. Workers' Compensation and Employers Liability

Workers' Compensation coverage for all employees which meets Arizona statutory benefits; including

- | | |
|----------------------|-------------|
| Employers' Liability | Statutory |
| Each Accident | \$1,000,000 |

Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from performance under this Contract by or on behalf of the Contractor.
- b. This requirement shall NOT apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

4. **Professional Liability (Errors and Omissions Liability)**

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
- b. The policy shall cover professional misconduct, wrongful acts or lack of ordinary skill for those positions defined in the Scope of Work of this Contract.

B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

1. The State of Arizona, Arizona Board of Regents, and Northern Arizona University shall be named as the certificate holder.
2. The following statement, as provided by A.R.S. § 41-621(E) shall be included “The coverage afforded under this certificate shall be primary and any insurance carried by Northern Arizona University, The Arizona Board of Regents, or the State of Arizona shall be excess and not contributory insurance to that provided by the named insured.”

C. **NOTICE OF CANCELLATION:** With the exception of ten (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require thirty (30) days written notice. Such notice shall be sent directly to Northern Arizona University.

D. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **(Northern Arizona University, Box 4067, Flagstaff, AZ 86011)** for approval. The University project/contract number and project description shall be noted on the certificate of insurance. The University reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA DEPARTMENT OF ADMINISTRATION RISK MANAGEMENT DIVISION.**

E. **SUBCONTRACTORS:** Contractors’ certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

F. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by the University, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

G. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.