



# Independent Contractor Classification Tool

Applies to: Individuals, units, and departments that intend to contract work out to a Sole Proprietor, Individual, Partnership LLC or an unknown type of supplier.

This form is a decision-making and documentation tool which is to be used by departments when purchasing services from individuals. This tool was created based on guidance provided by the Department of Labor (“DOL”) and our state pension plans to ensure proper classification. For a full explanation of the criteria and HR considerations see [Independent Contractor Guidelines](#) on purchasing’s website.

Name of Service Provider: \_\_\_\_\_

Workday Supplier ID (if applicable): \_\_\_\_\_

Individual’s tax classification (Sole Proprietor, Individual, etc): \_\_\_\_\_

Detailed Description of Services to be Provided/Scope of Work (Attach contract, or similar documentation):

**Department of Labor Rule Evaluation Factors:**

The following questions based on the DOL Rule can be used to help ensure proper classification. It is important to note that no one factor is definitive when determining whether a worker is an employee or an independent contractor. All factors must be weighed together in making a determination.

**Worker’s Opportunity to negotiate profit:**

Is the university solely determining their pay and the individual has little agency to negotiate pay with the university? If yes, weighs in favor of employee Will the individual receive predetermined earnings and have little chance to realize significant profit or loss through their services? If yes, weighs in favor of employee. Is the individual able to negotiate their rate of pay for a specific project, accept or decline other work (and work other jobs outside of the university) and set own timelines, and advertise or market skills to sell similar services- to others? If yes, weighs in favor of contractor.



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**Worker's investment in tools and equipment to perform the work:**

Will the university supply all the tools, equipment, computer, etc? If yes, weighs in favor of employee. Will the university cover business expenses and travel and/or insure the worker against liability? If yes, weighs in favor of employee. Will the individual use their own tools/equipment/computer? If yes, weighs in favor of contractor.

**Degree of permanence of the relationship:**

Is there a continuing relationship between the university and the individual? If yes, weighs in favor of employee. Is the individual substantially full time (25 hours or more) with the university on an on-going basis? If yes, weighs in favor of employee. Does the individual have the ability to terminate the relationship without any financial liability? If yes, weighs in favor of employee. Does the individual have control over their schedule and is the relationship for a set duration of time and require certain deliverables or project completions at specific times? If yes, weighs in favor of contractor.

**Nature and degree of control over worker:**

Does the university have control over the individual such as controlling schedule, location of work, daily supervision of work, work product, and output of work. If yes, weighs in favor of employee. Does the individual have the ability to work wherever they want, create their own schedule, work elsewhere, produce their own work without supervision? If yes, weighs in favor of contractor.



**Extent to which work is integral to employer’s business:**

Is the individual providing the services or goods that are within the usual course of business at the university or essential to the operations of the university? If yes, weighs in favor of employee. Is the individual providing instructional duties or evaluating students who are receiving academic credit from the university or evaluations from the university? If yes, weighs in favor of employee.

**Worker’s skill and initiative:**

Is the individual getting training and instruction from the university on how to perform the work rather than relying on the individual’s expertise and reliance on how the work should be performed? If yes, weighs in favor of employee.

## Resources

### Forms and Other Resources

[Independent Contractor Guidance](#)

### Websites

[Purchasing](#), Office of Business and Finance

### Contacts

Purchase Requisitions (For Contractors)	Job Requisitions (For Employees)
Requisitioners should contact their fiscal department or service center.	Requestors should contact their HR Consultant.
Fiscal Officers or Service Centers should contact their college leadership, including the SFO.	HR Consultants should contact their HR Business Partner.
Senior Fiscal Officers should contact B&F at <a href="mailto:tax@osu.edu">tax@osu.edu</a> .	HR Business Partners should contact HR Connection.