

# Independent Contractor vs Employee for Student Workers

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**Policy Owner:**  
Controller's Office

**Policy Contact:**  
Controller's Office

**Date Revised:**

**Related Policies:** Policy on  
Independent Contractor vs  
Employee

**Effective Date:**  
December 1, 2023

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## Policy Statement

The policy is applicable to Bentley students providing service for payments.

## Reason for Policy

The policy promotes compliance with laws and regulations that apply to the classification and hiring of independent contractors; and serves to avoid exposure to an unreasonable risk to the University's reputation, mission, or funds.

## Applicability

This policy applies to all members of the Bentley University community who engage students to perform services for the University, authorize expenditures related to such services, or process payment transactions.

## Background

It is not unusual for current students at Bentley to provide services to the University. Whether to classify the service provider as Bentley Employee or Independent Contractor is critical to appropriately process and make payments for services. Under the Internal Revenue Service (IRS) guidelines, Independent Contractor payments must be tracked for taxable income reporting on Form 1099, and employee payments are subject to employment taxes and are reportable on Form W-2. Errors in employee/ non-employee classification may lead to significant fines and penalties due to lack of appropriate income reporting and tax withholding.

# Independent Contractor vs Employee for Student Workers

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## Procedures

**Step 1:** The Supervisor in charge of the student worker should complete the attached Checklist and obtain confirmation from the Controller's office whether the student service provider should be classified as an Employee or Independent Contractor.

If it is determined that the student service provider is:

- An Employee → Go to Step 2a
- An Independent Contractor → Go to Step 2b

### **Step 2a:** - Payment as an Employee

Refer to [Student Employment website](#) for more details. Here are the job aids on [How to Create A Job Requisition](#), [How to Post a Job Requisition](#), and [How to Unpost a Job Requisition](#).

Contact Karla Aguirre, Senior Assistant Director, Financial Assistance for questions regarding student employment.

### **Step 2b:** - Payment as an Independent Contractor

To be paid via Ad-Hoc payment by Accounts Payable.

- Complete an Ad-Hoc Payment Request Form (see [here](#)).
- Depending on whether the student is a US person or a foreign person, have the student complete a W-9 or W-8 Ben form.
- Send a completed "Independent Contractor vs Employee Checklist" to confirm the determination that the individual is an independent contractor.
- Send all the forms above to [ga\\_acctspay@bentley.edu](mailto:ga_acctspay@bentley.edu) for payment processing.

**Bentley University**  
**Employee vs Independent Contractor Status Determination Checklist for Student Workers**

Completion of this checklist will assist the University in determining whether the student performing the service will be classified for federal, state and FICA tax purposes as an employee of the University or as an independent contractor. This checklist is meant to be completed by the supervisor in charge of the student worker.

Answer questions in the checklist below. No single criterion or group of criteria will provide a definitive determination. The criteria are to be applied in their entirety to obtain an overall indication of how the individual should be classified. [A YES response to the question tends to strengthen the case the individual is an independent contractor.]

The keys are to look at the entire relationship and consider the extent of the right to direct and control the worker.

Name of Payee

This Person is a

- US Citizen
- Lawful Permanent Resident
- Foreign National/ Non-Resident

Student Worker Service Description

Yes      No

**BEHAVIORIAL CONTROL**

- 1. The worker does not need to be trained to perform the service.
- 2. The worker provide his/her own tools and materials necessary to perform the service.

**FINANCIAL CONTROL**

- 1. The compensation is made on a per-occurance (i.e. non-recurring) basis.
- 2. The worker provides the same service to the general public.

**RELATIONSHIP OF THE PARTIES**

- 1. There is a written contract between the worker and the University describing the worker as an independent contractor.
- 2. The University does not have staff that perform the same service.

SUBMITTED BY:

DIVISION:

DATE:

**CONTROLLER OFFICE RECOMMENDATION**

- EMPLOYEE** - to be paid via Payroll
- CONTRACTOR** - to be paid via Accounts Payable