



# INDEPENDENT CONTRACTOR POLICY

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## POLICY STATEMENT

Occasionally, the University may engage an independent contractor to perform certain services that cannot be readily performed by employees because of existing staffing constraints or due to the nature or urgency of the services required. Before an individual may be engaged as an independent contractor, however, a determination must be made as to whether the arrangement would result in an employer-employee relationship.

This Policy sets forth the criteria to be used in determining a worker's status as an independent contractor or an employee based on the classification factors published by the Internal Revenue Service (IRS). The Policy also includes standard agreements for individuals contracting with the University, including separate agreements for speakers and entertainers, that must be signed by both the individual and the University before any services are performed.

Departments may establish more restrictive procedures than those included in this Policy, if desired.

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## REASON FOR POLICY

This Policy establishes the standards for hiring workers to perform independent contractor services for the University. The Policy conforms to the Internal Revenue Code (IRC) and applicable Treasury Regulations governing the classification of independent contractors for tax purposes.

## WHO SHOULD READ THIS POLICY

Any employee who is responsible for engaging the services of an independent contractor; the members of the Leadership Team as well as supervisors and Business Managers who supervise an employee with such responsibilities.

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## POLICY TEXT

This Policy governs the use of independent contractors to provide professional, technical, administrative, or unique services generally performed by individuals and sole proprietors. The use of an independent contractor is expected to address the performance of a specific business task or job that will be accomplished within a limited period of time. An independent contractor shall not be used to direct a University program or retained on an indefinite basis to perform tasks that would normally be assigned to an employee.

The Policy does not cover services provided by the following individuals and entities:

- Partnerships, LLPs, firms, or corporations except for professional services corporations employing less than three (3) individuals.
- Services provided by employees of employment agencies.
- Non-University individuals paid an honorarium as an expression of gratitude for performing a short-term service (e.g., a speaking engagement, reading a manuscript, etc.). See [Honorarium Payments Policy](#).
- Services provided by tradespeople, including electricians, plumbers, painters, equipment repair persons, and similar service providers. Such individuals should be engaged by Facilities Management using its online service request system.

Because several offices are involved in the review and approval of a contract for independent services, the steps described below **must** be taken before an agreement will be approved by the University. A workflow showing the approval process is also included in [Appendix A](#).

### **Completion and Review of Request Form**

Departments proposing to engage a contractor must complete the online [I. C. Approval Request Form](#) (“Request Form”), which is designed to document the individual’s correct status as an independent contractor or employee. The Request Form includes the factors published by the IRS for making such determinations (an explanation of the factors is included in [Appendix B](#)).

**The completed Request Form must be sent by the Business Manager to the Director of Internal Audit and Tax Compliance for review and approval before any services are performed.** The

Director will evaluate whether the information provided on the Request Form supports the classification of the individual as an independent contractor. If the Director determines that the IRS factors do not support classifying the worker as a contractor, the department may hire the individual through the University's employment agency, HR Options. A temporary worker may also be hired as a University employee in certain circumstances if the relationship with the individual will be more on-going due to the nature or duration of the assignment. See **Hiring Temporary Staff at USF**.

### **Independent Contractor Agreement**

An individual approved by the Director of Internal Audit and Tax Compliance to provide services as a contractor must complete and sign the University's **Independent Contractor Agreement**. If any of the standard terms and conditions included in the agreement is changed, the agreement will be sent to the Office of General Counsel (OGC) for legal review and approval. OGC approval of the proposed changes is required before the agreement may be signed by the University. See **Authorization**.

### **Insurance Coverage**

Except for speakers and certain other service providers (see below), individuals contracting with the University are required to maintain professional liability, general liability, automobile, and workers' compensation insurance that meets the minimum coverage levels required by the University. Such individuals must provide the University, prior to the commencement of work, a Certificate of Insurance (COI) confirming that they have the required coverage in effect. See **Appendix C**.

Insurance coverage may be waived in whole or part when it is determined by the Risk Manager, Accounting and Business Services (ABS), that it would be in the interest of the University to assume the liability on behalf of the contractor.

