

# The Do's and Don'ts for Using Independent Contractors

CATEGORY	THE DO'S	THE DON'TS
THE CONTRACT	<p><b>Do</b> protect yourself—Have a written, bulletproof agreement that defines all aspects of the job.</p>	<p><b>Don't</b> set the terms of the assignment and “hire” the contractor until you are sure the work and contractor qualify for IC tax status.</p>
DEFINING THE JOB	<p><b>Do</b> have an agreed upon, clearly defined and specific end result in the contract.</p> <p><b>Do</b> define when the job is completed in the contract. (You should be contracting for a finished product or result, not just for the contractor's time.)</p>	<p><b>Don't</b> engage the contractor month after month, doing one job after another.</p> <p><b>Don't</b> change the specifications while the job is in progress without a change order for the contract.</p> <p><b>Don't</b> promise to make the contractor an employee sometime in the future “If it works out...”</p>
DURING THE PROJECT	<p><b>Do</b> make it clear to all parties that the contractor is an Independent Contractor, not your employee (Especially to your own managers).</p> <p><b>Do</b> manage the deliverables, not when or where the work is done.</p> <p><b>Do</b> track the project's progress to insure it stays on track.</p> <p><b>Do</b> track the project spend to ensure it stays on budget.</p>	<p><b>Don't</b> require the contractor to attend routine employee meetings.</p> <p><b>Don't</b> allow the contractor to supervise, or assign work to, your employees.</p> <p><b>Don't</b> assign the same, or similar, work to the contractor you do your employees.</p> <p><b>Don't</b> assign miscellaneous jobs to the contractor as you would your employees.</p> <p><b>Don't</b> provide fringe benefits to a contractor.</p>
END OF PROJECT	<p><b>Do</b> document the end of project and properly “Off Board” your contractor.</p>	<p><b>Don't</b> continue to engage the contractor after the job is completed with other “Make Work” or “After Project” tasks.</p>

