

# Cornell College

## POLICIES AND PROCEDURES

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| Department:   | Business Services                        |
| Subject:      | Internal Revenue Services (IRS) Form W-9 |
| Date Issued:  | February 2012                            |
| Date Revised: |  |
| Approved By:  | President's Council                      |

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### **Policy**

Cornell College is required to collect IRS Form W-9—including the correct name, address and tax identification number—for all independent contractors or businesses that provide services to Cornell College. Cornell College will then use the information from Form W-9, as needed, to create required IRS information returns for both the IRS and the relevant independent contractors/businesses.

### **Policy Questions**

Questions pertaining to this policy should be directed to Accounts Payable (x4341) or the General Accounting Assistant (x4132). If you have any questions regarding Independent Contractors please contact Human Resources (x4243). It is the responsibility of the Controller to keep this policy up-to-date in conjunction with any changes in legal requirements.

### **Scope**

This policy applies to all employees engaging independent contractors to do work for Cornell College.

### **Definitions**

#### **Who is/is not an Independent Contractor?**

Some vendors may be considered independent contractors per the IRS definition. If a vendor has ever been hired as an employee, he/she is typically considered an employee and should be paid through payroll (this includes stipend payments or payments for services outside normal job responsibilities). When in doubt, contact Human Resources at x4243.

For those vendors not employed by the College, the IRS has specific rules to consider when determining which vendors may be deemed to be an independent contractor. Failure to follow those rules can result in serious fines and penalties to Cornell College.

A “worker” is typically an independent contractor if they are free from control or direction in performing the work both by agreement and in reality and; the work is performed outside the usual course of the company’s business or away from any of Cornell’s facilities and; the worker is customarily engaged in an independent trade, occupation, or business.

### **Process**

For those vendors who are considered independent contractors, the College must collect a Form W-9 before the vendor begins work.

**When to Request Form W-9:**

As soon as you have reached an agreement with the independent contractor or vendor.

**Where to Send the Form W-9:**

To the accounts payable department either before, or at the time of submitting invoices for payments to a new independent contractor or vendor. The form may be submitted via scanning and emailing to [businessservices@cornellcollege.edu](mailto:businessservices@cornellcollege.edu) or faxed to 319-895-5187, or mailed to Cornell College, Accounts Payable, 600 1<sup>st</sup> St. SW, Mt. Vernon, IA 52314.

**Where to Locate the Form:**

The W-9 Form can be found on Cornell's website under Business Services Forms at <http://www.cornellcollege.edu/business-office/printable-forms/index.shtml>. Business Services will maintain a list of Form W-9's on file. The list can be found on the website under Business Services at <http://www.cornellcollege.edu/business-office/faculty-staff-information/W-9.shtml>.

**Consequences for Failure to Complete the W-9 Form:**

The vendor will not receive payment until the form is received by Business Services.