Independent Contractor Process
ServiceNow Portal

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CSUDH
Introductions

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AGENDA

• Independent Contractor (IC) vs. Employee Defined
• Importance of Proper Classification
• Sample IC vs Employee
• ServiceNow Portal Training
  • Effective January 22, 2024
• Q&A
**IC vs. Employee Defined**

**Employee:** An individual in an employment situation in which the employer has the right to control and direct the individual with regard to the result to be accomplished and the process by which the result is accomplished.

**Independent contractors:** Individuals who render a service and meet contractor conditions established by the IRS. They typically have a separate workplace, are not supervised, and have a particular set of skills not available elsewhere within the organization. They are not entitled to employee benefits, are not covered by workers' compensation.

Under Federal law, a worker is either an employee or an independent contractor. An individual cannot be both an employee and an independent contractor for the same employer at the same time. For this reason, CSU adopts a single test for determining whether a person is an employee or independent contractor. That test is the one adopted by the [California Supreme Court in its Dynamex Operations West, Inc. v. Superior Court decision](https://www.courts.ca.gov/dynamex)， because it will yield a result that complies with all applicable classification rules. We will refer to this as the “Dynamex Test.”
Importance of Proper Classification

Misclassification of Workers – Violations and Penalties
It is important to determine the correct classification of workers as employees or independent contractors. This distinction is significant because an incorrect determination could result in the following:

• Wage liability, including overtime;
• Benefit liability, including retirement;
• Loss of reimbursement under Federal contract and grant funds;
• Penalties for violation of State and Federal tax withholding laws;
• Penalties for violation of Federal laws pertaining to the employment of nonresident aliens (Form I-9).

In addition, the following employment-related requirements may be violated:

• State Political Reform Act financial conflict of interest rules;
• Workers' compensation and unemployment insurance coverage requirements.
# Sample IC vs. Employee

<table>
<thead>
<tr>
<th>Independent Contractor*</th>
<th>Employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Art Model</td>
<td>• Work under ANY CSU Classification</td>
</tr>
<tr>
<td>• Book Publisher</td>
<td></td>
</tr>
<tr>
<td>• Grant Editor</td>
<td></td>
</tr>
<tr>
<td>• Performer/Artist/Musician</td>
<td></td>
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<tr>
<td>• Speakers</td>
<td></td>
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<tr>
<td>• Radio Announcers</td>
<td></td>
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<tr>
<td>• Choreographers</td>
<td></td>
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<tr>
<td>• Game officials</td>
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</tbody>
</table>

* To be reviewed by Procurement and HR, must review Classification Guidelines, ABC Test, CSU Relationship, Exception Review.
Resources

- Independent Contractor Policies and Procedures
  https://www.csudh.edu/Assets/csudh-sites/pclass/docs/IndependentContractor/independent-contractor-policy-procedures-NEW.pdf


- FAQ
  https://www.csudh.edu/procurement-contracts/procurement-contracts/independent-contractor
Questions?
Contact Information

Thank You!

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