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INDEPENDENT CONTRACTOR (I.C.) QUALIFICATION PROCESS

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APPLICABILITY

Applicable to all individuals, sole proprietors, partnerships and limited liability companies (LLC) that contract for services (regardless of dollar amount) resulting in payment from The IEEE. This process is required for each ICA.

For Non-U.S. persons, please read [Procedure No. 4](#) on page 3 before reading Procedures 1 & 2.

DEFINITIONS

An **Independent Contractor (I.C.)**: is an individual, a sole proprietor, a partnership or an LLC that supplies services to IEEE, but not exclusively for IEEE.

Proof: In the U.S., an independent contractor's services must be available or provided to the general public and physical proof of such must be provided to IEEE.

Any **one** of the following is sufficient proof of independent contractor status:

1. A business office address separate from the residential address (not a PO Box #). Must provide evidence of such office.
2. The filing of a business (Schedule C) Federal tax return that includes income from non-IEEE sources or a recent 1099 form indicating income received from a non-IEEE source. Must provide a copy of either document.
3. The contractor has employees and files employment tax returns. Must provide a copy of a recent return.
4. A copy of a current business liability insurance policy.
5. A copy of a current special business license.

In absence of any above proof, **two or more** of the following must be provided:

1. A listing of current business clients (other than IEEE related).
2. Professional business card **and** stationery.
3. A business advertisement in the newspaper, etc.
4. A business listing in the Yellow Pages or other business telephone directory.
5. A separate business telephone or fax number or answering service.
6. A copy of an invoice to and a check or check stub from another company as compensation for the same type of service.
7. Proof of ownership of special business equipment, such as: a delivery truck; professional photography equipment, professional printing equipment, etc.

INDEPENDENT CONTRACTOR QUALIFICATION (I.C.) PROCESS (Continued)

DEFINITIONS (Continued)

Hiring Manager: refers to the IEEE staff person authorized to approve expenditures according to the IEEE Expenditure Approval Authorization policy.

Worker: refers to the potential I.C.

Form W-9: is a request for Taxpayer Identification and Certification for completion by a U.S. person. (Use IEEE's [Substitute Form W-9](#) or the IRS Form W-9.)

Form W-8: is a Certificate of Foreign (Non-U.S.) Status (Use IEEE's [Substitute Form W-8](#) or the IRS Form W-8BEN.)

ica.org: is the Procurement email address used exclusively for the IC process

Contract Database: IEEE Contract Database used for workflow approval (\$25K and over) and central contract records retention.

ICA: is the abbreviation for the IEEE Independent Contractor Agreement Template required to be used with all qualified ICs with the exception of editors.

ESA: is the abbreviation for the IEEE Editorial Service Agreement Template which may be used with editors who qualify as an IC.

MSA: is the abbreviation for the IEEE Master Service Agreement Template which should be used with companies who do not supply their own agreement.

The I.C. agreement and all related forms can be found on the Procurement web page and the IEEE internal staff website (Eye on the Institute) under IEEE Staff Forms in the Vendor Forms section.

PROCEDURE

(This procedure must be followed before any services are provided to the IEEE.)

1. Tax Forms:

U.S. persons complete [IEEE Substitute Form W-9](#) or IRS Form W-9. **Non-U.S. Persons providing services outside of the U.S.** must complete [IEEE Substitute Form W-8](#) or IRS Form W-8BEN and do not need to provide proof of I.C. status. **For services provided in the U.S. by a Non-U.S. person, [IRS Form W-8ECI](#)** must be completed. [IRS Form 8233](#) is also completed if claiming a reduced rate of withholding or no withholding because of a treaty provision. Persons signing the certifications in Part II of Form W-8ECI or Part III of Form 8233 do not need to provide proof of I.C. status.

2. Proofs:

The IEEE hiring manager will outline the basic scope of the work, select the provider, and negotiate fees. It is the hiring manager's responsibility to obtain proof that the potential I.C. customarily provides services to the public. I.C. proof needs to be updated and approved by Procurement every 5 years. I.C. proof for non-US individuals are required only if the work will be conducted in the US and needs to be updated and approved by Procurement every 1 year. (See **Definition of Proof** on page 1 for examples of acceptable proof.)

Once the worker's proof is approved by Procurement, the individual will be added to the I.C. Proof Log located on the Procurement Web Page. This log should be reviewed before any worker's information is forward to Procurement. If the worker is listed on the proof log with a proof date of 5 years or less for US individuals and within 1 year for non-US individual, note the proof approval date when forwarding the information to Procurement.

3. Independent Contractor Agreement:

The hiring manager is responsible for completion of the IEEE Independent Contractor Agreement (ICA). All individuals and sole proprietorships must complete the I.C. Agreement. The IEEE Editorial Service Agreement (ESA) template may be used with individuals who will perform editing services only. An ICA should NEVER be signed on behalf of the IEEE before the worker has been qualified by Procurement regarding the nature of the work relationship. An ICA or ESA must be completed by the hiring manager and submitted to Procurement.

Note: Partnerships, LLCs and corporations that complete a W9 with a TIN or EIN are not required to follow the I.C. Process and the contractor's agreement or the IEEE Master Services Agreement (MSA) template may be used.

4. Internal Revenue Service (IRS) Questionnaire:

The IEEE hiring manager is considered to be the person most knowledgeable of the relationship between the IEEE and the worker. Therefore, it is the hiring manager who must provide the full and complete information requested so that the IEEE Procurement Staff can determine the nature of the relationship between IEEE and the worker. The IRS Questionnaire must be completed by the hiring manager and submitted to Procurement.

5. Independent Contractor Qualification Process:

The hiring manager is responsible to submit the above information to the Procurement department for review. For contracts valued **less than \$25,000.00**, electronically forward all required information to ica@ieee.org with the Oracle requisition number as the subject. For contracts valued at **\$25,000.00 and over**, electronically forward all required information through the Contract Database. The required information is outlined above in sections 1 through 4. Procurement will reject incomplete or incorrect requests.

Once **Procurement qualifies the worker as an Independent Contractor**, the IC Proof Log will be updated, the Purchase Order will be processed and the Purchase Order and ICA will be signed and forward to the qualified Independent Contractor.

If **Procurement does not qualify the worker as an Independent Contractor**, the information will be forward to Human Resources who will determine the alternatives.

[Independent Contractor Process Flow](#)