

1.0 Levels of Authorization for Consultants and Personal Services

- 1.1 All Service Agreements for consulting services for Los Rios Community College District or its Colleges' services require authorization of signatories as listed in [R-8315](#).
- 1.2 Consultant Agreements shall comply with standard bidding processes and requirements (Pub. Contract Code, § 20651) and be approved by the Los Rios Community College District Board of Trustees, as required.
 - 1.2.1 The standard District requisition process shall be used to request and approve Consultant Agreements.
- 1.3 Professional services (i.e., architects, engineers, environmental consultants, etc.) as defined in Government Code, sections 4525 and 4526 are not required to go to bid. The District, however, may solicit bids, as determined by the Vice Chancellor, Finance and Administration, or designee.
- 1.4 Consultant Agreements that are less than the limits in Public Contract Code, section 20651 shall follow the same approval process as Purchase Orders.

2.0 Levels of Compensation

- 2.1 Compensation for consulting services should generally be competitive with the current market condition.

3.0 Compliance with the Internal Revenue Code

- 3.1 The Internal Revenue Code provides guidance in determining whether an individual is an employee or an independent contractor. The District shall comply with the Internal Revenue Code in determining which classification is appropriate.
- 3.2 In general, the determination as to whether an individual is an independent contractor or an employee shall not apply to corporations. In general, corporations may be treated as independent contractors without regard to this determination.

4.0 Independent Contractor Checklist

- 4.1 The District's form, Independent Contractor Checklist, shall be used as a tool to help originating departments determine whether an individual should be classified as an independent contractor or an employee.
- 4.2 The checklist shall reflect the tests and objectives set forth in guidance from the Internal Revenue Service.
- 4.3 The checklist shall be signed by the originator/requisitioner and by the Administrative Officer.

- 4.4 The checklist is an important document as audit evidence and shall be completed with due diligence.

5.0 Service Agreement

- 5.1 The District's Service Agreement (or Consultant Agreement) shall define the services and terms in detail and shall be signed by the independent contractor. A valid contract does not exist until a Purchase Order has been signed by the Director, General Services. No commitments shall be made, nor shall work be commenced prior to the issuance of a Purchase Order.

6.0 Responsibilities of Originating Departments

- 6.1 Originating Departments shall be responsible for completing the Independent Contractor Checklist, obtaining and submitting additional information as may be required, and completing a Service Agreement (or Consultant Agreement), Requisition, and Conflict of Interest Form.
- 6.2 If the Originating Department wishes to enter into supplemental contract language beyond that included in District prescribed forms, such supplemental language shall be approved by District General Counsel prior to contracting. Changes to contractual language require review by District General Counsel and should be coordinated with the college Vice President of Administration. Such proposed legal language shall be accompanied by a District form "Agreement/Contract Approval and Routing Sheet."
- 6.3 The Originating Department shall submit all of the items in Section 6.1 to the Vice President of Administration for approval.
- 6.4 The Originating Department may not make any commitments or allow the individual to begin work until all processing has been completed and a Purchase Order has been issued by the District Purchasing Department.

7.0 Responsibilities of the Vice President of Administration

- 7.1 The Vice President of Administration shall review all appropriate documentation and either approve the transaction or return it to the Originating Department. When completing the review, the Vice President should consider whether the individual should more appropriately be classified as an employee.
- 7.2 College-approved transactions requiring action outlined in Section 6.2 should be submitted to District Risk Management. All other College-approved transactions should be submitted to the District Purchasing Department, along with all documentation.

8.0 Responsibilities of the District Purchasing Department

- 8.1 The District Purchasing Department shall receive all transactions and perform all normal purchasing activities, including the preparation of a Purchase Order.
- 8.2 If the transaction includes supplemental contract language, in addition to that in District-prescribed forms, the Purchasing Department shall forward the transaction as required by the District form "Agreement/Contract Approval and Routing Sheet."
- 8.3 The Purchasing Department shall retain all necessary documentation of independent contractor status for all such vendors. Such documentation shall include the Checklist, supplemental information, supplemental contract language, Requisition, Service Agreement (or Consultant Agreement), Purchase Order, Conflict of Interest Form, and any other information deemed necessary.

9.0 Responsibilities of District Business Services and General Counsel

- 9.1 District Business Services is responsible for establishing processes to ensure that independent contractors are appropriately classified. All Service Agreements, Checklists, and related forms shall be developed in conjunction with College personnel.
- 9.2 District Business Services shall monitor all classifications to ensure that the appropriate classification has been determined.
- 9.3 In cases where it is not clear as to whether an individual should be classified as an employee or as an independent contractor, General Counsel shall make the final determination.
- 9.4 General Counsel shall determine whether modifications to the Service Agreement (or Consultant Agreement) or supplemental contract language are acceptable.

10.0 Individuals not Deemed to be Independent Contractors

- 10.1 Individuals who do not meet the criteria as an independent contractor must be classified as employees for income tax withholding purposes. Such employees may be classified in the following two ways:
 - 10.1.1 Classified or certificated employees: Such individuals will generally be classified as temporary employees, and shall receive those benefits normally accorded to temporary employees, and shall be subject to all laws, policies, regulations, and processes affecting temporary classified employees, or
 - 10.1.2 Contractor Subject to Withholding: Such individuals are classified as employees only for payroll withholding by the Internal Revenue Service. They are not employees for purposes of workers' compensation,

unemployment insurance, or any other employee benefit. They must also provide appropriate insurance and indemnifications as determined by the District.

(Formerly R-8313)

LRCCD

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