### **Background Check**

The University may require that a proposed contractor undergo a background check for certain assignments, e.g., assignments involving interaction with students. In such cases, the individual will be asked to sign a consent form for use by Human Resources in scheduling the background check with the University's third-party service provider. See **Pre-employment Background Check Policy and Procedures**.

### **Consulting Services Proposed by University Employees or Students**

In general, the University will not enter into a contractual relationship with one of its employees or students to obtain consulting or other services.

- **Employees** - In those cases where an employee does perform additional services outside of the scope of his or her primary job, the employee may be eligible to receive additional compensation through the payroll system. See **Additional Pay Policy**. **An exception to contract with a current employee requires prior written approval by the appropriate Dean or Vice President and General Counsel. In addition, the employee must complete the Conflict of Interest Disclosure Statement. See Conflict of Interest Policy.**

- **Students** – All compensation for services performed by students should be paid through the payroll system as wages. See **Student Employment Policy**.

### **Conflicts of Interest**

Selection of an independent contractor shall be made on the basis of the individual's qualifications, resources, and experience and the needs of the University. University officials authorized to approve an Independent Contractor Agreement shall not do so if they have a financial conflict of interest or the proposed contract is with an immediate family member of the official, including a spouse, partner, parent, child, sibling, or in-law.

An agreement shall not be approved if the contractor is an immediate family member of a University employee and the employee will be involved in any manner in the process to approve or influence decisions regarding the agreement, direct work performed under the agreement, or directly benefit from the agreement. **An exception to contract with an immediately family member of such an employee requires prior written approval by the appropriate Dean or Vice President and the General Counsel. In addition the employee must complete the Conflict of Interest Disclosure Statement.**

### **Speakers and Entertainers**

Individuals engaged by a department to speak for a fee at a University-sponsored event, (e.g., commencement, convocation, retreat, etc.) must complete and sign the University's **Speaker Agreement**. Actors, musicians, and other artists hired to perform at a campus event must sign the **Entertainment Agreement**. Because outside speakers and entertainers who provide temporary personal services on behalf of the University are deemed to be independent contractors, it is not necessary that the Request Form be completed in connection with these individuals.

Speakers engaged by the University are responsible for providing their own liability insurance coverage but are not required to obtain a COI. Entertainers, however, must submit a COI to the Risk Manager confirming that they have adequate liability insurance coverage.

### **Other Workers Treated as Independent Contractors**

In addition to speakers and entertainers, certain other service providers are deemed to be independent contractors, provided that the individual has not previously been an employee of the University within the same calendar year. Such workers include individuals providing the following services: closed captioning, copy editing, proof reading, translation, graphic design, film editing, photography, videography, and sports officiating. A Request Form does not need to be completed in connection with these service providers. In addition, these individuals are not required to provide evidence of liability insurance.

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## PROCEDURES

- **Authorization**
- **Sponsored Projects and Other Restricted Funds**
- **Method of Payment**
- **Documentation**
- **Tax Withholding and Reporting**

- **Violations**

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## RELATED INFORMATION

| Type     | Title  |
|----------|--|
| USF      | <b>Additional Pay Policy</b>                                   |
| USF      | <b>Conflict of Interest Policy</b>                             |
| USF      | <b>Hiring Temporary Staff at USF</b>                           |
| USF      | <b>Honorarium Payments Policy</b>                              |
| USF      | <b>Nonresident Alien Payments Policy</b>                       |
| USF      | <b>Policy on Tax Treatment of Payments Made to Individuals</b> |
| USF      | <b>Pre-employment Background Check Policy and Procedures</b>   |
| USF      | <b>Student Employment Policy</b>                               |
| External | <b>Independent Contractor or Employee Training Materials</b>   |

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## DEFINITIONS

| Term                           | Definition   |
|--------------------------------|--|
| Business Manager               | A University employee, designated by the President, Vice President, Vice Provost, or Dean who is the financial manager for the University account(s) being used for the expense. This may include the President, Vice Presidents, Vice Provosts, or Deans.   |
| Concur                         | The University's on-line system for payment requests, expense reimbursements, cash advance requests, and reporting.  |
| Employer-Employee Relationship | An employer-employee relationship exists if the University has the right to direct and control the worker who performs the services. This control refers not only to the result to be accomplished by the work, but also the means and details governing how the work shall be done. It is not necessary that the University actually direct or control the manner in which the services are performed; an employee-employer relationship will exist if the University has the right to do so. |
| Independent Contractor         | An independent contractor relationship exists when the University has the right to control only the result of a worker's service, not the manner of performance.   |

