

Randolph Community College

Professional Services Agreement

Important: RCC may contract with an individual not employed by the college or with a business that is not owned by a RCC employee. If the individual or business has not been approved previously for independent contractor status, contact the Business Office prior to completing this form.

Randolph Community College, hereinafter referred to as the COLLEGE, and _____ hereinafter referred to as the CONTRACTOR, enter into this agreement for professional services as described below in Item I for the period and rate of pay indicated.

I. The Contractor Agrees:

To provide professional services as follows (fully describe the services):

B. Rate of Pay: Hourly: _____ Number of Hours: _____ OR
Daily: _____ Number of Days: _____ OR
Flat Rate Not to Exceed: _____

C. Period Covered: From: _____ To: _____

D. Source of Funds: (Budget Code) _____

E. Except for applicable withholding on non-resident vendors, payment of all Federal and State income taxes and Social Security applicable to the compensation received is the responsibility of the CONTRACTOR and the COLLEGE.

F. The CONTRACTOR is responsible for all liability and worker's compensation insurance and acknowledges that the college is not responsible for any insurance for the contractor or its employees.

G. The rate of pay specified above includes all expenses of the CONTRACTOR, including travel and subsistence.

H. The CONTRACTOR agrees that this agreement may be terminated by the COLLEGE either due to cause or cancellation or a course due to lack of students or funds.

II. The COLLEGE Agrees:

To make payment within thirty (30) days of completion of services rendered as provided in Item I-B above and upon receipt of an invoice itemizing services furnished and certified by the responsible Director/Division Chair.

III. Attest:

A. Contractor: _____
(Name) (Present Employer)

Address: _____
(Street) (City) (State) (Zip)

(Contractor's Federal ID #) (Signature) (Date)

1. College Representatives:

(Signature) (Date)
(Coordinator, Dean or Director)

(Signature) (Date)
(Suzanne Rohrbaugh, Vice President for Instructional Services)

(Signature) (Date)
(Daffie Garris, Vice President for Administrative Services)

- A Vendor Registration Form must be completed before payment will be processed.
- Payment may be subject to 4% withholding for NC income taxes (non-resident contractor).

Payments to Independent Contractors

- 1. RCC may on occasion contract with an individual not employed by the college or with a business that is not owned by a RCC employee for the performance of specific work. If the individual or business had not been approved previously for independent contractor status, the budget manager must contact the Controller prior to completion of a Professional Service Agreement.**
- 2. The IRS publishes the criteria used to determine employment status. The Business Office will use these criteria to judge when an independent contractor status exists. Generally, IRS Publication 1779 and the IRS 20 common law factors will initially be used to make the determination. The Business Office is responsible for determining whether a work relationship meets the criteria for independent contractor status. The Finance Office may also require the prospective independent contractor to complete IRS Form S-8, Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding. The Controller or Vice President for Administrative Services will then decide if an independent contractor status exists.**
- 3. The college takes the position that all income it pays to an employee is earned as an employee and not as an independent contractor. Payments to RCC employees are made through the college's payroll process via properly approved employment agreement, course approval or Employee Time Record Sheet. Individuals paid as employees within the current calendar year are not eligible for independent contractor status.**
- 4. Employees of the college will not receive both Form W-2 and Form 1099 from RCC. Once independent contractor status is established, the budget manager must prepare a Professional services Agreement to be signed by the independent contractor and the appropriate college dean or vice-president. The Professional Services Agreement must specify the work to be performed, compensation to be received, time periods for**

completion of work, details of relevant workers compensation and liability insurance, and any other information pertinent to the contract.

- 5. The budget manager also obtains from the independent contractor a completed, signed Vendor Registration Form (Substitute W-9). This form is required before any payment is made. Backup income tax withholding and 4% non-resident tax withholding will be processed as required by the Substitute W-9. Substitute W-9 forms are available from the Business Office. This form should be completed in its entirety prior to the start of work.**
- 6. The budget manager forwards the properly executed Professional Services Agreement and Substitute W-9 to Purchasing for processing.**
- 7. The budget manager approves all invoices for payment, verifying that all work is satisfactorily completed. She/He returns the approved invoice to the Business Office for check processing.**
- 8. Payment of Honorariums must be approved by the Vice President of Administrative Services. Approval of the payment will be documented using the Professional Services Agreement and Substitute W-9.**