Honorariums & Independent Contractors

**Accounts Payable Contact Information**

**Main Phone Number:** (405) 271-2410

**Group Emails:**
- Management
- Processing
- Vendors

**AP-Management**
**AP-Processing**
**AP-VendorOffice (HSC)**

**Campus Mailing Address:** SCB 218

**Fin Svcs Fax Number:** (405) 271-3981 (405) 271-2496

**Vendor Fax Number:** (405) 271-2496

**Website:** [http://www.ouhsc.edu/financialservices/ap/](http://www.ouhsc.edu/financialservices/ap/)

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**Financial Services**

**Accounts Payable**

Accounts Payable is the unit within Financial Services responsible for reviewing and processing all payments made for merchandise, services, and expenses not related to payroll incurred by the University. Accounts Payable is responsible for safeguarding public assets, maintaining internal controls, and ensuring that all payables-related proceedings fall into compliance with Federal, State, and University policies.

In addition, Accounts Payable conducts the clearance of purchase orders, manages vendor account activities, prepares 1099 forms for payments to non-employees and prepares other reports as required by the University and State of Oklahoma.

Payments will be made with appropriately allocated funds after Accounts Payable has been presented with proper supporting documentation and invoices which have been assessed and found to be correct.

On this site are resources that include:
- AP News
- Forms and Tools
- Policies and Procedures
- Training
- Travel
- Staff
- Vendors

**Contact Accounts Payable:**
- Front Desk - (405) 271-2410
- Travel Section - (405) 271-2038
- Main Fax - (405) 271-3981
- Vendors Fax - (405) 271-2496
- Files Fax - (405) 271-3082

**Who we are:** Staff List

**OUHSC Resources**
- Administrative Policies
- Human Resources
- Purchasing
- Risk Management

**External Resources**
- IRS Forms and Publications
- Office of State Finance (OSF)
- OSF Procedures Manual, Chapter 100
- Oklahoma State Treasurer (OST)
- Sales Tax Rates - Oklahoma
- US Citizenship & Immigration Services
**Independent Contractor Policy:**

**Employee or Independent Contractor:**

For Tax purposes and wage and hour compliance, the Internal Revenue Service (IRS) and the Department of Labor (DOL) require that individuals be classified as either employees or independent contractors.

- **Employee**
  - Individual who performs a service for the University and operates under the direction and control of the University or its Employees.
  - Direction and control can be inferred when the University has the right to control both the results as well as the means and methods of the worker.

- **Independent Contractor**
  - Person engaged by the University to perform specific functions or tasks at his or her own discretion with respective means and methods used to accomplish the assignment.
  - Must provide services to the community, not just the University.

The IRS has given high priority to the correct classification of employment relationships and the tax implications of the decisions made. The penalties for misclassification are payment of under-withheld taxes including federal and state income tax, Social Security and Medicare taxes, federal unemployment taxes, penalties and interest.
Independent Contractor Policy (Cont):

State Policy

- The individual must not have been on the payroll of the University for 12 months prior to providing services.

- The individual must not have been retired from the Oklahoma State System of Higher Education within the past 24 months.

IRS Regulations

- Behavioral Control – employee is generally told:
  - When, where, and how to work
  - What tools or equipment to use
  - What workers to hire or assist with work
  - Where to purchase supplies and services
  - What work must be performed by a specific individual
  - What order or sequence to follow

- Financial Control
  - Extent to which the worker has unreimbursed expenses
  - Extent of worker’s investment
  - Extent to which the worker makes services available to the relevant market
  - How the business pays the worker
  - Extent to which worker can realize a profit or loss

- Type of Relationship
  - Written contract describing the relationship the parties intend to create
  - Employee-type benefits
  - Permanency of the relationship
  - How integral the services are to the principal activity
Honorariums & Independent Contractors

Policy Detail

• See IC Decision Tree located at: (http://www.ouhsc.edu/financialservices/documents/AP_forms/IC_Decision_Tree.pdf)

• If the service provider does not have an Employer Identification Number (EIN), then the contracting department must complete the Request for Independent Contractor Approval form and submit it to the Office of Human Resources, Employment and Compensations Services.

• Generally, foreign nationals cannot be independent contractors and will be required to obtain a work visa and be paid through payroll.

• Forms are on the Financial Services & Human Resources websites.

• The Employment and Compensation Section will determine the proper work status of the individual – an employee of the University or an Independent Contractor.

• If approved to be an Independent Contractor, payments are processed as normal, except an Approved copy of both pages of the form is required to accompany all payment requests.

Approval:

• Office of Human Resources or authorized designee will notify the contracting department of the determination and return the completed form to the department.

• If approved, the contracting department must attach the approved form to each invoice, process payment, and keep the original for seven (7) years.

