



Payment Methods Grid

Updated: 05/2017

Individuals may be remunerated for work at The Evergreen State College as outlined below. This grid has been developed jointly by Evergreen’s Payroll, Human Resources, Accounting, Purchasing, and Student Employment Offices to assist the College to pay employees and provide goods and services by the appropriate payment method. Staff members from any of these offices will be glad to assist college staff in selecting a pay method that will comply with all laws, rules, and regulations.

Please note that student employees are subject to all rules and laws in the same way as non-student employees. Students are subject to a small number of additional rules and hours of work limitations through state and federal work study programs and college policies.

Professional Judgment Committee						
To ensure IRS, Fair Labor Standards Act (FLSA), Work Study, Institutional, and Washington State rules compliance, all stipend payments (on an A-19) will be reviewed by the Professional Judgment Committee.						
The Professional Judgment Committee will review and make decisions about Stipends or Flat-Fee payments via GRCH using the 20 questions list http://www.mdc.edu/hr/Operations/AFS/IRSFactorTest.pdf , this grid, and IRS, Civil Service regulations, State and program rules to make these decisions. The Professional Judgment Committee will meet as often as needed to ensure the college complies with all laws, rules, and regulations.						
The Professional Judgment Committee members include at least three persons drawn from the following pool: Payroll Supervisor, Accounting Manager, Student Accounts, Director of Student Employment, Purchasing Manager, Director of Academic Advising, Director of Financial Aid, Fiscal Tech from the Travel Office, Internal Auditor, and a representative from the Human Resources Office.						

	Stipends and Honoraria	Permanent, Temporary, Salaried, Hourly and Institutional Student Employees	Volunteers Volunteers with Nominal Stipends On-campus Unpaid Student Interns	Independent Contractors (not an academic contract) Personal Services Contracts Client Service Contracts and purchased services (PO)	On-campus Paid Student Interns	Work Study Students
Definition	A flat fee paid for a deliverable, attendance at a seminar or conference, or equivalent.	Payment for work completed. (For permanent employees, this will include leave payments.)	No remuneration, but coverage under L&I is provided. In some cases, a nominal fee may be paid to Volunteers through Payroll.	A Personal Services Contract is used to obtain professional or technical services for such needs as special projects, to provide specialized skills, to expedite a project, and/or for speakers or presenters. More information is available from the Purchasing Manager.	Payment for up to 19 hours of work per week. (Up to 40 hours per week allowed during breaks and evaluation weeks.)	Payment for up to 19 hours of work per week. (Up to 40 hours per week allowed during breaks and evaluation weeks.)
Office Responsible for Processing	Accounts Payable	Payroll	Payroll	Purchasing and Accounts Payable	Payroll	Payroll
How decision is made	Professional Judgment committee determines if there is a deliverable, or uses 20 Common Law questions from the IRS to make determination.	Institutional students must be enrolled for a minimum of 4 undergraduate or 2 graduate academic credits to qualify for a student position.	Professional Judgment committee will determine appropriate pay type. NOTE: Individuals already working in an office may not volunteer additional hours in the	Characteristics of an Independent Contractor include realization of profit or loss; working for more than one firm at a time and/or service is available to the general public, has a significant investment in tools and materials;	Requires academic contract. Paid through Payroll.	Must have Financial Aid Work Study Award. Must be enrolled for sufficient credits (minimum 6 undergraduate credits) to receive award.