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## ADDITIONAL CONTACTS

| Subject                           | Contact               | Phone        | Email/URL  |
|-----------------------------------|-----------------------|--------------|--|
| Internal Audit and Tax Compliance | Dominic Daher         | 415-422.5124 | <a href="mailto:dldaher@usfca.edu">dldaher@usfca.edu</a>           |
| Accounting and Business Services  | Frank Wasilewski      | 415.422.2402 | <a href="mailto:fmwasilewski@usfca.edu">fmwasilewski@usfca.edu</a> |
| Disbursement Services             | Dennis Miller         | 415.422.2102 | <a href="mailto:millerd@usfca.edu">millerd@usfca.edu</a>           |
| General Counsel                   | Donna Davis           | 415.422.6822 | <a href="mailto:mdavisdj@usfca.edu">mdavisdj@usfca.edu</a>         |
| Human Resources                   | Diane Nelson          | 415.422.2441 | <a href="mailto:dnelson3@usfca.edu">dnelson3@usfca.edu</a>         |
| Payment Request                   | Disbursement Services | 415.422.2387 | <a href="mailto:ap@usfca.edu">ap@usfca.edu</a>                     |
| Risk Management                   | Melissa Diaz          | 415.422.5899 | <a href="mailto:mddiaz2@usfca.edu">mddiaz2@usfca.edu</a>           |

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## FORMS

| Form   | Use  | Location                                 |
|--|--|--|
| <b>Conflict of Interest Disclosure Statement</b> | Used to disclose a conflict or Potential conflict of interest                                  | <b>Human Resources</b>                   |
| <b>Entertainment Agreement</b>                   | Used to contract with an outside entertainer.  | <b>Accounting and Business Services</b>  |
| <b>IC Approval Request Form</b>                  | Used to document an individual's correct status as an employee or Contractor.                  | <b>Internal Audit and Tax Compliance</b> |
| <b>Independent Contractor Agreement</b>          | Used to contract with individuals providing consulting and similar services to the University. | <b>Accounting and Business Services</b>  |
| <b>Payment Request</b>                           | Used to initiate payment requests in the Concur Reporting System                               | <b>Accounting and Business Services</b>  |
| <b>Speaker Agreement</b>                         | Used to contract with an outside speaker.  | <b>Accounting and Business Services</b>  |

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## RESPONSIBILITIES

Department/Business Manager

- Prepares Independent Contractor, Speaker, or Entertainment Agreement, as appropriate, and obtains all supporting documentation from worker (e.g., Form W-9, COI, etc.), in accordance with this Policy.
- Prepares Request Form for assignments requiring review by the Director of Internal Audit and Tax Compliance.
- Sends completed Request Form, standard agreement, and other supporting documentation to the Director of Internal Audit and Tax Compliance for review and approval.

**Internal Audit and Tax Compliance**

- Reviews Request Form and determines whether individual may be engaged as an independent contractor.
- Advises department with respect to the worker’s correct classification.

**Office of the General Counsel**

- Reviews any proposed changes to the standard Independent Contractor, Speaker, or Entertainment Agreements and advises department whether such changes may be included in the agreement.
- Reviews proposed agreements with an employee and agreements with the immediate family member of an employee which may present a conflict of interest for the employee.

**Accounting and Business Services**

- Confirms whether COI meets the requirements set forth in **Appendix C**.
- Reviews insurance waiver requests and determines whether requests should be approved.
- Processes payments to contractor based on signed agreement, Request Form, Form W-9, and other supporting documentation provided by department.

**President, Vice Presidents, Vice Provosts, and Deans**

- Reviews and signs standard agreement in accordance with the procedures set forth in this Policy.
- Reviews any exception requests to engage a University employee as an independent contractor.
- Ensures that employees within his or her division are in compliance with this Policy.