• Once a service provider is approved as an independent contractor for a specific contract, review is still required annually and/or at change of duties.

• If the request is denied, the contracting department must contact its Employment and Compensation representative on how to pay the service provider, either through the appointment or special payment process.
Department should complete their section first (except signature). Then send to service provider for completion and signature. Next, department should review completed form then sign.

NOTE: No one should sign until all sections are complete.
Honorariums & Independent Contractors

Request for Independent Contractor Form – Page 2:

The University of Oklahoma
Independent Contractor Form (ICF)

CONTRACTOR INFORMATION SHEET - All the information on this page is to be completed by the individual applying for Independent Contractor status with the University of Oklahoma. Return the completed form to the hiring department. Incomplete information may delay the processing of this request.

First Name: ___________________________ Last Name: ___________________________

Company Name (Enter N/A if no company name): ___________________________

Business Type:  □ Individual or □ Sole Proprietor

Street Address: ___________________________

City: ___________________________ State: ___________________________ Zip code: ___________________________

Contact Phone: ___________________________ Email: ___________________________

Are you a citizen or a permanent resident (green card holder) of the U.S.?  □ Yes  □ No

If not a citizen or permanent resident and the services are to be performed in the U.S., complete and attach a Foreign National Form to determine eligibility for treaty benefits and determining tax status.

Country of Citizenship: ___________________________ Visa Status: ___________________________ Country where the work will occur: ___________________________

Which campus are you doing the work for?  □ Norman  □ HSC  □ Tulsa

Norman and Tulsa Campus Only - SSN or Tax ID: ___________________________ HSC Campus Only - Last 4 digits of SSN or Tax ID: ___________________________

1. Instructions - Will you receive instructions from the University on how to do the work as well as instructions on when, and where?  □ Yes  □ No

2. Training - Will you receive periodic or on-going training from the university to perform the service?  □ Yes  □ No

3. Payment of Expenses - Will your invoice include business and travel expenses, if any?  □ Yes  □ No

4. Significant Investment - Do you have a significant investment in your business venture (such as your facilities, offices, etc.) when performing services for someone else?  □ Yes  □ No

5. Services Available - Are your services available for hire to several persons or firms other than the university?  □ Yes  □ No

6. Payment Schedule - Will you be paid upon the completion of the specified task rather than by the hour, week or month?  □ Yes  □ No

7. Profit and Loss - Do you make your own business decisions which incur a profit or loss depending on income and expenses?  □ Yes  □ No

8. Written Contract - Will a written contract be executed describing you as an independent contractor?  □ Yes  □ No

9. Benefits Provided - Will you receive any benefits such as a pension plan or any tax qualified retirement plan from the university?  □ Yes  □ No

10. Continuing Relationship - Will you work either at sporadic intervals for a specific project or for agreed upon job completion dates?  □ Yes  □ No

11. Regular Business Activity - Is the work you are providing an important part of the university’s regular business activity?  □ Yes  □ No

Certification: By signing below, I certify that all information I have provided on the Request for Independent Contractor Approval form is true and accurate to the best of my knowledge. I attest that I am not a current or previous employee of any campus of the University of Oklahoma during the past twelve (12) months, nor have I retired from any Oklahoma State System of Higher Education institution within the last two (2) years, prior to service.

Signature: ___________________________ Date: ___________________________
Page 1 Request for Independent Contractor Approval Form
information (Completed by the department):

Name – Name of the individual service provider.

SSN or other Tax Identification Number – Either the last 4 digits of a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN). An independent contractor form is not necessary for Employer Identification Numbers (EIN) unless specifically requested.

Position Information – The job description of the services to be performed. Please be specific. (Work type, dates, times, frequency, location).

Date(s) of Service - Must list all specific dates of service. Must match invoice when voucher is submitted for payment. Max, twelve month period.

Departmental Contact, Phone and Campus Address – Person which the approved/denied forms will be returned to.

Budget Authority Certification - Appropriate department sponsor. Cannot be the same person completing the form.

Questions – OKC: 405-271-2182
Tulsa: 918-660-3193

Note: If the service provider is using a DBA, then a company vendor form must be completed. If paying on sponsored funds, the name on the ORA contract must be the same as the name in the PeopleSoft vendor file.
Page 2 Request for Independent Contractor Approval Form

information (Completed by the service provider):

Name – Name of the individual service provider.

Company Name – This is the name check will be made payable to.

Address, Contact Phone and Email – Current contact information for the service provider

Citizenship Information: The service provider must answer “Yes” or “No” regarding whether they are a US Citizen or Permanent resident of the US. If “no” the following information must be completed and additional paperwork may be requested.

