PAYMENTS TO INDIVIDUALS – DOCUMENTATION AND PROCESSING

Policy Statement

This policy applies to payments of individuals only. For a copy of the university's Classification of Worker Policy, refer to Independent Contractor Policy at www.usm.edu/institutional-policies/policy-adma-bud-000-003. All forms (determination checklist, W-9 and personal services contract) may be printed from http://www.usm.edu/controllersoffice/forms.html.

Reason for Policy/Purpose

This policy is required for the effective communication of university policies regarding payments to individuals.

Who Needs to Know This Policy

All members of The University of Southern Mississippi community.

Website Address for this Policy

www.usm.edu/institutional-policies/policy-adma-pur-014

Definitions

Policy/Procedures

If you are concerned about appropriate hiring/payment procedures, first determine if the worker (payee) is a resident of the United States. If the worker is not a resident of the United States, please contact the Tax Compliance Officer at 601-266-4102.
IMPORTANT:

Following are payments that must be processed through Human Resources and Payroll:

- Anyone currently employed by the university who performs additional services outside his/her regular job description
- Stipends that require services
- Stipends payable to current employees that do NOT require that services are rendered, such as participation in a research study
- Intramural and Recreational Sports referees and umpires -if a USM employee
- Athletic summer camp workers
- Anyone teaching a credit or noncredit course (Continuing Education) offered by the university to the public
- Staff awards
- Anyone currently enrolled as a student and paid for services must go through HR and Payroll.
- Awards to anyone currently enrolled as a student MUST be processed through Financial Aid.

Please note that any remittance vouchers submitted for the payment types described above will be returned to the department in order for the appropriate employment form (Personnel Action Form, Single Payment Form, and additional tax forms) to be prepared. For guidance on the appropriate employment form to submit and on proper completion of the form, please contact Human Resources at 266-4050.

Please refer to the following table for documentation required:

<table>
<thead>
<tr>
<th>Payments for which NO Determination Checklist is Required</th>
<th>Personal Services Contract Required</th>
<th>Form W9 Required</th>
<th>Original Receipts Required</th>
<th>Original Invoice Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>When the combined compensation to the contractor is less than $100 (either in one engagement or what can be reasonably be expected to be multiple engagements). Exception: Regardless of the payment amount, pay must be processed through HR/Payroll if the payee is currently employed by the university.</td>
<td>No</td>
<td>Yes</td>
<td>Only if being reimbursed for actual travel expenses</td>
<td>Yes</td>
</tr>
<tr>
<td>Description</td>
<td>Yes</td>
<td>No</td>
<td>Only if being reimbursed for actual travel expenses</td>
<td>No; however, if the university's PSC is not attached, a copy of the signed (both parties) agreement must be attached</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
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<td>---------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Guest performers or artists who are not otherwise affiliated with the university.</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guest lecturers or speakers brought to the university for a very short duration because of their expertise.</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Consultant payments for services. **If a restricted account is charged, Sponsored Programs Administration will verify that any additional paperwork required is on file.</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td>** **</td>
</tr>
<tr>
<td>Consultant expense reimbursements only - No Services (object code 5780)</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td>Yes No</td>
</tr>
<tr>
<td>Consultant expense reimbursements in addition to payment for services</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td>No Yes</td>
</tr>
<tr>
<td>Refunds</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td>No No</td>
</tr>
<tr>
<td>Reimbursements to employees such as travel and supply costs</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td>Yes if applicable No</td>
</tr>
<tr>
<td>Prospective employee recruiting expenses</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td>Yes No</td>
</tr>
<tr>
<td>Moving expenses</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td>Yes No</td>
</tr>
<tr>
<td>Honoraria - payments given to professional persons for services for which fees are not legally or traditionally required. *Honoraria should NOT be charged to restricted funds.</td>
<td>No</td>
<td>Yes</td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>
Stipends that do NOT require services such as participation in a research study UNLESS payee is a current employee. If a restricted account is charged, Sponsored Programs Administration will verify with the Principal Investigator that no services were rendered and will make a notation to this effect.

| No | Yes | Yes | No |

For any payment submitted on a remittance voucher that appears to be questionable as to the worker's status as an independent contractor versus an employee, the remittance voucher will be returned to the department so that a determination checklist can be completed. However, the determination should be made BEFORE engaging the worker. Should you have any questions as to the proper classification of a worker, please call Cheryl Waldrup at 601-266-4102.

For those payments that the classification status has been appropriately classified as that of an independent contractor, a completed form W-9, Personal Services Contract and an original invoice (signed by the contractor/payee) should be attached to the remittance voucher. If the proper paperwork is not submitted (employment forms or substantiation of independent contractor status), payment will be delayed until receipt of required documentation.

**Review**

The Director of Procurement and Contract Services is responsible for the review of this policy every four years (or whenever circumstances require immediate review).

**Forms/Instructions**

N/A

**Appendices**

N/A

**Related Information**

N/A

**History**

11/01/11: Formatted for Institutional Policies website.
02/20/13: Formatted for template. Minor editing throughout.

Amendments: Month, Day, Year – summary of changes
Authorization

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ADMA-PUR-000-014

As the Responsible Officer, I have reviewed this policy and believe it represents the current policy.

[Signature]
Responsible Officer

14 MAR 2013
Date