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**FREQUENTLY ASKED QUESTIONS**  
(N/A)

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**REVISION HISTORY**

|            |  |
|------------|--|
| 05/10/2016 | Revised to eliminate the University Procurement Card as a payment option for independent contractor payments and to include other technical changes. |
| 01/01/2016 | Updated to include references to the Speaker and Entertainment Agreements and to make various technical changes.                                     |
| 06/13/2013 | First publication of Policy.   |

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**APPENDICES**

**Appendix A** Independent Contractor Approval Process Workflow

## PROCEDURES

- **Authorization**
- **Sponsored Projects and Other Restricted Funds**
- **Method of Payment**
- **Documentation**
- **Tax Withholding and Reporting**
- **Violations**

### AUTHORIZATION

Independent Contractor Agreements may be approved by the President, Vice Presidents, Vice Provosts, or Deans. Deans are authorized to sign agreements resulting in expenditures of up to \$5,000. The President, Vice Presidents, Vice Provosts, and Deans are responsible for determining that budgeted funds are available for an agreement and that it complies with this Policy. In addition, any proposed changes to the University's standard Independent Contractor, Speaker, or Entertainment Agreements must be submitted to OGC for review and approval before the agreement is sent to the President, Vice President, Vice Provost, or Dean for final approval and signature.

An exception to contract with an employee or the immediate family member of an employee, which may present a conflict of interest for the employee, requires prior written approval by the appropriate Dean or Vice President and the General Counsel. See **Conflicts of Interest**.

### SPONSORED PROJECTS AND OTHER RESTRICTED FUNDS

Sponsored project funds and other restricted funds may not be used for the payment of independent contractor expenses unless specifically authorized in the contract or grant agreement or other document governing the use of the funds. The use of sponsored project funds to engage the services of an independent contractor requires approval by the Office of Contracts and Grants.

### METHOD OF PAYMENT

The required method of payment for paying an independent contractor is a Payment Request, which must be initiated by the department through the Concur system. The Payment Request must include a copy of the e-mail notification from the Office of Internal Audit and Tax Compliance authorizing the department to engage the individual as an independent contractor. A payment will



be issued within ten (10) business days after Disbursement Services receives a properly approved Payment Request.

A University Purchasing Card may *not* be used for making payments to an independent contractor, speaker, entertainer, or other individual, partnership, LLC, firm, corporation or other entity providing services to the University. Such payments must be made through the Concur system.

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## DOCUMENTATION

Departments are responsible for providing sufficient documentary evidence to support all payments made to a contractor. Documentation should be in the form of an original invoice, which includes the date, contractor's name and location, description of the services performed, the period of performance, and total dollar amount. Contractor invoices should be faxed or scanned for submission to the Concur system.

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## TAX WITHHOLDING AND REPORTING

The University generally is not required to withhold income, social security, or Medicare taxes on payments made to an independent contractor but must report the payments on IRS Form 1099 if they equal or exceed \$600 during the calendar year. If an independent contractor does not furnish his or her taxpayer identification number on a Form W-9, or if the number provided is determined to be incorrect, the University must withhold income taxes at the backup withholding rates (currently, 28% federal and 7% California).

If an independent contractor is a nonresident alien, payments made to the individual are subject to withholding at a standard federal rate of 30%, unless a treaty exemption is available. The aggregate amount of all independent contractor payments made to a nonresident alien are reportable on IRS Form 1042-S. See [Nonresident Alien Payments Policy](#).

Payments made to nonresidents of California are subject to withholding of 7% if the total payments are more than \$1,500 for the calendar year and the services are performed in California. Such payments are reportable to the Franchise Tax Board on Form 592-B. See [Policy on Tax Treatment of Payments Made to Individuals](#).

