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PROCEDURE SUMMARY

On occasion, it may be more cost effective for the Texas A&M Veterinary Medical Diagnostic Laboratory (TVMDL) units to engage the services of a bona fide independent contractor when specific expertise, experience, and/or equipment is not readily available to meet the unit's needs. The Texas A&M University System (A&M System) Policy 25.07, *Contract Administration*, and A&M System Regulation 25.07.01, *Contract Administration Procedures and Delegations*, specify the types and values of contracts which must be approved by the Board of Regents, by the chancellor or designee, and those which may be approved by the component Chief Executive Officer (CEO).

Only an individual can be an independent contractor. This procedure provides guidelines for approval of independent contractor services which may be approved by TVMDL. The procedures apply to all services provided by an individual not associated with a company including but not limited to services of consultants (engineers, architects, etc.), professional services (bookkeeping services, proposal review, website creation, etc.), and contractors (heavy equipment services, etc.).

PROCEDURES AND RESPONSIBILITIES

1.0 GENERAL

- 1.1 Any retention of an individual to provide services must meet the common law definition of an independent contractor and specific requirements established by the Wage and Hour Division of the Department of Labor (DOL), the Texas Workforce Commission (TWC), the Internal Revenue Service (IRS), and certain other applicable employment laws.
- 1.2 Individuals that do not meet the requirements of an independent contractor cannot receive payments through the Texas A&M AgriLife Disbursements department. In addition, payments to individuals for the services who are currently an A&M System employee, or one of its member's employees, or have been employed by A&M System, or one of its members within the calendar year can not be processed through the Texas A&M AgriLife Disbursements department and must be paid as an employee.

2.0 APPROVAL PROCEDURES

- 2.1 **Sponsored Funding Sources**—If the funding source for an independent contractor service is managed by Texas A&M System Sponsored Research Services (SRS), then approvals must be sought from SRS.
- 2.2 **All Other TVMDL Funding Sources**—If the funding source for an independent contractor service is an AgriLife account not managed by SRS, approvals will be sought via Texas A&M AgriLife Contract Office ("Contract Office"). The Contract Office form AG-106, *Independent Contractor Status Certification*, shall be completed by the requesting AgriLife employee or his/her designee **in advance** of any such services being performed. The completed form shall be submitted to the Contract Office in accordance with the submission instructions **prior to** hiring the independent contractor. The Contract Office will review such requests and obtain appropriate signatures in final approval. All independent contractor requests submitted for non-U.S. citizens or legal permanent resident aliens (green card holders) must be approved by the Texas A&M AgriLife Ethics and Compliance Office. If an independent contractor submission is for a non-U.S. citizen performing work in the U.S., the submitter is responsible for confirming the visa of the individual permits employment in the U.S. To verify employment eligibility of non-U.S. citizens, please contact the AgriLife Immigration Support in HR.

- 2.2.1 If the cost of the services will or may exceed \$25,000, the requesting AgriLife employee or his/her designee shall submit a requisition to the Texas A&M AgriLife Procurement Office (Procurement Office) in advance of any such services being performed.. Upon receipt of the requisition, the Procurement Office will determine the appropriate method of procurement and process accordingly. If applicable, AgriLife form AG-608, *Sole-Source/Proprietary Justification*, shall be completed by the requesting AgriLife employee or his/her designee and attached to the requisition. An individual's services may not be split over multiple AG 106 submissions to avoid the \$25,000.00 limit.

3.0 RESOURCES

Additional resources regarding the approval of independent contractor services can be found on the [AgriLife Procurement and Contracts website](#).

RELATED STATUTES, POLICIES, OR REQUIREMENTS

[A&M System Policy 25.07](#), *Contract Administration*

[A&M System Regulation 25.07.01](#), *Contract Administration Procedures and Delegations*

[TVMDL Procedure 25.07.01.V1.01](#), *Delegation of Authority and Contract Administration*

AgriLife form [AG-106](#), *Determination of Independent Contractor Status/Contractual Agreement*

CONTACT OFFICE

Questions regarding this procedure should be referred to the Texas A&M AgriLife Contract Office at contracts@ag.tamu.edu.

REVISION HISTORY

Approved: December 28, 2012
Revised: February 20, 2015
Reviewed: May 14, 2019
Revised: September 7, 2024

Next Scheduled Review: September 7, 2029