

## Independent Contractors vs. Employee

Independent contractors must be approved by the University. The approval process determines whether they will be paid as a consultant through Accounts Payable or as an employee through Payroll.

A few steps in the process to determine a contractor:

- Entities (companies incorporated) follow this link to the section “entities only” <http://www.bu.edu/sourcing/worker-classification-pre-qualifying-questionnaire/>. Entities do not have to fill out the PQQ form. If the company is incorporated the university will work with the vendor to establish an agreement for the services being provided.
- An individual contractor who is new to the University and is not incorporated will need to fill out a “worker classification pre-qualifying questionnaire”. The wording the individual provides when filling out the PQQ is important. A contractor should not teach grade papers or hold a class.
- If an individual does not provide sufficient information to support his claim as an independent contractor the university will need to pay the vendor through payroll and he/she will be taxed accordingly.
- The sourcing department will initiate the link to the PQQ once a shopping cart has been initiated. If the PQQ is approved then Sourcing will approve the shopping cart. Sourcing will also reach out to vendor to register them in the BU system if they plan on using the vendor again.  
<http://www.bu.edu/sourcing/worker-classification-pre-qualifying-questionnaire/>  
Provided is a flow chart for steps taken to determine whether a vendor is a contractor  
<http://www.bu.edu/sourcing/files/2013/02/Service-Provider-Flow-Chart-KL-8-9-13.pdf>