

Alaska Conference of Seventh-day Adventist
Independent Contractor Hiring Policy



Documentation: If a church worker meets the legal requirements for independent contractor status then the following documents should be completed and kept on file at your location for verification during the next audit by Conference auditors and/or government inspectors:

1. A written agreement that clearly states that the worker is an independent contractor and not an employee. If you do not have a written agreement, this will be considered a strong signal that the worker has been misclassified.
2. A copy of the contractor's business license. Most cities and counties require anyone doing business to have a business license. If your city or county requires persons doing business to have a business license and you have not required the worker to show that he/she has one, the worker will probably be considered an employee.
3. A certificate of insurance provided by the contractor showing that they carry liability insurance and workers' compensation insurance for any employees of the contractor. This is both a legal requirement and Conference policy. If the contractor has anyone helping him/her do the work, they **must** provide proof of workers' compensation insurance. **No Exceptions!**
4. Invoices for services. A contractor should provide you with a monthly invoice for their services. Payments should always be made to the business. If the church or school simply writes a check each month to an individual, not a business, and has received no invoices, this will be considered strong evidence that the worker is actually an employee.
5. A Completed IRS W-9 Form. This form is required so that the money paid to the contractor may be properly reported on a 1099 Form at the end of the year. Click <http://www.irs.gov> to download a W-9 Form .

For the protection of your church or school, a worker who does not meet the above tests, or cannot provide the required documentation, must be treated as an employee. All employees are to be paid through the Conference Payroll Department. The Conference Human Resources Department will also help you process the paperwork for new employees. Also, workers at a school may need to be fingerprinted and a background clearance obtained, regardless of whether they are an employee or contractor.