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## VIOLATIONS

Intentional violations of any portion of this Policy may result in disciplinary action, up to and including termination of employment and/or legal action. In addition, an employee may be

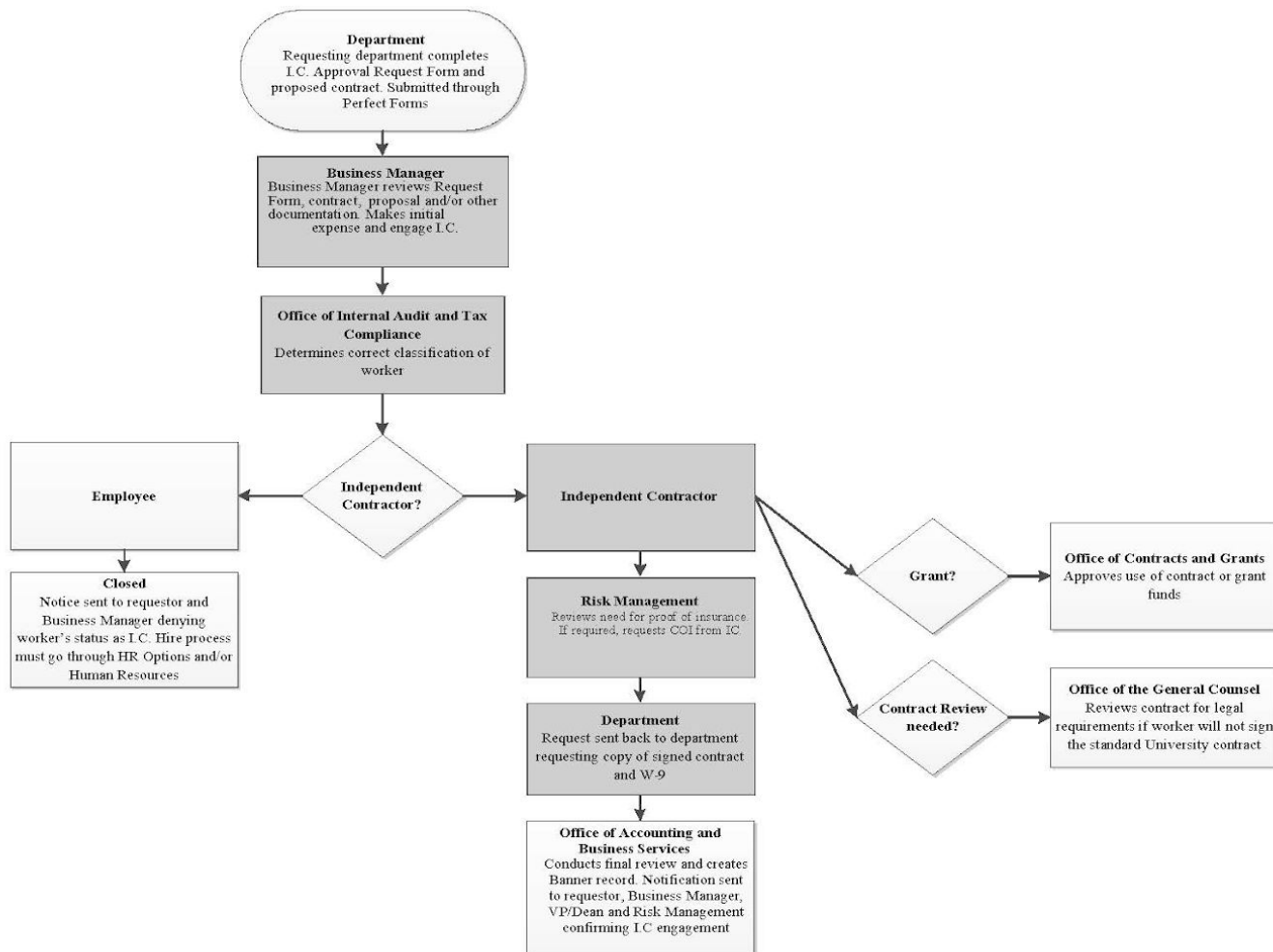
personally liable for any financial liability incurred by the University as a result of a contract approved by the employee that was not reviewed and approved as required under this Policy.

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## Independent Contractor Approval Process Workflow

### Appendix A



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# IRS Classification Factors

## Appendix B

Since there are no explicit statutory standards for determining a worker's status under the employment tax laws, in 1987 the IRS published twenty classification factors, based on common law standards, for use in determining whether a worker should be classified as an employee or an independent contractor (Rev. Rul. 87-41). However, because business relationships have changed over time, the IRS and the courts have determined that some of the twenty factors are no longer as relevant as they once were.

