

This checklist is intended to assist you in developing and entering into a contract with an Independent Contractor.

If you need additional assistance, send an email to losscontrol@insurancefornonprofits.org

[09.1026]

Entering into a Contract with an Independent Contractor

- 1. Confirm Independent Contractor contact information.
- 2. Confirm business name, tax ID number, and type of business (e.g., sole proprietorship, partnership, corporation).
- 3. Confirm that there are no conflicts of interest between Independent Contractor and the Agency.
- 4. Check business references of Independent Contractor.
- 5. Identify the principal employee(s) of the Independent Contractor who are going to perform the work for your agency. Obtain necessary background information regarding the qualifications of these employees.
- 6. Identify any legal requirements that must be satisfied by Independent Contractor in the performance of its services (e.g., reporting, auditing, confidentiality, non-disclosure, criminal background check, etc.).
- 7. Confirm Contractor has necessary insurance. An Independent Contractor, at a minimum, should be required to carry:
 - General Liability
 - Professional Liability
 - Commercial Automobile
 - Workers' Compensation

[The Nonprofits Insurance Alliance Group recommends that the general liability and commercial automobile limits be at least \$1 million, and the workers' compensation satisfy State minimums. If the Independent Contractor is performing construction or installation, the general liability policy should also have completed operations coverage.]

You can ask that you be added as an additional insured to the Independent Contractor's insurance, although not all insurance carriers will agree to this. Nonprofits Insurance Alliance Group or your broker can review any proposed contracts to determine if they meet these requirements.]

- 8. Scope duties of Independent Contractor and Agency in the performance of the agreement.
- 9. Enter into a written agreement for Independent Contractor's services. Have the contract reviewed by legal counsel if necessary.

[A sample Independent Contractor Agreement is available at our secure website.]