
IRS TWENTY QUESTIONS FROM
REVENUE RULING 87-41 PARTICULARIZED FOR
THE CATHOLIC UNIVERSITY OF AMERICA
FOR DETERMINING IF INDIVIDUALS SERVING THE
UNIVERSITY ARE EMPLOYEES OR
INDEPENDENT CONTRACTORS

The determination of whether an individual is an employee or an independent contractor involves a review of multiple facts and circumstances. No one fact or circumstance is determinative, but the more “yes” answers to the questions below, the more likely it is that the individual would be classified as an employee.

1. Is the individual directed by someone at Catholic University as to when, where and how the work is to be done?
2. Is Catholic University providing detailed instructions or training to enable the individual to perform the work in a particular way or manner?
3. Can the individual perform the work without any risk of direct economic loss to himself/herself?
4. Are the services provided by the individual an integral part of Catholic University’s operations, like those already performed by others within established job classifications (e.g. clerical work, teaching or research)?
5. Must the services be performed specifically by the individual (rather than by someone else employed by the individual)?
6. Will Catholic University hire, supervise or pay others to help the individual on the job?
7. Is there a continuing work relationship between the individual and the department for whom services are being performed?
8. Is the work schedule set by someone at Catholic University?

9. Is the individual required to devote his/her full time effort to the department for which the work is being performed?
10. Is the work required to be performed at Catholic University, or in specific places designated by Catholic University?
11. Is the sequence of work set by someone at Catholic University?
12. Are regular oral or written reports required to be submitted to Catholic University by the individual?
13. Is the method of payment based on hourly, weekly or monthly fees (as opposed to commission or by the project/job)?
14. Are business and/or travel expenses reimbursed?
15. Does Catholic University furnish the tools, equipment and materials used by the individual? He would not need to use the equipment, but he could.
16. Can the individual perform the work without making or having made any investment in equipment or facilities?
17. Does the individual perform services exclusively for Catholic University rather than working for a number of companies at the same time? How many other clients does the individual have?
18. Does the individual not make his/her services regularly available to the general public or entities other than Catholic University?
19. Is the individual subject to dismissal for reasons *other than* nonperformance of contract specifications?
20. Can the individual end his/her working relationship with Catholic University at any time without incurring liability for failure to complete the job (e.g. forfeit of payment previously made by Catholic University or due under contract, or breach of contract liability)?

THE END

February 5, 2010