Under current IRS guidance, there are fewer factors that need to be considered in determining a worker's status and the factors have been grouped into the following three categories:

- **Behavioral Control:** Does the business control or have the right to control what the worker does and how the worker does his or her job?
- **Financial Control:** Are aspects of the worker's job controlled by the payer (e.g., how the worker is paid, whether expenses are reimbursed, who provides tools and supplies, etc.)
- **Relationship of Parties:** Are there written contracts or employee-type benefits (i.e., pension plan, insurance, vacation pay, etc.)? Will the relationship be ongoing and is the work performed a key aspect of the payer's business?

The University must weigh all of these factors when determining whether a worker is an employee or independent contractor. Some factors may indicate that the worker is an employee, while other factors indicate that the worker is an independent contractor. There is no set number of factors that makes the worker an employee or an independent contractor, and no one factor stands alone in making this determination. Adding further complexity, factors which are relevant in one situation may not be relevant in another. Each worker arrangement must be analyzed separately taking into account the facts and circumstances applicable to the individual.

According to the IRS, the University must look at the entire relationship, consider the degree or extent of the right to direct and control the worker, and finally, document each of the factors used in making a determination.

The specific IRS factors in each of the three categories are described as follows:

### Behavioral Control

Behavioral control refers to facts that show whether there is a right to direct or control how the worker does the work. A worker is an employee when the University has the right to direct and control the worker, even if the University does not actually direct or control the way the work is done. The behavior control factors include the following:

### **Types of Instructions**

An employee is generally subject to the University's instructions about when, where, and how to work. All of the following are examples of types of instructions about how to do work:

- When and where to do the work.
- What tools or equipment to use.
- What workers to hire or to assist with the work.

- Where to purchase supplies and services.
- What work must be performed by a specified individual.
- What order or sequence to follow when performing the work.

### **Degree of Instruction**

The degree of instruction means that the more detailed the instructions, the more control the University exercises over the worker. More detailed instructions indicate that the worker is an employee. Less detailed instructions reflects less control, indicating that the worker is more likely an independent contractor.

Note: The amount of instruction needed varies among different jobs. Some tasks may require little or no instruction. Even if no instructions are given, however, sufficient behavioral control may exist if the University has the right to control how the work results are achieved. The key consideration is whether the University has retained the right to control the details of a worker's performance or instead has given up that right.

### **Evaluation System**

If an evaluation system measures the details of how the work is performed, then these factors would point to an employee. If the evaluation system measures just the end result, then this can point to either an independent contractor or an employee.

### **Training**

If the University provides the worker with training on how to do the job, this indicates that the University wants the job done in a particular way. This is strong evidence that the worker is an employee. Periodic or on-going training about procedures and methods is even stronger evidence of an employer-employee relationship. However, independent contractors ordinarily use their own methods.

### **Financial Control**

Financial control refers to facts that show whether or not the University has the right to control the economic aspects of the worker's job. The financial control factors include the following:

### **Significant Investment**

An independent contractor often has a significant investment in the equipment he or she uses in working for someone else. There are no precise dollar limits that must be met in order to have a significant investment. Furthermore, a significant investment is not necessary for independent contractor status as some types of work simply do not require large expenditures.

### **Unreimbursed Expenses**

Independent contractors are more likely to have unreimbursed expenses than are employees such as fixed ongoing costs that are incurred regardless of whether work is currently being performed.

### **Opportunity for Profit or Loss**

The opportunity to make a profit or loss is another important factor. If a worker has a significant investment in the tools and equipment used to provide the services, and the worker has unreimbursed expenses, the worker has a greater opportunity to lose money. The likelihood of incurring a loss indicates that the worker is an independent contractor.

### **Services Available to Market**

An independent contractor is generally free to seek out business opportunities. Independent contractors often advertise, maintain a visible business location, and are available to work in the relevant market.

### **Method of Payment**

An employee is generally guaranteed a regular wage amount for an hourly, weekly, or other period of time. This usually indicates that a worker is an employee, even when the wage or salary is supplemented by a commission. An independent contractor is usually paid by a flat fee for the job. However, it is common in some professions, such as law, to pay independent contractors hourly.

