How to Pay

Helpful information:

**Independent contractor vs. employee factors:**
- [http://www.idahobizhelp.org/emp_vs_contractor.htm](http://www.idahobizhelp.org/emp_vs_contractor.htm)

**IRS guidance on scholarships (taxable and nontaxable)**

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Q. Students and community members are paid to be the cast and crew for the Idaho Repertory Theatre. Their term of service is from May through September with varying lengths and varying hourly pay rates. The individuals are not professional actors and are not paid for acting services by other sources.

A. **Treatment: employees**
   
   Deciding factors: the UI has the right to control when and where productions are performed, the person is paid hourly and does not share in the profit or loss of the production, the person is not a professional actor being paid to perform for other theatre companies or holding themselves out as a professional actor, costumes and rehearsal space are provided to them.

Q. A professional actor is hired to perform in one Idaho Repertory Theatre production that will have five showings over two weeks. The actor is paid a flat fee for their services.

A. **Treatment: independent contractor**
   
   Deciding factors: the actor holds themselves out as a professional actor and has other sources of income in the same line of business; the term of service is only for two weeks plus rehearsal time; the fee paid is a flat fee not based on the number of hours spent; their situation is unique as the rest of the cast does not consist of professional actors.

Q. The UI Wind Ensemble performs at the commencement ceremonies in May and December. The Wind Ensemble includes approximately 45-50 student musicians. The students who participate in the May ceremony receive a $45 stipend for their performance. Students may perform at one or both ceremonies.

A. **Treatment: independent contractors**
   
   Deciding factors: Only the students performing in May receive the payment so the pay relates to a one-time event for a couple of hours.

Q. Industry experts are hired to teach topics relevant to the day at the UI Utilities Executive Course (UEC) each year. UEC is a 3-week course to provide graduates with a global community for exchanging ideas, best practices, and insights to adapt and lead for the future. Participants receive a Certificate of Completion and Continuing Education Units. The experts are paid a fee for their participation.

A. **Treatment: independent contractors**
   
   Deciding factors: The industry experts are contracted to provide services for a short period of...
time (a day or two) in an area where they have professional expertise. The experts do not receive benefits and provide no other services to UI.

Q. A self-employed attorney is contracted to teach a one-term course. The UI determined the topic of the course, when and where the course would be taught. The UI collects tuition during the normal course of enrollment and paid the attorney on an hourly basis for a fixed number of hours.

A. Treatment: employee

Deciding factors: The UI has sufficient control over the course, content and enrollment to indicate employee status. The attorney has no opportunity for profit or loss as the fee is not based on enrollment numbers. The course is an integral part of UI’s business of educating students.

Q. A tractor gets a flat tire in a University owned field. The neighboring farmer has the equipment to fix the flat tire and is paid a fee for assisting with fixing the tractor.

A. Treatment: independent contractor

Deciding factors: the service is provided on an occasional basis for a flat fee rather than a per hour basis. The farmer provides no other services to the University.

Q. The REACCH is a coordinated agricultural project, funded by the USDA National Institution for Food and Agriculture to improve the long-term profitability of cereal production systems in the Pacific Northwest. This project has 15 interns with the UI as the lead institution on the grant. Some of the interns are UI students and some are students of other institutions. The UI has an application and selection process for awarding the internships. Interns participate in faculty and/or graduate student research, weekly seminars, and field trips. Results of the research are available to the public. The interns receive a stipend of $500 for travel plus $4,500 for the 9-week internship. Lodging is covered through UI residence halls on campus; interns are responsible for their own food.

A. Treatment: scholarship

Deciding factors: The research is made available to the public, therefore the payment is not for past, present or future services provided by the intern to the UI.

Q. A department within the University has a summer grant program where 20 teen advocates are trained on healthy living topics to be healthy living teen ambassadors to their communities. These teens will co-lead educational programs, program operations and service activities with a trained adult, nutrition advisor and/or college intern. They receive a stipend equal to $8/hour for up to 100 hours of service.

