

NWF Health Network Policy & Procedure

Series: 1300: Financial Management

Policy Name: Independent Contractors

Policy Number: 1324

Origination Date: 1/29/2009

Revised: Board Meeting of 4/27/2023

Policy

It is the policy of NWF Health Network, Inc. (NWFHN), to ensure maximum effectiveness of expenditures through the use of independent contractors. NWFHN will comply with Internal Revenue Service (IRS) compliance guidelines.

Procedure

A. General Procedures.

1. The organization follows the IRS Guidelines in determining independent contractor status.
2. Payment of independent contractors include:
 - a. The completion of IRS Form W-9.
3. All independent contracts may be reviewed by a designated Accountant, the Director of Finance and Accounting and/or the Chief Financial Officer (CFO) to assure that the independent contractor meets the IRS requirements, the contract does not place the organization at financial risk and the expense is an approved budget item.
4. Necessary background checks and proof of professional license should be submitted with a signed contract as determined applicable by the Chief Executive Officer (CEO) or their designee
5. Contractual agreements are signed by the CEO or their designee.
6. The Director of Contract Administration or their designee maintains a contract file with the expiration dates of all contracts to ensure timely negotiation/renewal.
7. Paid consultants are prohibited from having direct or indirect financial interest in the assets, leases, business transactions, or professional services of the agency.

B. Payment and Year-End Processes.

1. The Director of Finance and Accounting or designee completes the Accounts Payable Month End procedures.
2. The report in AP for 1099's is printed. The Director of Finance and Accounting or designee verifies that the list is accurate and complete. The process for ensuring IRS 1099 reporting requirements are met are as follows:
 - a. All vendors are requested to provide a signed W-9 form. In the event a signed W-9 form cannot be obtained, a report from the State of Florida Division of Corporations Sunbiz website with the vendor's FEI number is obtained. These forms are maintained on file by Accounts Payable.
 - b. At the end of each calendar year, IRS Forms 1099 are generated for the specific non-incorporated vendors and providers. The AP 1099 report lists these vendors and providers. From this list, the vendors and providers with payments greater than Six Hundred Dollars (\$600.00) are selected and printed.

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- c. IRS Forms 1099 and 1096 are completed in accordance with IRS instructions and distributed to the vendors, providers, and IRS no later than February 28th of each year, unless otherwise specified by the IRS.
- d. IRS Forms 1099 and 1096 are completed by the Accounting Manager designee and reviewed by the Director of Finance and Accounting prior to distribution.
- e. Copies of the IRS Forms 1099 and 1096 are maintained by the Accounting Manager.