

**Essex County College
College Regulation
REG 3-1 CONSULTING FEES
HONORARIUMS AND
EMPLOYEE SUPPLEMENTS**

Purpose:

To enable the College to employ and/or retain consultants to provide administrative assistance and professional advice.

Application:

Consulting Fees

1. Consulting fees are payments for professional services rendered by a person or company, usually at a fixed fee. An employee-employer relationship does not exist, under common law, and the employer does not control the method and the result of the services, although the services to be performed by the consultant are known and agreed upon.
 - (a) Prior to engaging the services of a consultant, Consultant, Honorarium and Service Form (EC-460) will be completed by the initiating department and be forwarded for approval by the Area Head, Chief Financial Officer/Senior Comptroller, and the Office of the General Counsel. This form will include the following information:
 - i. Consultant name and address
 - ii. Consultant social security number or IRS tax ID number
 - iii. Consultant telephone number
 - iv. Consultant's educational and work experience
 - v. Individual to whom consultant reports
 - vi. Services to be performed
 - vii. Period of services
 - viii. Cost of services and account to be charged
 - (b) Each consultant form shall be accompanied by a W-9 form.
 - (c) Upon approval by the President, the executed consultant form shall be returned to the initiating department for payment.
 - (d) Consultant forms in an amount of \$17,500.00 or more, or multiple consultant forms to a single firm or individual with an aggregate payment of \$17,500.00 or more, will require approval of the Board of Trustees.
 - (e) Consultant forms to a full-time employee of the College in an amount of \$17,500.00 or more, or multiple consultant forms requiring an aggregate payment of \$17,500.00 or more will require approval of the Board of Trustees.

- (f) Each area head is responsible for ensuring the completion of Form SS-8 "Determination of Employee Work Status for Purposes of Federal Employment Taxes and Income Tax Withholding" for services to be performed by a worker. The Form SS-8 may be filed to obtain a determination as to whether a worker is an employee for purposes of Federal employment taxes and income tax withholding.

Honorariums

2. Honorarium fees are paid for professional services on which no fixed price is set by the institution. Traditionally, these fees are for guest lecture or topical presentations. Honoraria fees in excess of \$5,000 require Board of Trustee approval. The President may approve Honoraria not to exceed \$5,000 per program.

Payment for these services will follow the same procedure as enumerated for consultant fees.

Supplements

3. Employee supplements are compensation for the initiation and/or completion of projects, or for the rendering of services of temporary duration. For the purpose of distinguishing a supplement from consulting or professional services, an employee-employer relationship must exist, under common law, where the employer can control what will be done and has the legal right to control the method and the result of the services.

Employee supplements of \$5,000 or more on an annual basis require the approval of the Board of Trustees. The recommending department must complete the appropriate personnel action form for payment of the employee supplement and follow the required sign off procedures.

Responsible Official(s):	Reference: N.J.S.A. 18A: 64A-12(o), BP 2- 8, BP 3-10, BP 3-14
Regulation History: App. 1/94, Rev. 10/01, 7/11, 3/17, 3/22, 11/22	Attachment(s):