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	The Professional Judgment Committee must approve stipends before payment will be issued.		same office.	furnishes tools and materials for job. Person is under own supervision. Use IRS “20 Questions List” (links above) to make determination. Purchasing Manager determines if this is the appropriate type. Questions may be referred to the Professional Judgment committee.		
Paperwork required for Payment	Must have approval of Professional Judgment Committee before using this payment method. No GRCH No time sheets No I-9 Requires A-19 for total amount.	GRCH(or PAF for flat rate) Semi-monthly time sheets I-9 W4	GRCH Semi-monthly time sheets for L&I coverage Volunteers who receive a nominal stipend must also have: I-9 W4	No time sheets or I-9 Contract must be written and signed before work is started. W9 required	If Intern is paid through Work Study or Evergreen Institutional funds, intern is processed through the Evergreen payroll office. GRCH I-9 W4 Semi-monthly time sheets If off-campus – paid through employer/host org payroll process – no on-campus paperwork	GRCH I-9 W4 Semi-monthly time sheets If off-campus – employer pays and employer is reimbursed through voucher process through Student Employment.
Taxes	No taxes withheld (student must pay own portion plus what would be the college contribution later). 1099 at end of year.	Taxes withheld from each check – W2 at end of year	If nominal stipend, individual gets a W2.	No taxes withheld. 1099 at end of year if appropriate.	Taxes withheld from each check – W2 at end of year	Taxes withheld from each check – W2 at end of year
L&I	No L&I costs or coverage	L&I costs and coverage (cost shared by employee and employer)	L&I costs & coverage covered 100% by College budget hosting volunteer.	Contractor is responsible for L&I costs and coverage	L&I costs and coverage (cost shared by employee and employer)	L&I costs and coverage (cost shared by employee and employer)
Student Eligibility for Exemption from FICA	N/A	Yes, for students enrolled at least half time (6 undergraduate credits; 6 graduate credits) in a job having to do with their education.	Yes, for students enrolled at least half time (6 undergraduate credits; 6 graduate credits) in a job having to do with their education.	Determined case by case by the Professional Judgment Committee.	Yes, for students enrolled at least half time (6 undergraduate credits; 6 graduate credits) in a job having to do with their education.	Yes, for students enrolled at least half time (6 undergraduate credits; 6 graduate credits) in a job having to do with their education.
Pay	Flat fee payment on exception basis only. May be one or multiple payments	Pay for hours worked. Student paid semi-monthly (assuming hours are worked and time sheets turned in!)	May receive nominal stipend. Volunteers that receive stipends will be paid through payroll and will receive a W2 at year end. Employees receiving an honorarium will be paid through	Services must be rendered before payment. No prepayment is allowed.	Minimum wage (or higher) for hours worked – up to 19 hours per week FLSA Exception: Interns may be paid for hours worked up to 19 and may work more hours in	Minimum wage (or higher) for all hours worked. Student paid semi-monthly (assuming hours are worked and time sheets turned in!)

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			Payroll.		unpaid status because they are earning academic credit. Student paid semi-monthly (assuming hours are worked and time sheets turned in!)	
Minimum Wage Issues	N/A	Must pay minimum wage for hours worked. In-kind remuneration may factor into this wage amount.	N/A	N/A	Must pay at least minimum wage for paid hours.	Must pay at least minimum wage. State and Federal Work Study Program rules require that students must be remunerated at a rate comparable to that of others doing similar work.
Hours	Hours are not related to payment via stipends or honoraria. Hours worked for stipend are not tracked and/or counted toward the 19-hour/week limit. However, payments made on an A-19 to a student must be reported to the Financial Aid Office.	Employee must receive "compensation" for all hours worked Hours must be reported for L&I coverage - time sheets required. Undergraduate student employees (enrolled halftime or more) are limited to 19 hours most of the quarter (includes work study & on-campus institutional), except break and Eval weeks. Off campus no hours are tracked – except for work study jobs. Overtime pay must be made at a rate of time-and-one-half for hours worked over 40 in a given work week. Institutional hours are tracked and may not exceed an average of 19 per week except during break and Eval weeks.	As agreed with volunteer supervisor.	Contractor makes agreement for hours and/or work completed. Hours worked on contract are not tracked and/or counted towards the 19 hour/week limit for students.	As agreed by Internship contract.	Work study hours are tracked and may not exceed an average of 19 per week except during break and Eval weeks.