   Country of Citizenship
   Visa Status
   Country where the work will occur

Campus – Norman, HSC or Tulsa

SSN or Tax ID – Either the last 4 digits of a Social Security Number (SSN) or an Individual Taxpayer Identification Number (ITIN). An independent contractor form is not necessary for Employer Identification Numbers (EIN) unless specifically requested.

Questions – The service provider answers all the remaining questions on page 2. Ensure all questions on the form are answered. Incomplete forms will not be reviewed.

Certification – The form must be signed and dated by the service provider.

Questions –
   OKC: 405-271-2182
   Tulsa: 918-660-3193

Note: If the service provider is using a DBA, then a company vendor form must be completed. If paying on sponsored funds, the name on the ORA contract must be the same as the name in the PeopleSoft vendor file.
**Honorarium Policy:**

**Definition**

- Nominal payment to an individual given in gratitude for services rendered
- Typically a one time non-recurring payment
- A payment given to a professional person for services for which fees are not legally or traditionally required
- The giving of it and the amount are both discretionary
- Is appropriately given to a person who has volunteered time and effort on behalf of the University and who is not otherwise being remunerated for the service provided

**State Policy**

- The individual must not have been on the payroll of the University for 12 months prior to providing services
- The individual must not have been retired from the Oklahoma State System of Higher Education within the past 24 months

**Policy Detail**

- Service must be of the type which the University stipulates only the desired objective
- Individual is free to determine the process or procedure to achieve that objective
- Generally the individual should be an authority or recognized expert in the field of endeavor for which retained
- The service should not be available within the staffing of the University
- The individual MAY NOT lecture in an accredited course to students. This would be serving in a faculty position and must be classified as an employee and paid via Special Pay. Per Legal, if it determines the outcome of student grade, it cannot be Independent.
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Honorarium Policy (cont.):

Other Details

- Generally an honorarium payment is not allowed on Sponsor (SPNSR) funding. However, speaker fees might be allowable on certain awards. Contact Grants and Contracts Accounting for more information.

- Generally, an honorarium payment is to include all expenses, including travel expenses, associated with the service provided. The honorarium must be coded as a professional service expense (see Category Item list for GL codes). The expenses should be coded as a non-employee travel expense, GL 821600, if the original expense receipts are supplied. Otherwise, they are all coded together as a service. NO EXPENSES for non-employees receiving compensation (honorarium) can be paid on a travel Form 19. All expenses must be submitted through the please-pay voucher process on a notarized form 3, not an invoice.

- The combined honorarium and expense reimbursement payment(s) will be reported to the IRS on Form 1099 if original receipts are not provided. If the original receipts are supplied, the expenses that are coded with 821600, will not be reported.

Approval

- The Honorarium Request for Approval form must be completed in full by the department in conjunction with the individual service provider.

- Both parties (the department representative and the service provider) shall review the completed form in its entirety prior to signing the form.

- Honorariums Request for Approval forms are approved by the Accounts Payable Supervisor.

- Page 1 of the approved form must be sent with all vendor and payment requests.
The University of Oklahoma Health Sciences Center
Request for Honorarium/Speaker Fees Approval

This form should be used for payments made to a professional person for services which fees are not legally or traditionally required. The services must be of the type for which the University stipulates only the desired objective or product; the individual is free to determine the process or procedure to achieve that objective. Generally, the individual should be an authority or recognized expert in the field of endeavor for which retained, and the service should be of a non-recurring nature.

Do not complete this form for an employee currently working or who has worked as an employee within the past 12 months for the University of Oklahoma. If the worker is currently appointed, or has worked as an employee for the University within the past 12 months, payments must be made through Payroll. If the worker has retired from the Oklahoma State System of Higher Education within the past 24 months, they must be paid through Payroll.

The service should not be available within the staffing of the University. Examples of services which qualify are:

A. A guest lecturer whose lecture is directed by the University only in terms of general subject matter to be covered. If included in a course, the lecture should only enhance and not serve as a source of fundamentals essential to the course of instruction.

B. An entertainer, guest artist, or guest director.

C. A recognized authority in a field of endeavor where expertise is not otherwise available through University sources.

Generally, an honorarium/speaker fee payment is to include all expenses, including travel expenses, associated with the service provided. If all original receipts are submitted for the expenses, you may separate the expenses from the services under the accountable plan rules. Any expenses that are not submitted with original receipts will be combined with the service fees and reported to the IRS on the appropriate 1099 or 1042 Form.

Service Provider Information:

Name__________________________ Last 4 Digits Tax Identification Number________

Business Name (Checks will be made payable to):__________________________

Address where payment is to be mailed:__________________________

If Foreign National* - Country__________________________ Immigration Status________

* If services will be provided inside the U.S. by an individual who is not a U.S. Citizen or permanent US resident, the individual must complete and attach an International Information Form (IIF) and include the required documents as listed on that form. The completed IIF must be forwarded to AP with submission of the Request for Honorarium Approval form.