A. Treatment: various. Answer depends on the age of the participants and if employment restrictions are met.

Deciding factors:

- Teens 13 and under cannot be employed. Payment could be structured as a scholarship to be used for future college tuition, or reported on a Form 1099 if all payments to the individual during the year exceed $600.
- Teens 14 and older can be employees with restrictions (e.g. hours and types of duties). If the agreement is structured to meet the employment restrictions, the payment is compensation as the UI has sufficient control over the activity to indicate employee
status. If the agreement is not structured to meet the employment restrictions, the
teen cannot be an employee. Payment could be structured as a scholarship to be used
for future college tuition, or reported on a Form 1099 if all payments to the individual
during the year exceed $600.

- Participants 18 and older would be treated as employment as the UI has sufficient
control over the activity to indicate employee status.

Q. A student is awarded a travel grant to attend a competition where they will present research
related to their field of study. They are employed at the University in an unrelated capacity.
A. Treatment: scholarship
   Deciding factors: payment relates to the pursuit of studies or research and furthers the
   education and training of the recipient. The payment is not for past, present, or future services.

Q. A student is awarded a grant to attend an annual conference in their field of study. The student
is not presenting research or facilitating sessions. The grant is generic and not specifically
required to be used for travel or attendance costs. The student is employed by the University in
an unrelated capacity.
A. Treatment: scholarship
   Deciding factors: payment relates to the pursuit of studies or research and furthers the
   education and training of the recipient. The payment is not for past, present, or future services.

Q. A student is awarded a Summer of Innovation honorarium to assist with housing and living
expenses during an internship at NASA. The student is employed by the University during the
school year in an unrelated capacity.
A. Treatment: scholarship
   Deciding factors: payment relates to the pursuit of studies or research and furthers the
   education and training of the recipient. The payment is not for past, present, or future services.

Q. A research fellow participates in a research training program and receives a stipend to defray
general living expenses. The program is modeled after the NIH’s NRSA program with a focus on
research training and the development of research skills, and not the performance of research
services. The individual is not required to have performed past services or agree to perform
future services as a condition of receiving the stipend.
A. Treatment: scholarship
   Deciding factors: payment relates to the pursuit of studies or research and furthers the
   education and training of the recipient. The UI is not requiring the recipient to pursue studies,
   research, or other activities primarily for the benefit of the University, and the payment is not
   conditioned upon either past, present, or future services to UI.

Q. A UI department receives a grant which funds an internship. The intern’s required duties
   include research services where the results are available only to the grantor and are not made
   widely available to the public.
A. Treatment: employee
   Deciding factors: The internship is payment for research services required as a condition for
   receiving the award. The grantor is receiving more than an insubstantial benefit from the grant.
   It is not a relatively disinterested, “no strings” educational grant, with no requirement of any
   substantial benefit to be provided from the recipient.

Q. A UI department receives a grant which funds an internship. The intern’s required duties
include research services where the results are available only to the grantor and are not made widely available to the public. The intern is required to provide research services of 200 hours; a market wage for a position of this type is $30 per hour. The intern is paid $10,000.

A. Treatment: part employee, part scholarship
Deciding factors: $6,000 of the payment is for research services required as a condition for receiving the award. The grantor is receiving more than an insubstantial benefit from the grant. $4,000 of the payment received is a relatively disinterested, “no strings” educational grant, with no requirement of any substantial benefit to be provided from the recipient.

Q. The INBRE Summer Fellows Program offers a 10-week fellowship for students interested in biomedical research. The Program pays $6,000 to participants to work full-time in an established facility laboratory for the summer. Participants do guided research, attend weekly training and seminar presentations and attend a conference to present their work.

A. Treatment: scholarship
Deciding factors: the UI or other grantor is not receiving services as part of this award. Payment relates to the pursuit of studies or research and furthers the education and training of the recipient. The UI is not requiring the recipient to pursue studies, research, or other activities primarily for the benefit of the University, and the payment is not conditioned upon either past, present, or future services to UI.