



<b>Subject</b>	<b>CONTRACTS FOR SERVICE</b> (formerly titled "6.02 Contracts for Service")
<b>Procedure Section</b>	<b>12 Miscellaneous</b>
<b>No.</b>	12.01
<b>Exempt Employment Policy References</b>	
<b>Collective Agreement References</b>	
<b>Forms &amp; Other Reference Material</b>	See also: Procedure 12.00 - Determining Employee / Employer Relationships (Contractors)
<b>Status of Approval</b>	Approved 27-May-2013 Vicki Pannell

**PREAMBLE:**

It is incumbent on the employer to determine whether or not an employee-employer relationship exists. OC has certain responsibilities as an employer under the Income Tax Act (CPP, UIC) and the failure to meet these statutory obligations could lead to interest and penalties. Additionally, it must always be kept in mind that OC has three certified bargaining units representing its employees and collective agreements may impose restrictions on the contracting out of certain activities.

**PROCEDURE:**

1. Prior to entering into a contract for service with an individual, it must first be determined whether the work to be performed may come under the jurisdiction of any of the three certified bargaining groups at OC, or whether an employee-employer relationship exists. It is the responsibility of the originating Dean/Director to contact Human Resources if there is any uncertainty regarding the nature of the work being performed. The Dean/Director should contact Financial Services if there is any uncertainty around the nature of the relationship.
  
2. If the contracted services are deemed to be a legitimate contracting out; that is, the person to whom the work is assigned is an independent contractor or the employee of an independent firm, an OC "Service Contract" form must be completed and signed by the parties (OC and the Contractor). Examples of legitimate contracted services include:
  - (a) consulting services;
  - (b) some instructional services, such as seminar speakers and/or facilitators;
  - (c) curriculum development services
  - (d) landscaping or window cleaning

In these instances, the individual is considered to be a "professional" and is in the business of providing these services. In the case of curriculum development, OC is contracting for a finished product and exerts no control over how, when, or where the individual carries out the work.

3. The contractor is to provide at least one of the following: W.C.B. Registration Number, G.S.T. Registration Number, or Revenue Canada Taxation Number. In instances where the individual is not a "registered company", OC is required to produce a T4A at the end of the calendar year in order to ensure reporting of the income by the individual.
4. Once the contract has been accepted by the contractor and OC, the "Service Contract" form is distributed with one copy to the originator, one copy to the contractor, and one copy to the Finance Division, along with a copy of any supplementary contract terms to which the parties have agreed.
5. The Finance Division is responsible for processing payment for the services in accordance with the terms of the contract upon receipt of the contractor's invoice.