

**Mississippi State Department of Health
Contract Worker/Independent Contractor Determination Worksheet**

Agency Program Unit: _____

Name of Individual/Contractor: _____

Project/Program: _____

Completed by: _____ Date: _____

Instructions: Answers to the following questions will help determine whether contracts with individuals should be handled as contract workers or independent contractors by the agency for accounting purposes. 'YES' answers indicate a contract worker relationship while 'NO' answers indicate an independent contractor relationship. The guidance is provided by Federal IRS regulations.

Does the agency direct the individual as to:	YES	NO
1. When and where to do the work?		
2. What tools or equipment to use?		
3. What workers to hire or to assist with the work?		
4. Where to purchase supplies and services?		
5. What work must be performed by a specific individual?		
6. What order or sequence to follow?		
	_____	_____
	Contract Worker	Independent Contractor

Other Considerations:

Independent contractors usually are more likely to:

- (1) Have un-reimbursed, fixed ongoing cost incurred regardless of the current work;
- (2) Have significant investment in facilities or assets;
- (3) Be free to seek out business opportunities, (advertise, visible business location, etc.);
- (4) Be paid a flat fee for the job verses a contract worker generally guaranteed a regular wage;
- (5) Be engaged for a limited time or project.

The substance of the relationship is more important than the form of the agreement. It is not expected that all of the characteristics will be present and judgment should be used in determining whether an entity is a contract employee or an independent contractor.

CONCLUSION:	Contract Worker	Independent Contractor
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Instructions for Contract Worker/Independent Contractor Determination Worksheet Form No. 594

Purpose

The form was created to provide an aid in the determination of the correct agreement to be executed by agency staff for state and federal awards.

Instructions

Complete:

- Agency Program/Unit
- Name of Individual/Contractor
- Project/Program
- Completed by
- Date

Follow instructions on form for completing questions 1-6 as true or false. Check beside Conclusion as either Contract Worker or Independent Contractor.

Office Mechanics and Filing

Completed records will be included in any agreement document packets executed as a result of the final determination.

Retention Period

Records will be maintained as required by agency policies.