

Texas Woman's University
University Policy Manual

Policy Name:	Contract Workforce Policy
Policy Number:	2.29
Date Passed:	October 2002
Date Reviewed:	April 2012
Next Review:	April 2015
Signed By:	Chancellor and President

PURPOSE

The purpose of this policy is to define the use of contract workforce, the legal and personnel issues related to the use of contract workforce, the cost-benefit considerations for the use of a contract workforce, and the staffing strategies considered for the use of a contract workforce.

GENERAL INTERNAL REVENUE SERVICE (IRS) GUIDELINES

The Internal Revenue Service (IRS) describes an individual as an employee if the organization can control what will be done and how it will be done..

The IRS describes an individual as an independent contractor if the organization, for which the services are performed, has the right to control or direct only the result of the work and not the means and methods of accomplishing the result. Refer to <http://www.irs.gov/pub/irs-pdf/p15a.pdf> for specific IRS guidelines.

GENERAL INFORMATION

The University has evaluated its staffing strategies and determined the number of permanent employees it wishes to employ at any point. The University has taken into account the following considerations:

- Mission, goals and objectives
- Existing and future employee skill needs
- Costs of contract workforce versus state employees
- Nature of the services to be provided
- Workload of various areas of the University

The evaluation included a cost/benefit analysis of the use of contract workforce as opposed to hiring additional state employees. The primary consideration to use contract workforce is the temporary nature of the projects or services that these firms or individuals would be contracted to perform.

This policy serves as documentation of the University's need to use contract workforce in specifically defined categories, thus eliminating the need to do an analysis when each contract is generated unless the categories for contract workforce should expand beyond

those defined above. This policy applies to expenditures from all funds regardless of source.

Texas Woman's University recognizes that the need for contract workforce does occur. The University generally limits the use of contract workforce procurements to the following categories of work.

1. **Temporary Employees** – Examples of contract temporary employees include individuals from temporary employment agencies contracted by the University to provide services when there is a position vacancy, illness, or vacation and it is imperative that the position be filled. Temporary employees hired through an agency may also be used to help during times of increased workload. Officials hired for athletic events fall into this category. Contract temporary employees may not be hired for more than one month without permission of the appropriate vice president. The University will contract with one or more employment agencies annually in order to provide temporary workers for employment needs described above.
2. **Professional Services** – Services of firms or individuals will need to be contracted when expertise is not available at the University. Examples of professional services that must be acquired by contract are engineering and architectural services, environmental quality evaluations, facilities project management services, and information technology project implementation services.

The individual providing services to the University will normally be hired through the employment process as an employee unless (1) he or she is clearly eligible for independent contractor status under IRS guidelines and (2) is able to be effectively used and managed as part of the University's contract workforce.

It is the policy of Texas Woman's University that the hiring department, with assistance as needed from Human Resources, will appropriately classify service providers as employees or independent contractors before any financial commitment is made on the behalf of the University. It is the responsibility of the department to ensure compliance with these provisions. The Office of Human Resources further reserves the right to make a determination whether or not there is an issue. When conflicts arise, the request will be reviewed and a final determination made by the Associate Vice President of Human Resources.

PROCEDURE

Need for Contract Services

Contract services may be employed only if: (1) there is a substantial need for the contract services; and (2) the University component cannot adequately perform the contract services with its own personnel.

Other Notification Requirement

An employee of the University who has a financial interest in, or is related within the second degree by blood or by marriage to an individual who has a financial interest in an association, partnership firm, or corporation that submits an offer to provide contract services to the University will report the financial interest to the Office of the Chancellor and President no later than the tenth day after the day on which the offer is submitted.

Selection Criteria

Refer to the Office of Purchasing for guidelines on hiring an independent contractor (http://www.twu.edu/o-controller/purchasing/tab8_purch1.html).

Complete the Required Form

To avoid misclassification, the hiring department must complete the Requisition for Individual Services form. The form must be forwarded to Purchasing, prior to hiring the worker, with any additional pages, exhibits, or other documentation supporting the department's decisions. All requests for payment must include a copy of the Requisition for Individual Services form. Requests for payment for workers who have not been certified will be denied, and the hiring department's recourse will be to pay the worker as an employee or begin the process for determining independent contractor status.

Forms

The Requisition for Individual Services can be printed from the Web and is also available from the Controller's Office.

See also University Policy 2.33, Contracting with Current, Former or Retired Employees

REVIEW

The Vice President for Finance and Administration will review this Operating Policy with recommendations forwarded through normal administrative channels to the Chancellor and President.