

Use this checklist to determine what type of relationship is most appropriate for your sponsored project when working with an individual, company, or organization. Subrecipients and Consultants are going to be external to the university. Vendors can be both internal and external. Internal vendors would include units or centers who maintain a Schedule of Charges (SOC's) to substantiate the fees to be charged for their services.

PreAward Services verifies this relationship during its review of your proposal. If the sponsored project is funded and the entity is a subrecipient or consultant, then an agreement will be prepared by staff within PreAward Services. Documentation to establish a relationship with a vendor is facilitated through the KSU Purchasing Office. Internal vendors are engaged through each service center's standard operating procedure.

Subrecipient (Other terms: Subawardee, Subcontractor)

An organization or business receiving sponsored project award funds that:

- Has programmatic involvement in the project identified by a separate statement of work (SOW), a separate budget and separate organization approval process
- Has responsibility for programmatic decision-making
- Has an individual listed as a Subrecipient PI, Co-PI, Co-Investigator, or similar key personnel role within the application package
- Has its performance measured against objectives as set forth in the SOW
- Has responsibility for adherence to applicable program compliance requirements such as obtaining IRB, IACUC, and IBC approval
- Uses funds to carry out a portion of the project at its own organization rather than simply providing goods or services for a fee for/at KSU
- Has the right to publish project results or serve as a co-author
- Has the option to develop patentable technology and to share in IP resulting from the project

Include the Subrecipient's costs in the Subaward/Subcontract/Consortium section of your budget.

Consultant / Service Provider

A consultant (individual or company) receiving sponsored project award funds who:

- Provides professional advice or services
- Is paid a set fee based upon an established fee schedule for their work, which includes all their expenses (e.g., travel expenses, supplies, associated overhead costs, etc.)
- Uses their own equipment and materials, not equipment or materials from their institution for the work on the project
- Acknowledges that any resulting IP is owned by the hiring institution (i.e., work-for-hire)
- Pays their own taxes on earnings from the project
- Is not a paid employee of KSU (For clarification, payment to KSU employees is budgeted as salary and facilitated through the university payroll system)
- Is considered an independent contractor responsible for controlling how the assigned work will be performed without specific instructions from the hiring institution. (See attached Employee Versus Independent Contractor Classification Checklist.)

Include the Consultant's costs in the Consultants section of your budget.

Vendor (Other terms: Contractor, Dealer, Distributor, Merchant)

A vendor (individual or company) receiving sponsored project award funds who:

- Is paid a flat fee based upon an established schedule of charges or catalog pricing
- Provides similar goods or services to many different customers
- Is not responsible for the project design, conduct or reporting of research or educational activities and is not involved in programmatic work on the project including project deliverables such as reports
- Is not considered to be engaged in research by a compliance committee (e.g., IRB, IACUC, IBC, etc.)
- Does not have the right to publish project results or serve as a co-author
- Has no IP rights arising from work done for the sponsored project

Include the Vendor's costs in the Other Expenses/Other Direct Costs section of your budget.

Date

The information provided below will assist the University in determining whether an individual performing services will be classified as an employee of the University or as an independent contractor for federal, state and FICA tax purposes. Complete Section 1, Section 2, and if necessary, Sections 3, 4, and 5. PLEASE ATTACH THIS COMPLETED FORM TO THE PAYMENT DOCUMENT WHEN THE INDIVIDUAL IS CLASSIFIED AS AN INDEPENDENT CONTRACTOR.

SECTION 1. GENERAL

| | | | |
|--|--------------|--|--|
| Name of Individual/Company | | U.S. Taxpayer Identification Number | |
| Is this person a: (check one) <input type="checkbox"/> US Citizen <input type="checkbox"/> Nonresident Alien* <input type="checkbox"/> Resident Alien (Green Card Holder) | | Country of Residence (if not a US citizen) | |
| Department Name | Phone Number | Department Contact Email Address | |
| Name of KSU person responsible for this determination (PLEASE PRINT) | | Signature | |

*Additional Tax Guidelines May Apply

SECTION 2. MULTIPLE RELATIONSHIPS WITH THE UNIVERSITY

- Yes No Does this individual currently work for the University as an employee?
- Yes No Does the University expect to hire this individual as an employee to provide the same or similar services immediately following the termination of his/her independent contractor service?
- Yes No During the previous 12 months prior to the date on which the independent contractor service commenced, did the individual have an official appointment (including hourly or temporary) to provide the same or similar service?

If the answer is "Yes" to ANY of the above questions, the form is complete and the individual should be classified as an **EMPLOYEE** and paid through the payroll process.

If the answer is "No" to ALL the above three questions, proceed to Section 3 or Section 4 (if applicable), otherwise proceed to Section 5.

➔ If applicable, complete Section 3 or 4. Otherwise proceed to Section 5

SECTION 3. RESEARCHER

Researchers hired to perform services for a University department are presumed to be employees. However, a researcher may be hired to consult with a particular University faculty member or employee. Indicate which of the following relationships is applicable:

- Yes No The individual will perform research for a university faculty member or employee under an arrangement whereby the faculty member or employee serves in a supervisory capacity (i.e., individual is under direction and control of the faculty member or employee).

If the answer to the above question is "Yes", the form is complete and the individual should be classified as an **EMPLOYEE** and paid through the payroll process.

If the answer to the above question is "No", then proceed to the next question.

- Yes No The individual will serve in an advisory or consulting capacity with a University faculty member or employee (i.e., individual will be working "with" the faculty member or employee in a "collaboration between equals" arrangement).

If the answer to the above questions is "No", the form is complete and the individual should be classified as an **EMPLOYEE** and paid through the payroll process.

If the answer to the above questions is "Yes", then proceed to Section 5.

SECTION 4. TEACHERS/LECTURERS/INSTRUCTORS

Yes No Is the individual a "guest lecturer" (e.g. an individual who lectures at only a few class sessions)?

If the answer to the above question is "Yes", the form is complete. Treat the individual as an INDEPENDENT CONTRACTOR.

If the answer to the above question is "No", then proceed to the next question.

Yes No Does the individual provide the same or similar services to other entities or to the general public as part of a trade or business?

Yes No In performing instructional duties, will the individual primarily use course materials that are created or selected by the individual?

If the answer to both questions is "Yes", proceed to the next section.

If the answer to either question is "No", the form is complete and the individual should be classified as an EMPLOYEE and paid through the normal payroll process.

SECTION 5. OTHER

Yes No Does the University retain the right to provide the individual with specific instructions regarding the performance of the task rather than only the outcome?

Yes No Does the University retain the right to set the number of hours and/or work days of the week that the individual is required to work or where the work is to be performed?

Yes No Does the individual expect to receive University benefits such as health insurance and participation in the benefit plans?

If the answer to ANY of the three above questions is "Yes", the form is complete and the individual should be classified as an EMPLOYEE and paid through the normal payroll process.

If the answer to ALL of the three questions above is "No", proceed to the following question.

Yes No Does the individual provide the same or similar service to other entities or to the public as part of a trade or business?

If the answer to the question above is "Yes" and no other section has determined the individual to be an employee, the form is complete. Treat the individual as an INDEPENDENT CONTRACTOR.

If the answer to the above question is "No", the form is complete and the individual should be classified as an EMPLOYEE and paid through the payroll process.