

Handcrafted Soap Makers Guild, Inc

Organizational Policy

November 8, 2007

Hiring Policy

Hiring Practices

1. The Handcrafted Soapmaker's Guild (HSMG) does not discriminate on the basis of race, color, national origin, sex, disability, religion, sexual orientation or age in its programs, activities or in its hiring practices.

If a person feels they have been discriminated against, he/she may file a formal complaint with the HSMG Ethics Committee and/or file a charge by mail or in person at the nearest Equal Employment Opportunity Commission Office which can be located at <http://www.eeoc.gov/offices.html>

2. The HSMG Board of Directors will staff any regular business positions requiring the status of employee through board, committee and membership volunteerism. The HSMG may contract paid services of an individual, sole proprietor or corporation for the performance of services when the work to be performed meets the Internal Revenue Service guidelines for Independent Contractor classification.
3. The HSMG will publicize through the HSMG Website any need for services of an Independent Contractor. Any publication will include the duties and responsibilities of the position.
4. Independent Contractors will be selected on the basis of qualifications, proven competency and price. A written application must be received from any applicant for the position and placed on file at the HSMG Office. All independent contractors engaged by the HSMG must sign the HSMG Independent Contractor Agreement (Attachment 1).
5. All independent contractors must be bonded and insured if the position allows access to any HSMG funds. Otherwise, contractors may be required to be bonded and/or insured based on the standards for the industry in which they are working. All contractors must release HSMG from any liability for *the contractor's* actions.
6. All independent contractors must supply references. No actual or implied offers may be made by the HSMG until the references have been checked. Background checks may be conducted by the HSMG and/or a third party service provider.

Conflict of Interest

The HSMG may contract a job to a person who is also a member of the HSMG or an HSMG board member provided that compliance of the HSMG Policy of September 27, 2007, *Conflict of Interest*, is met.

No member of the Board of Directors may be paid for their time and service in the capacity of Board Member or Committee Chair. They may, however be contracted for services which fall under the purview and responsibility of their committee, provided they are only paid for services that could otherwise be contracted with a person who is not a member of the Board of Directors and in accordance with the IRS guidelines for Independent Contractor classification.

Duties, Term and Compensation:

1. The Independent Contractor's duties, term of engagement and compensation shall be properly defined under a written agreement which clearly states the parameters of the job, payment schedule, benchmarks for production and any other information required to define the rights, responsibilities and obligations of both parties under the agreement.
2. The HSMG Committee seeking to hire the independent contractor must complete the Independent Contractor Pre-Hire Worksheet (Attachment 2) and submit the completed form with the request to hire the contractor.
3. Any compensation, including expenses, must be set forth in a budget and approved by the Board of Directors. The budget may be amended in writing from time to time, or supplemented with subsequent estimates for services to be rendered by the Independent Contractor if agreed to by a 2/3 majority vote of the HSMG Board of Directors. Each payment to a contractor under the terms of a contract may only be made after the Board of Directors has reviewed performance under the contract and has specifically approved the payment be made.

Taxability

The HSMG must be able to prove to the IRS that an individual or firm providing services to the HSMG is an independent contractor and not an employee. In order for the HSMG to determine whether the appropriate legal criteria have been met, a member of the HSMG Board of Directors must complete a Service Provider Questionnaire Form (SPQ) (Attachment 3) unless an SPQ is on file reflecting a similar scope of work for the individual or firm providing the service.

Payments to independent contractors are income subject to taxation. Independent contractors are required to provide a completed W-9 to the HSMG before payment will be processed. All Independent Contractors will receive 1099 forms at the end of the year and amounts shall be reported to the IRS be in accordance with tax regulations.

Confidentiality

All independent contractors contracted by the HSMG must agree to preserve the confidential nature of the contract and not disclose any information of a confidential nature regarding the business, members or finances during and after termination of the contract without the express written consent of the HSMG Board of Directors.

Termination

The HSMG reserves the right to terminate any contractual agreement at any time by 10 working days' written notice. The HSMG may also terminate without prior or written notice if the independent contractor is convicted of any crime or offense, fails or refuses to comply with the written policies or reasonable directive of the HSMG, is guilty of serious misconduct in connection with performance of duties, or materially breaches provisions of the HSMG Independent Contract Agreement.

Written by

Policies Procedures and Bylaws committee

Approved by the

Board of Directors

November 8, 2007

Independent Contractor Agreement

This Agreement is entered into as of the _____ day of _____, 200____, between the Handcrafted Soap Makers Guild and _____ of _____ (the "Contractor").

