

Independent Contractor Authorization (ICA) Form Frequently Asked Questions (FAQ)

Disbursement and Travel Services

1) What is the ICA form and why does it exist?

The ICA form is UTEP's required process to obtain prior approval before engaging an independent contractor for services. It ensures proper worker classification under IRS Publication 15-A and collects the approvals and information required by Texas Government Codes §§2254, 2155, and 2251.

2) When is an ICA required?

Non-employees: Any individual providing services with SSN as Tax ID when payments exceed \$250.

UTEP employees: Any payment during the calendar year requires an ICA.

3) When is an ICA NOT required?

Payments for goods only;

Payments to partnerships (EIN);

Payments to corporations (EIN);

Payments to individuals for research participation.

4) What changed vs. past processes?

The ICA replaces the Authorization of Personal Services (APS) form and is now in BP Logix with required fields, workflow, and notifications.

5) What expenses are allowed for independent contractors?

Contractors are paid on a fee basis only; no tax-free reimbursements. Reasonable expenses must be built into the fee. UTEP may pay some travel expenses such as lodging and airfare directly to a vendor on behalf of a contractor.

6) Can an employee ever be paid on an ICA Form?

Yes—but only in rare and specific circumstances. Employees are generally not paid on an ICA Form because the work they perform is usually part of their standard job duties and therefore must be paid through regular payroll processes.

However, an ICA may be allowed only if the work is completely separate and unrelated to the employee's normal job duties.

7) What are the four ICA process steps?

Step 1: ICA Checklist;

Step 2: ICA Form;

Step 3: Contractor Terms & Conditions;

Step 4: Non-PO Voucher Submission.

8) What documents must be attached to the ICA?

Contractor resume, qualification documents such as licenses or certifications, statements of work or quotes, and any additional required attachments.

9) What is the DTN and where is it used?

The DTN is the ICA tracking number automatically generated/assigned by BP Logix. Departments must use the DTN as the voucher invoice number.

10) Are payments to independent contractors tax reportable?

Yes. US persons: reported on Form 1099 for payments \$2,000+.

Non-US persons: reported on Form 1042 with possible 30% withholding; Sprintax may determine treaty eligibility.

11) What if Payroll denies the ICA checklist?

Initiator is informed and must contact HR. ICA is terminated.

12) Who approves the ICA form internally?

Funding approvers, next-level approver, and Grants Management Accounting when applicable.

13) Will Disbursement and Travel Services provide approval for the ICA form?

Unlike the Authorization of Personal Services (APS) form, Disbursement and Travel Services will not provide approval of the ICA form. Disbursement and Travel Services will review and approved the non-PO vouchers submitted associated with the ICA forms.

14) When should I create the voucher?

After services have been completed. Attach all ICA documentation and use DTN as invoice number.

15) Who can I contact with questions?

For questions on the ICA Checklist, contact the Payroll Office:

E: payroll@utep.edu

P: (915) 747-5109

For questions on the ICA Form or non-PO vouchers related to the form, contact the Disbursement and Travel Services office:

E: accountspayable@utep.edu

P: (915) 747-5171