

School District No. 22 (Vernon)

PROCEDURE

Please file in By-Laws, Policy & Procedure Manual

No. PR 2.21.0

Adopted: Dec 19, 2012
Amended:

Contract Agreement

Independent Contractor:

Once the individual is classified as an independent contractor they can invoice the district according to the arrangement made. It is assumed that the individual will be registered with CRA and will be charging the appropriate taxes. The GST number must appear clearly on the invoice. Invoices must be authorized with a valid signature, coded and forwarded to Accounts Payable for processing. It is best practice that a contract is in place to avoid any issues occurring during the provision of their services.

Contracted Employee:

Contracts worth in excess of \$2,000 will require a written contract. This must be done through the Secretary-Treasurers Office (or designate). Written contracts for work less than the above mentioned threshold have the option of having a written contract. For the protection of the District the terms of reference regarding the work must be defined.

The prescribed procedures for the School District under the Tax Act are straight forward, and the District is required to deduct and submit Tax, CPP, and EI. These requirements should be communicated to the contract employee in advance so that they are aware of the impact on them

- a) All contract employees must complete a payroll information sheet complete with bank deposit authorization (see appendix 1) for submission to payroll prior to being paid.
- b) Contract Employees will be paid on submission of an approved invoice.
- c) Invoices must be signed by the contract employee who did the work.
- d) All work paid on the invoice must be performed before the submission of an invoice.
- e) All documentation is sent to the Payroll department for processing.
- f) Contract employees will be paid on the bi-weekly payroll and invoices must be submitted to payroll no later than the Friday prior to week in which the payroll is paid.
- g) Taxes will be deducted at the minimum 10% rate required for lump sum payment. If the employee's total annual income is less than the TD1

deduction amount, tax will not be deducted if a completed, signed TD1 and TD1BC, are filed with payroll.

- h) CPP and EI will be deducted and remitted along with the employer's portion.
- i) Payment will be by electronic deposit to an authorized bank account.
- j) Contract Employees will receive a T4 at the end of the year