



EMPLOYEE/INDEPENDENT CONTRACTOR GUIDE CHECKLIST

Use this checklist as a **guide** to determine the employer-employee relationship and properly classify Independent Contractors and employees providing services.

1. Employee Name: _____ 2. Location: _____
3. Social Security #: _____ 4. Position Held: _____
5. Hours Worked per Week: _____ 6. First Work Date: _____

INSTRUCTIONS: Complete the Employee/Independent Contractor questions by answering “Yes” or “No” as indicated. Some facts may support an Employee relationship while other facts indicate Independent Contractor status. The final determination rests on the weight given to the factors as a whole, with the degree of importance of any particular factor dependent on the occupation and circumstances.

IMPORTANT NOTICE: This checklist is meant as a guide and not meant as a finite solution or recommendation from the Lang Allan & Company owners, staff, or representatives. At no point is this a legal and binding document.

Employee/Independent Contractor Questions		
Behavioral Control: <i>Determines whether the company has the right to direct and control how the work is performed.</i>	Employee	Independent Contractor
1. Does the company have the right to control, supervise or direct the individual performing the services, not only as to result, but also as to how assigned tasks are to be performed?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. Hiring. Was the individual appointed by an administrator rather than appointed by the governing body, and is there a written job description?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Was the individual hired based on the submission of a Request for Proposal?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
4. Performed Personally. Is the individual permitted to provide substitute personnel in his or her absence?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
5. Is the individual required to personally attend Court sessions or meetings arranged by the company?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. Is the individual authorized to hire others at his own expense or that of a third party, to assist the individual in performing work for the company?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
7. Hours. Does the individual work established and fixed hours structured by or with approval of the company?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. Does the company conduct performance evaluations for the individual?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9. Instructions. Is the individual given instructions and directions on tasks to perform?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10. Integration. Does the individual report to a certain person at the beginning of the workday or other regular basis or otherwise is required to account for attendance?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11. Does the company maintain timekeeping records or a system of keeping time for the individual (other than via the submission of payment vouchers)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12. Premises. Is the individual's work mostly performed on the company's premises?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
13. Training. Does the company require the individual to be trained related to their position (e.g. sexual harassment, ethics, etc.)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
14. Tools and Equipment. Does the company provide the individual with permanent workspace and facilities (e.g. office space, tools, secretarial support, computer, etc. at the expense of the location)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No



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15. Sequence. Does the location direct the order and sequence of the duties to be performed by the individual?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
16. Reports. Is the individual required to prepare regular reports?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Financial Control: <i>Considers whether the company controls the financial aspects of the individual's services, payment method, and whether services are offered to the public.</i>	Employee	Independent Contractor
1. Payment. Does the company pay for the performance of services through submission of a voucher?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
2. Is payment for services made on a regular interval, such as weekly or biweekly payroll?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Expenses. Does the company reimburse for travel or business expenses?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
4. Are state and federal employee taxes and employee benefit deductions taken from the individual's paycheck and are employer taxes paid?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
5. Does the individual receive fringe benefits that are provided to other employees of the location (such as vacation, health benefits, administrative leave, sick leave)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. Has the compensation for the work been established by ordinance or resolution of the governing body establishing salaries for persons in similar positions?	<input type="checkbox"/> No	<input type="checkbox"/> Yes

Relationship to the Parties: <i>Illustrates how the company and the individual perceive their relationship. Is there a continuing, ongoing relationship understood between the parties as one of employee and employer?</i>	Employee	Independent Contractor
1. General Public/Other Employers. Is the individual also employed or associated with another entity that provides services to the company by contract, retainer, or other agreement?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
2. Continuing Relationship. Are the parties in a continuing relationship that is ongoing (a specific conclusion date or term indicates there may not be a continuing employment relationship)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. Is the individual covered by a contract negotiated between a union and company?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Does the individual offer his services to the public at large (rather than exclusively to the company)?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
5. Does the individual perform essentially the same services for other public employers?	<input type="checkbox"/> No	<input type="checkbox"/> Yes
6. Termination. Can the individual be terminated at the will of the company?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Discharge. Can the individual terminate the relationship at will?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Once you have completed the checklist, contact Lang Allan & Company, CPAs to help you make the right decision when it comes to classifying employees and contractors.

Lang Allan & Company, CPAs

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