

EXHIBIT C

CLASSIFICATION WORKSHEET FOR FEDERAL TAX PURPOSES

{Note: This worksheet addresses federal tax compliance only. There are other state and federal laws regarding classification of workers as independent contractors or employees. For example, to determine whether a worker is an employee for unemployment insurance purposes, please refer to the Employment Determination Guide issued by the State of California Employment Development Department (EDD), which is available at http://www.edd.ca.gov/pdf_pub_ctr/de38.pdf. For more information on unemployment insurance, you may also consult the Accounting Manual Chapter T-182-77.5, Payroll: Unemployment Insurance, on the internal payroll site.}

INFORMATION ABOUT INDIVIDUAL

Sole Proprietor _____ Partnership _____ Corporation _____

Name _____ Name of Company _____

Campus _____ Department _____

If Foreign National – Country _____ Visa Type _____

MULTIPLE RELATIONSHIPS WITH THE UNIVERSITY

1. Is this individual on record as a current employee? Yes ___ No ___
If no, is it expected that the University will hire this individual as an employee following the termination of this service? Yes ___ No ___
2. Was the individual a University employee any time during the last year and did he or she provide the same or similar services while an employee? Yes ___ No ___

IRS CLASSIFICATION FACTORS

Before the University enters into a contract with an independent contractor, the following checklist must be completed to help determine whether an employer/employee relationship exists.

IRS Classification Factors	Yes = Employee	No = Contractor
Behavioral Control: Right to direct and control details and means by which worker performs services.		
1. Instructions. Will the University have the right to give the worker instructions about when, where, and how he or she is to do the job?	<input type="checkbox"/>	<input type="checkbox"/>
Financial Control: Right to direct and control economic aspects of the worker's activities.		
2. Significant Investment. Has the worker failed to invest in facilities (such as an office) used to perform services?	<input type="checkbox"/>	<input type="checkbox"/>
3. Payment of Expenses. Will the University pay the worker's business or travel expenses?	<input type="checkbox"/>	<input type="checkbox"/>
4. Services Available. Does the worker not make his or her services available to other employers?	<input type="checkbox"/>	<input type="checkbox"/>
5. Payment by Hour, Week, Month. Will the University pay the worker by the hour, week, or month rather than by commission or by the job?	<input type="checkbox"/>	<input type="checkbox"/>
6. Realization of Profit or Loss. Will the arrangement prevent the worker from realizing a profit or suffering a loss?	<input type="checkbox"/>	<input type="checkbox"/>
Relationship of Parties: Intent of parties concerning status and control of worker.		
7. Right to Terminate. Could the University terminate the worker at any time without incurring liability?	<input type="checkbox"/>	<input type="checkbox"/>
8. Regular Business Activity. Is the work to be performed part of the regular business of the University, such as teaching or research?	<input type="checkbox"/>	<input type="checkbox"/>
9. Written Contract. Will a written contract not be executed describing the worker as an independent contractor?	<input type="checkbox"/>	<input type="checkbox"/>
10. Employee Benefits. Will the worker receive any employee benefits?	<input type="checkbox"/>	<input type="checkbox"/>

EVALUATION OF CLASSIFICATION FACTORS

Areas That Support Employee Status

Areas That Support Contractor Status

(Use separate sheet, if necessary.)

DETERMINATION

Hire worker as an employee



Enter into contract with worker as an independent contractor



Consulted with HR



Consulted with Finance



Department Authorization

Prepared By _____

Date _____

If the department is requesting a contract with an independent contractor, please furnish a copy of this Checklist to procurement as a part of the request.