	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	HR301
		<i>Effective Date</i>	5/1/2010
	<i>Subject</i> INDEPENDENT CONTRACTOR	<i>Page</i>	1 of 4
		<i>Supersedes</i>	03/05/2008

POLICY

An independent contractor is a person or business which provides goods or services to Johns Hopkins Health System Corporation (JHHSC) or The Johns Hopkins Hospital (JHH) under terms specified in a contract. Unlike an employee, an independent contractor does not work regularly for JHHSC/JHH. An individual must have both factual support and documentation in order to be paid and treated as an Independent Contractor. Proper identification and payment of an individual as an independent contractor is required to assure compliance with federal and state tax and employment laws. Under federal tax laws, an individual's status as an independent contractor may be questioned even if JHHSC/JHH exercises little control over the working relationship. An Independent Contractor must not have been an employee for the previous twelve (12) months at JHHSC/JHH.

Application

An independent contractor arrangement should be utilized whenever an individual is retained to perform one or more discrete tasks and is not hired through the JHHSC/JHH hiring process as a regular, temporary or casual employee.

If a person does not pass the independent contractor test, he/she will need to be hired or go through a temporary agency.

Extensions of agreements with independent contractors beyond the term contemplated in the initial agreement must be re-evaluated using the process set forth in this policy.


Responsibilities

Administrators/Managers

Primarily responsible for accurately completing the Independent Contractors Justification Form and the Tax Review Checklist, which is required for any consultant who is an individual or non-corporate business entity, such as a sole proprietorship, partnership or limited liability company (two employees or less) that has established a name that it uses to carry on business.

Human Resources Office of Career Services

HR will review and determine whether the service can be provided by personnel within Johns Hopkins and consult with the department regarding classification of relationships.

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	HR301
		<i>Effective Date</i>	5/1/2010
	<i>Subject</i> INDEPENDENT CONTRACTOR	<i>Page</i>	2 of 4
		<i>Supersedes</i>	03/05/2008

Finance & Tax Director Will review Independent Contractor Justification Form.


General Counsel Reviews questionable proposed independent contractor arrangements.
 Drafts all consulting agreements for all consultants providing services in excess of \$5,000. Written agreements may be required for services under \$5,000, at the discretion of Legal Department. The Legal Department will retain copies of the signed consulting agreements in accordance with JHHS Finance Policy.

Senior Management (Vice Presidents and above) Assist in preparing, review and sign all requests for consulting services in area of responsibility.

On-Line Payment Request/Check Request

Purchase orders are not required for the following types of transactions. The Online Payment Request should be used for these transactions.

1. Payment of advertising costs
2. Honoraria payments
3. Pre-payment of seminar, workshop or conference registrations and hotel accommodations
4. Revenue refund payments
5. Payments to government or regulating agencies for licensing and filing
6. Payments to attorneys, CPA and consulting firms
7. Payments for gifts or awards for employee appreciation or recognition
8. Payments for real estate transactions
9. Payments for real estate leases or rentals
10. Payments to insurance or investment firms and other fringe benefit payments
11. Tax payments
12. Payments for institutional or employee reimbursed dues and subscriptions
13. Royalties
14. Utilities--oil, water, gas, steam, electricity, telephone
15. Payments to express shipping and mail
16. Payments for catering other miscellaneous food purchases
17. Debt payments
18. Postage
19. Special events/entertainment
20. Payments for library books, journals, periodicals
21. Temporary employment agencies
22. Payments to study participants

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	HR301
		<i>Effective Date</i>	5/1/2010
	<i>Subject</i> INDEPENDENT CONTRACTOR	<i>Page</i>	3 of 4
		<i>Supersedes</i>	03/05/2008

Procedures

Administrators/Managers

1. Establishes that a function or task cannot be performed by regular, temporary or casual employees but may be appropriately by an independent contractor.
2. Documents independent contractor relationship by completing attached Tax Review Checklist and Independent Contractor Justification Form.
3. Refers checklist, form and other supporting documents to Sr. Director of Human Resources. If engagement is less than \$5,000, the department will need to complete the Short Form Independent Contractor Agreement (see Finance Policy FIN009).

Sr. Director of Human Resources


1. Reviews proposed independent contractor documentation to determine whether employment status is more appropriate.
2. Rejects proposed independent contractor arrangements where employment as a casual, temporary or regular would be appropriate status for the individual.
3. Recommends alternative status if applicable.
4. Communicates recommendation or rejection to Administrator/Manager.
5. Refers questionable arrangements to General Counsel for review.
6. Approves appropriate independent contractor arrangements and refers such arrangements to General Counsel for proper documentation in an agreement if over \$5,000.
7. Provides completed documentation to Manager in department.

Finance & Tax Director

1. Reviews all Independent Contractor Justification forms sent to them by HR.
2. Reviews and retains copies of all Independent Contractor agreements received by HR.
3. Monitors financial activity of Independent Contractor expense.

General Counsel

1. Reviews questionable arrangements.
2. Returns disapproved questionable arrangements to HR with explanation.
3. Reviews or prepares all proposed Independent

	THE JOHNS HOPKINS HEALTH SYSTEM CORPORATION AND THE JOHNS HOPKINS HOSPITAL HUMAN RESOURCES POLICY and PROCEDURE MANUAL	<i>Policy Number</i>	HR301
		<i>Effective Date</i>	5/1/2010
	<i>Subject</i> INDEPENDENT CONTRACTOR	<i>Page</i>	4 of 4
		<i>Supersedes</i>	03/05/2008

- Contractor agreements and supporting documentation for contracts over \$5,000.
- Retains copy in files.

Administrator/Manager

- Attaches signed Independent Contractor Justification form to the shopping cart request for purchase order. The Vendor Data Entry Form will need to be completed by the department for a new vendor/consultant.

See Finance Policy FIN009 – Signature Authority.

APPROVAL



 Vice President,
 Human Resources

 4/15/2010
 Date