

Approved: June 19, 2001
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PROCEDURE STATEMENT

On occasion, it may be more cost effective for the Texas A&M AgriLife Extension Service (AgriLife Extension) units to engage the services of a bona fide independent contractor when specific expertise, experience, and/or equipment not readily available to the unit is required 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).

REASON FOR PROCEDURE

This procedure provides guidelines for approval of independent contractor services which may be approved by AgriLife Extension. The procedures apply to all contracts entered into for services of consultants (engineers, architects, etc.), professional services (book-keeping services, proposal review, Web site creation, etc.), and contractors (heavy equipment services, custom farming, etc.).

PROCEDURES AND RESPONSIBILITIES

1.0 GENERAL

- 1.1 Any agreement or contract for the use of 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 Agreements that do not meet these requirements are not binding and are invalid. Workers covered by invalid contract labor agreements will be considered and treated as employees of AgriLife Extension without regard to intent of the original agreement.

2.0 APPROVAL PROCEDURES

- 2.1 **Sponsored Research Funding Sources**—If the funding source for an independent contractor service will be paid using sponsored research funds, contact A&M System Sponsored Research Services for approval procedures.
- 2.2 **All Other Funding Sources**—If the funding source for an independent contractor service will be paid using any funds other than sponsored research, approvals will be sought via Texas A&M AgriLife (AgriLife) Contracts. AgriLife form AG-106, *Determination of Independent Contractor Status*, shall be completed by the unit in advance of any such services being performed. The completed form shall be submitted to AgriLife Contracts in accordance with the submission instructions on the AG-106 form prior to employment of the independent contractor. AgriLife Contracts will review such requests, and obtain appropriate signatures in final approval.

- 2.2.1 If the cost of the services will or may exceed \$10,000, approval of AgriLife Purchasing is required. AgriLife form AG-602, *Sole-Source/Proprietary Justification for Services*, shall be completed by the unit in advance of any such services being performed and submitted to AgriLife Contracts along with the completed AG-106.

3.0 RESOURCES

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

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*

[AgriLife Extension Procedure 25.07.01.X0.01](#), *Delegation of Authority and Contract Administration*

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

CONTACT OFFICE

For additional questions, contact AgriLife Contracts at 979-847-5801, or AgriLife Human Resources at 979-845-2423.