### **Relationship of the Parties**

The relationship of the parties refers to facts that show how the worker and the University perceive their relationship to each other. The factors under this category include the following:

#### **Written Contracts**

Although a contract may state that the worker is an employee or an independent contractor, this is not sufficient to determine the worker's status. The IRS is not required to follow a contract stating that the worker is an independent contractor, responsible for paying his or her own self-employment tax. How the parties work together determines whether the worker is an employee or an independent contractor.

Note: All individuals providing independent contractor services must sign the University's Independent Contractor Agreement.

#### **Employee Benefits**

Employee benefits include things like insurance, pension plans, paid vacation, sick days, and disability insurance. Businesses generally do not grant these benefits to independent contractors. However, the lack of these types of benefits does not necessarily mean the worker is an independent contractor, according to the IRS.

#### **Permanency of the Relationship**

If a worker is hired with the expectation that the relationship will continue indefinitely, rather than for a specific project or period, this is generally considered evidence that the intent was to create an employer-employee relationship.

#### **Regular Business Activity**

If a worker provides services that are a regular or key aspect of the University's business, it is more likely that the University will have the right to direct and control his or her activities. For example, if the University hires an instructor, it is likely that it will have the right to control or direct that work. This would indicate an employer-employee relationship.

# Notice to Contractors, Vendors and Facility Users

## Minimum Insurance Requirements

### Appendix C

The University of San Francisco requires evidence of insurance from (1) Contractors, (2) Vendors, (3) Other Parties that provide services to or on behalf of the University, and (4) Various Parties that use University of San Francisco facilities. All such parties shall furnish to the University PRIOR to commencement of work or activity, an Acord™ **Certificate of Insurance** (COI) form stating that there is insurance in effect with the minimum limits shown below.

NOTE: At the discretion of the University of San Francisco (due to the nature of the contract, activity, event or the number of people in attendance) higher limits or other requirements may be specified. Each completed COI should be sent to the attention of the contracting party at the University of San Francisco, at the address shown below, with a copy sent by email to **Melissa Diaz**.

ATTN: \_\_\_\_\_  
Name of Department  
University of San Francisco  
2130 Fulton Street  
San Francisco, CA 94117

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**Commercial General Liability: (MINIMUM REQUIREMENTS)**

|  |                    |
|--|--------------------|
| Each Occurrence:                         | <b>\$1,000,000</b> |
| Products/Completed Operations Aggregate: | <b>\$1,000,000</b> |
| Personal and Advertising Injury:         | <b>\$1,000,000</b> |
| General Aggregate:                       | <b>\$3,000,000</b> |

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1. The COI must provide specific information as to the date and contract/activity/event for which the certificate is being issued. Coverage must be written on an “occurrence” form and maintained throughout the term of any contract/activity/event.
2. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the subject contract/project, or the general aggregate limit shall be twice the required occurrence limit.
3. The COI must provide coverage for completed as well as ongoing operations. Coverage limited to ongoing operations is not acceptable.
4. By endorsement, the policy must stipulate that for any claims related to any project, insurance coverage shall be primary and non-contributory as respects the University of San Francisco, its trustees, officers, employees, faculty and agents. Any insurance or self-insurance maintained by the University of San Francisco, its trustees, officers, employees, faculty or agents shall be excess of the Contractor's insurance and shall not contribute.
5. By endorsement the policy must reflect “The University of San Francisco, its trustees, officers, employees, faculty, and agents are included as an Additional Insured as their interests may appear with regard to the activity and/or operations under the subject Contract or Agreement.” Cross liability coverage must be provided.
6. By endorsement, the policy must reflect Waiver of Subrogation in favor of the University of San Francisco.

**Business Automobile Liability: (MINIMUM REQUIREMENTS)**

Commercial Entities: Business automobile liability with a combined single limit of not less than **\$1,000,000** per occurrence.

For Individuals: Liability of **\$100,000** per person / **\$300,000** per occurrence; property damage of **\$50,000** per occurrence.



