

## **Employer-Employee Relationship - Payment for Services**

### **POLICY:**

According to the Internal Revenue Service, the State of North Dakota is required to withhold payroll taxes on compensation paid where an employer-employee relationship exists.

### **PROCEDURES:**

All payments for services where an employer/employee relationship exists will be processed on a *Mayville State University Adjunct Faculty/Part-Time Faculty/Workshops Appointment Form & NDUS HRMS Change Form*. This will include payments to current staff and faculty members providing services to other university departments where an employer/employee relationship exists. Payments to individuals for services such as guest lecturer, discussion leader, etc., including appropriate travel reimbursements, may be processed on a *Request for Payment* through the Business Office provided:

1. The individual is **not** currently employed by the university.
2. The individual has **not** been employed during the calendar year.
3. The individual is receiving a one-time total payment for these services.

Please use the “IRS 20 Factor Questions” to determine if an employer-employee relationship exists.

**Approved: July 19, 2004**

**Reviewed: Fall, 2008**

**Sponsors: Vice President for Academic Affairs  
Director of the Traill County Technology Center**