Service Provider - Please Read Carefully:

The University of Oklahoma considers all honorarium/speaker fees payments as compensation for internal Revenue Service reporting purposes. The University will send either an I9 Form 1099 or 1042 to all recipients as required by Internal Revenue Service regulations. It will be the recipient's responsibility to retain the necessary documentation for tax purposes. If you have any questions, contact Financial Services, Accounts Payable Section, (405) 271-3416.

Please sign the following certification:

I hereby certify that I have not served as an employee of the University of Oklahoma within 12 months or retired from Oklahoma State System of Higher Education within the past 24 months from end of service date. I certify that I have reviewed the completed Request for Honorarium/Speaker Fees Approval form in its entirety and all information contained within is true and accurate to the best of my knowledge.

Recipient Signature:__________________________ Date:__________________________

Are you or any of your company/institution's officers or owners related to a current OUHSC employee?  Yes*  No

* If yes, then name and relationship:__________________________

Department Information and Certification:

Please describe services to be provided:

Data(s) service will be provided this fiscal year:__________________________

Source of payment:  □ Departmental Funds  □ Sponsored (SNSR) Funds

Department submitting the request:__________________________ Department fax number:__________________________

I certify that I have reviewed the completed Request for Honorarium/Speaker Fees Approval form in its entirety and all information contained within is true and accurate to the best of my knowledge.

Signature:__________________________ Title:__________________________ Date:__________________________

Financial Services Use Only:

Approved: Yes:________ No:________ Name:__________________________ Title:__________________________ Date:__________________________

If not approved, please explain:__________________________

Department should complete their section first (except signature). Then send to service provider for completion and signature. Next, department should review completed form then sign.

NOTE: No one should sign until all sections are complete.
Honorarium From – Page 2:

SERVICE PROVIDER NAME: ________________________

Please answer the following questions.

Is the person a current University of Oklahoma employee, includes Oklahoma City, Tulsa, and Norman campuses, or has the person worked for the University within the past 12 months? □ Yes □ No

Has the service provider retired from any institution within The Oklahoma State System of Higher Education (colleges or universities supported by state funding) within the past 24 months? □ Yes □ No

If the answer to any of the above questions in this section is yes, STOP. The service provider must be treated as an employee for tax purposes and taxes will be withheld. Contact Payroll to determine how the provider may be paid.

If all answers are no, complete the questions below.

The following questions must be answered by the departmental representative.

1. Could someone within the University’s existing faculty or staff provide this service? If no, please explain: ____________________________________

2. Have you paid this individual an honorarium or speaker fees within the past 12 months? □ Yes □ No
   If yes, please explain: ____________________________________

3. Has your department scheduled future visits in which the individual will be paid for similar services? □ Yes □ No

4. Does anyone at the University tell the individual how to perform the service? □ Yes □ No

5. Will the individual lecture to University students for an accredited course? □ Yes □ No

6. Does this individual stand to realize a profit or loss as a result of the service provided? □ Yes □ No

7. Was an amount agreed upon before the service began? □ Yes □ No

8. If yes, is the amount to be paid by the hour? □ Yes □ No

PROCESSING PROCEDURES

The department requesting payment should prepare the Request for Honorarium/Speaker Fees Approval form and submit it, with any additional required documentation, to Financial Services-Accounts Payable Section (SCB 218). After reviewing the form, Accounts Payable will notify the department via fax whether the request was approved or denied. If approved, a copy of the first page of the form must be submitted with the vendor form and each subsequent voucher payment request. If the request is denied, please contact Accounts Payable at (405) 271-2410 for further instructions.
Honorarium Form Information:

Name – Name of the individual service provider.

Tax Identification Number – Either the last 4 digits of their Social Security Number (SSN), Individual Tax Identification Number (ITIN) or an Employer Identification Number (EIN). An honorarium form is not necessary for an EIN unless specifically requested.

Doing Business As (DBA) Name – Name the service provider does business as if different than their legal name.

Service Description – The job description of the services to be performed. Please be specific.

Date(s) of Service – Must list all specific dates of service.

Source of Payment – Funds from which the payment will be made. Departmental Funds – such as CLNOP, MISCA, MISCD, etc and are used to pay an honorarium. Sponsored Funds – SPNSR funds are funds with a “C” account number assigned by Grants and Contracts. If payment is to be made from SPNSR funds, Office of Research Administration (ORA) must verify allowability of speaker fee before approval can be obtained on the request form.

Department Fax – Number which the approved/denied forms will be returned to.