1. COI will provide evidence of coverage arising out of automobiles owned, leased, hired or borrowed by or on behalf of the party; and with respect to liability arising out of work or operations performed by or on behalf of the party, including materials, parts or equipment furnished in connection with such work or operations.
2. By endorsement the policy must reflect Waiver of Subrogation in favor of the University of San Francisco.

**Workers Compensation and Employer’s Liability Insurance: (MINIMUM REQUIREMENTS)**

Worker’s Compensation - Statutory – As required by law in the State of California

By endorsement the policy must reflect Waiver of Subrogation in favor of the University of San Francisco. The Contractor shall assure that all subcontractors provide workers’ compensation coverage as described herein.

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Employer’s Liability:

**\$1,000,000** Bodily Injury by Accident – Each Accident

**\$1,000,000** Bodily Injury by Disease – Policy Limit

**\$1,000,000** Bodily Injury by Disease – Each Employee

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**Professional Liability**

If the contract involves the delivery of architectural, engineering, or other professional services, evidence of professional liability (errors and omissions) insurance with a limit of \$1,000,000 per occurrence must be provided. If such insurance is written on a claims-made form, it shall continue for three years following termination of this agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the effective date of the agreement.

**Umbrella or Excess Liability Insurance**

Umbrella or excess liability insurance may be used to achieve the above minimum liability limits. The Umbrella or excess liability insurance policy must be endorsed to the University of San Francisco as being “As Broad as Primary Policy.”

**Endorsements**

When required “by endorsement,” the presence of such endorsement must be noted on the COI and a separate insurer issued endorsement must accompany the certificate.

**Policy Cancellation**

The Contractor or Vendor shall agree that, except for ten (10) days' notice for non-payment of premium, should any of the required policies be canceled, non-renewed, or coverage and/or limits reduced or materially altered before the expiration date thereof, the Insured, their Broker or the issuing company will mail 30 days written notice to the University of San Francisco. Each COI shall specify that SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

### **Deductibles and Self-Insured Retentions**

Insurance shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the University of San Francisco. Such approval shall not relieve you from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$10,000.00 per occurrence, unless otherwise approved by the University of San Francisco.

### **Approved Insurer**

Each insurance policy shall be issued by an insurance company or companies authorized to do business in the State of California or eligible surplus lines insurer acceptable to the State and having agents in California to whom service of process may be made. All such insurers must maintain a rating by A.M. Best as "(A-) IX" or better.

### **Subcontractors and Vendors**

The Contractor shall maintain COI forms in conformance with the above requirements for all subcontractors or other parties providing service under this contract.

### **Evidence of Insurance**

Proof of the required insurance is evidenced by a COI on an Acord™ form, provided by your insurance agent or broker. This form must be in the possession of the University of San Francisco before the work or activity starts. The COI must be filed with the contract so that it can be found in the event of a loss.

### **General Insurance Requirements**

The insurance limits listed in this document should be considered to be the minimum required. The University of San Francisco may make exceptions (for higher or lower limits) if it is determined that the exposure is more or less than contemplated by these requirements. Exposures related to aircraft, watercraft, professional liability and hazardous activities will require additional insurance and/or higher insurance limits.

For any claims related to any project, your insurance coverage shall be primary insurance as respects the University of San Francisco, its trustees, officers, employees, faculty and agents. Any insurance or self-insurance maintained by the University of San Francisco, its trustees, officers, employees, faculty or agents shall be excess of the Contractor's insurance and shall not contribute. All required liability policies shall provide cross-liability coverage.

## Completed Certificate of Insurance

Provide a completed COI using an Acord™ form or other form providing the same information in substantially the same format and acceptable to the University of San Francisco.

1. Endorsements issued by the insurer must be provided for Additional Insured, Primary/Non-Contributory, and Waiver of Subrogation. Reference should be made to same on the COI, but the actual separate endorsement must be provided
2. Special instructions or terms or limitations to coverage. If coverage is limited to a specific project, the COI should stipulate
3. The University of San Francisco listed as the certificate holder
4. Signature of the insurer's agent or representative and date.

### Contact Information

For more information, contact:

**Melissa Diaz**  
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University of San Francisco  
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San Francisco, CA 94117  
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**[mmddiaz2@usfca.edu](mailto:mmddiaz2@usfca.edu)**

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