1. Purpose/Introduction

The purpose of this procedure is to outline the process for obtaining payments for contracted personal services.

2. Definitions

**Contracted Personal Services:** An agreement between an employer and a contractor for a performance of action instead of a supply of goods.

**Employee:** An individual who performs personal services for the Institution where the Institution has the right to control and direct the individual who performs the services, not only as to the result to be accomplished, but also as to the details and means by which that result is to be accomplished. It is not necessary that the Institution actually direct or control the manner in which the services are performed; it is sufficient to establish an employee-employer relationship that the Institution has the right to do so.

**Employer:** The Institution, when it has a relationship with an individual performing services for its benefit, and where the Institution has the right to subject the individual to its will, and control not only what shall be done but how it shall be done.

**Independent Contractor:** An individual - who performs personal services for the Institution where the Institution has the right to specify the result to be accomplished by the work, but not the means and methods by which the result is to be accomplished.

**Those not eligible to be classified as an Independent Contractor (IC):**

1) Any individual that is a current UNCG, UNC System or State of NC employee cannot be paid as an IC
2) Any individual who has been employed by UNCG, UNC System, or State of NC in the past 12 months cannot be paid as an IC

3) Any current UNCG student (regardless if a current employee or not) cannot be paid as an IC

4) Any former student who was employed by the University in the past 12 months cannot be paid as an IC

5) Exceptions will be handled on a case by case basis and must have approval of the Purchasing Office

3. Procedural Steps

The Contracted Personal Services form (BANCPS) is initiated by the contracting office to issue payment to an independent contractor hired to perform a specified service. Also, refer to the following for additional guidance prior to entering into an agreement for personal services or professional services visit the Contract Services portion of the UNCG Purchasing website. The maximum amount for an individual to be paid via a BANCPS transaction is $500. Contracted personal services for an individual amount greater than $500 must be generated through the SpartanMart Requisition and Purchase Order system.

The contracting office must select the type of payment, the status of the payee, and complete all the Personnel Data, the Program Data, and the Funds & Amounts to Be Charged sections, except for the shaded areas.

PREPARATION OF FORMS BANCPS, CONTRACTED PERSONAL SERVICE

Personnel Data

- Name: Type in first, middle and last name in the specified fields. The name typed in these fields should be the formal individual name (i.e. name of the individual with the Social Security Administration, if a US citizen). Nickname or abbreviation should not be used.
- Banner ID: Enter the recipient’s Banner ID number. If the individual does not have a UNCG Banner ID, and is a US citizen, a completed Form W-9 must be provided to Accounts Payable and a Banner ID assigned prior to the completion of this form. If the individual does not have a UNCG Banner ID, and is not a US citizen, a completed Form W-8BEN must be provided to Accounts Payable and a Banner ID assigned prior to the completion of this form.
- Date: Enter the date that the form is prepared by the contracting department.
- Permanent Mailing Address (Line1): Enter the first line of the permanent street address of the recipient; this is the location where the check will be mailed to the payee.
- Permanent Mailing Address: (Line 2): Enter the second line of the permanent street address of the recipient.
- City: Enter the name of the city in which the recipient maintains a permanent residence.
- State: Select the two-digit abbreviation of the state in which the recipient maintains a permanent residence.
- Zip Code: Enter the zip code of the area in which the recipient maintains a permanent residence.
- Country: Enter the country, if not the United States, in which the recipient maintains a permanent residence.
Program Data

- Dates of Participation - Beg: Enter the beginning date the actual contracted personal service was performed by the payee and UNCG being invoiced for, in the following format, mm/dd/yyyy.
- Dates of Participation - End: Enter the ending date the actual contracted personal service was performed by the payee and UNCG being invoiced for, in the following format, mm/dd/yyyy.

Contracted personal services cannot be prepaid.
- Types of Service Rendered: Enter the activity or type of contracted personal service performed by the payee.

Funds & Amounts to Be Charged

- Invoice Date: Enter the invoice date from the invoice, if provided by the payee.
  Vendor Invoice: Enter the vendor invoice number. The completion of this field is not required by Accounts Payable for the payment to be processed.
- Description: Departments should enter specific contracted personal service information as reference or description in the field to identify the transaction. The completion of this field is not required by Accounts Payable for the payment to be processed.
- Fund: Enter the Banner six-digit index to which the payment will be charged.
  Account: Select the account code to be charged.
- Amount: Enter the amount of payment for the contracted personal service.

Signatures

- Departmental Approval – Dept. Head/Prin. Investigator: Signature(s) of appropriate person(s) and date. This signature certifies that the payee has satisfactorily rendered the services for which he/she is being paid, and if the payee is an independent contractor, he/she is properly classified as an independent contractor in accordance with University Accounting and Purchasing policies.
- Prepared By: The person preparing this form should sign or type their name and enter the date on this line.
- School/Department: Enter the school or department requesting the payment and a contact phone number.

Upon completion of the BANCPS form, attach any invoices and/or supporting documentation as applicable, and submit the completed forms to the Purchasing Office for approval.

- Purchasing Office Approval: Signature of Purchasing Office approval and date for approval from all fund sources.
Upon approval by the Purchasing Office, if the fund source is a grant, BANCPS form and applicable supporting documentation should be remitted to the Contracts and Grants Office for approval. Otherwise, they should be remitted to Accounts Payable.

- **C&G Office Approval:** Signature of Contracts and Grants approval and date for approval for activity being paid from a grant fund.

As applicable, upon approval by the Contracts and Grants Office, BANCPS form, and applicable supporting documentation should be remitted to Accounts Payable. Upon receipt and review of the completed BANCPS form, Accounts Payable will enter the invoice information for check processing and remittance to the address listed in the Personnel Data Section.

**SECTIONS TO BE PREPARED BY ACCOUNTS PAYABLE**

- **1099:** The alpha code to designate the type of payment, if taxable.
- **Document #:** The document number will be assigned sequentially by Accounts Payable.
- **Vendor #:** The vendor number will be generated by the Banner system.
- **Trans Date:** The date of transaction.
- **Addr C/S:** Enter RT with the sequence number for this remit to address.
- **Due Date:** The due date for check generation.
- **Bank Code:** The two (2) digit number that is assigned to this transaction. This code represents the bank account number that must be charged when the check is prepared.

4. **Forms, Tools, Etc.**

- BANCPS
- SpartanMart
- Form W-8BEN
- Form W-9

5. **Revision Table**

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<th>Section #</th>
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