Employee VS Independent Contractor Work Determination Flow Chart

**Type of Employment**

- Does the Department need to hire a CURRENT Employee?
  - NO
  - Does Department need to hire a NEW employee?
    - NO
      - Does the Department need an Independent Contractor? (non employee)
        - YES
          - Does Department need an independent contractor for an engagement such as a short term guest lecturer/artist/musician/model or program/article/evaluator/reviewer/appraiser/editor?
            - YES
              - Does the engagement meet the following parameters?
                1. Individual must be legally able to work,
                2. Individual must not be a CSU/state employee or have been within 2 yrs.,
                3. $500 or less per engagement or $1000 or less per AY,
                4. Outside 10 point "high hazard/High Risk Category" restrictions,
                5. Academically related.
                6. Work is non recurring not to exceed 10 days per engagement per semester.
            - NO
              - Can the individual legally work as a IC? Does work and individual meet IRS recommended determination factors for IC? Both answers must be YES.
            - NO
              - Department must submit IC Authorization form to Director, Human Resources Service Group (HRSG).
                Director, HRSG reviews IC Authorization. If necessary, consults with Staff HR/Faculty Affairs regarding employee option.
                Does Staff HR/Faculty Affairs "rule out" employee hire instead of IC?
                  - YES
                    - Guest Lecturer/Honorarium Agreement form Required. Also, if individual is a foreign national, the following forms must be completed: 1. FNIF, 2. CSULB CAA and submitted to the Tax Analyst. Purchasing & Financial Svc. is not involved in acquiring individual to perform work.
                  - NO
                    - IC agreement and insurance required. Department must 1. provide copy of IC Pre-Hire Authorization, 2. provide Scope of Work, 3. set up requisition via PeopleSoft, 4. work with Purchasing & Financial Svc. on IC agreement and 5. require IC to obtain insurance or department purchases insurance. Also, if individual is a foreign national, the following forms must be completed: 1. FNIF, 2. CSULB CAA and submitted to the Tax Analyst.
              - NO
              - New hire outside BU
        - NO
          - New hire in BU
    - YES
      - Hire as Employee

**Hire or Contract Determination Process**

- Are Additional duties in a BU?
  - NO
    - New hire in BU
  - YES
    - Hire as additional appointment in a BU

**Hire as Employee or Establish IC Agreement and Insurance**

- Hire as Employee
  - Paid via Payroll Services. (State Controller’s Office)

**Payment**

- Paid via Accounts Payable. Upon completion of services, the following must be submitted to AP for payment: 1. Guest Lecturer/Honorarium Agreement Form, 2. Invoice, 3. Vendor Data 204 Form
  - Paid via Accounts Payable. Upon completion of services, the following must be submitted to AP for payment: 1. Direct Pay Form (optional), 2. Invoice (with approvals if no Direct Pay Form), 3. Vendor Data 204 Form