

Hunter College Office of Research Administration Information Alert

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ALERT # 21

IMPORTANT INFORMATION ABOUT MEMORANDUM OF UNDERSTANDING (MOU) AND INDEPENDENT CONTRACTOR AGREEMENT (ICA)

- An independent contractor is an individual or firm providing services free from direction and control of performance including the means and methods used. Independent contractors fall into two categories:
- An Independent Contractor is an individual or firm providing services free from direction and control of performance including the means and methods used. Independent contractors fall into two categories:
 1. *A company or firm providing service to the public or to a broad clientele.*
 2. *Individuals who are clearly in business for themselves such as self-employed physicians, lawyers, photographers, artists, construction contractors, electricians, and others in an independent trade, business or profession. This includes one-time professional lecturers and short-term professional consultants. An ICA and a MOU are be used as a means of evading payment of fringe benefits. There are legal requirements that must be met.*
- **No one** CUNY payroll, Research Foundation payroll, or Hunter Foundation payroll may be paid via the MOU or ICA mechanism. The U.S. Internal Revenue Service's position is that once someone is an employee of any CUNY-related entity, there can be no other means of payment. The penalties to both individual and organization can be severe.
- Persons engaged through the MOU or ICA payment mechanism are not employees of the Research Foundation.
- As a result, the MOU, which previously was sent for payment after the task was completed with invoice and payment request, must now be reviewed by the central RF office in advance. Completed MOU forms with all the attachments but not the invoice and payment request should be sent to RF Procurement & Payables for review.

ALERT

WHY THIS ALERT?

This publication has been created to serve the purpose of informing researchers of new information, trends and concerns as they occur.



Remember

The Research Foundation (RF) Legal Department will review the scope of work and the client list for MOUs and ICAs very closely.