1. **Independent Contractor.** Subject to the terms and conditions of this Agreement, the HSMG hereby engages the Contractor as an independent contractor to perform the services set forth herein, and the Contractor hereby accepts such engagement.
2. **Duties, Term and Compensation.** The Contractor's duties, term of engagement, compensation and provisions for payment thereof shall be as set forth in the budget which is attached as Schedule A, which may be amended in writing from time to time, or supplemented with subsequent estimates for services to be rendered by the Contractor and agreed to by the HSMG Board of Directors, and which collectively are hereby incorporated by reference.
3. **Expenses.** During the term of this Agreement, the Contractor shall bill and the HSMG shall reimburse her/him for all reasonable and approved out-of-pocket expenses as set forth in Schedule A which are incurred in connection with the performance of the duties hereunder.
4. **Written Reports.** The HSMG Board of Directors may request that project plans, progress reports and a final results report be provided by the Contractor. A final results report shall be due at the conclusion of the project and shall be submitted to the HSMG Board of Directors in a confidential written report at such time. The results report shall be in such form and setting forth such information and data as is reasonably requested by the HSMG Board of Directors.
5. **Confidentiality.** Upon the expiration or earlier termination of this Agreement, or whenever requested by the HSMG Board of Directors, the Contractor shall immediately deliver to the HSMG all such files, records, documents, specifications, information and other items in his/her possession or under his/her control. The Contractor further agrees that he/she will not disclose his/her retention as an independent contractor or the terms of this Agreement to any person without the prior written consent of the HSMG Board of Directors and shall at all times preserve the confidential nature of his/her relationship to the HSMG and of the services hereunder. The Contractor also agrees to keep confidential and shall not, during the continuance of the Contract or any time after the termination thereof, without the express written consent of the HSMG Board of Directors, disclose to any person or organization any information that may be deemed confidential including, but not limited to, finance, business or membership which a Contractor may have acquired during the course of the Contract.
6. **Conflicts of Interest.** The Contractor represents that he/she is free to enter into this Agreement and that this engagement does not violate the HSMG Conflict of Interest Policy or any agreement between the Contractor and any third party. During the term of this agreement, the Contractor shall devote as much of his/her productive time, energy and abilities to the performance of his/her duties hereunder as is necessary to perform the required duties in a timely and productive manner. The Contractor is expressly free to perform services for other parties while performing services for the HSMG.
7. **Termination.** The HSMG may terminate this Agreement at any time by 10 working days' written notice to the Contractor. In addition, if the Contractor is convicted of any crime or offense, fails or refuses to comply with the written policies or reasonable directive of the

HSMG, is guilty of serious misconduct in connection with performance hereunder, or materially breaches provisions of this Agreement, the HSMG Board of Directors at any time may terminate the engagement of the Contractor immediately and without prior written notice to the Contractor.

- 8. **Independent Contractor.** This agreement shall not render the Contractor an employee, partner, agent of, or joint venturer with the HSMG for any purpose. The Contractor is and will remain an independent contractor in his/her relationship to the HSMG. The HSMG shall not be responsible for withholding taxes with respect to the Contractor's compensation hereunder. The Contractor shall have no claim against the HSMG hereunder or otherwise for vacation pay, sick leave, retirement benefits, social security, worker's compensation, health or disability benefits, unemployment insurance benefits, or employee benefits of any kind. The Contractor shall provide the HSMG with W-9's in order to be eligible for payment for services. The Contractor will receive 1099 forms at the end of the year in accordance with tax regulations.
- 9. **Insurance.** The Contractor will be bonded and insured (including malpractice insurance, if warranted) relative to any service that he/she performs for the HSMG and agrees to release HSMG from any liability for his/her actions in the service of his/her duties.
- 10. **Assignment.** The Contractor shall not assign any of his/her rights under this Agreement, or delegate the performance of any of his/her duties hereunder, without the prior written consent of the HSMG Board of Directors.
- 11. **Modification or Amendment.** No amendment, change or modification of this Agreement shall be valid without written approval by the HSMG Board of Directors.
- 12. **Entire Understanding.** This document and any exhibit attached constitute the entire understanding and agreement of the parties, and any and all prior agreements, understandings, and representations are hereby terminated and canceled in their entirety and are of no further force and effect.
- 13. **Unenforceability of Provisions.** If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year first written above. The parties hereto agree that facsimile signatures shall be as effective as if originals.

By: _____
 Signature of Contractor Date

By: _____
 Signature of HSMG President Date

Independent Contractor Pre-Hire Worksheet

Information About the Individual

Individual Sole Proprietor Corporation SS# or EIN: _____

Individual Name _____

Name of Company _____

IRS Classification Factors

Before a worker is hired as an independent contractor, the following checklist must be completed to help determine whether an employer/employee relationship exists.

<i>Please circle the answer that best describes the relationship</i>	YES	NO
(Contractor)	(Employee)	
Behavioral Control: Right to direct and control details and means by which worker performs services.	YES	NO
Instructions. Will the HSMG have the right to give the Worker instructions about when, where, and how he or she is to do the job?	YES	NO
Training. Will the worker receive training from the HSMG?	YES	NO
Financial Control: Right to direct and control economic aspects of the worker's activities.	YES	NO
Significant Investment. Has the worker failed to invest in Facilities (such as an office) used to perform services?	YES	NO
Payment of Expenses. Will the HSMG pay the worker's Business or travel expenses?	YES	NO
Services Available. Does the worker not make his or her Services available to other employers?	YES	NO
Payment Schedule. Will the HSMG pay the worker by the hour, week, or month rather than by commission or by the job?	YES	NO
Realization of Profit or Loss. Will the arrangement prevent the worker from realizing a profit or suffering a loss?	YES	NO
Relationship of Parties: Intent of parties concerning status and control of worker.	YES	NO
Written Contract. Will a written contract not be executed describing the worker as an independent contractor?	YES	NO
Employee Benefits. Will the worker receive any employee benefits?	YES	NO

Right to Terminate. Could the HSMG terminate the worker at any time without incurring liability?	YES	NO
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Regular Business Activity. Is the work to be performed part of the regular business of the HSMG, such as providing member benefits?	YES	NO
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Evaluation of Classification Factors

(Use separate sheet, if necessary.)

Areas that Support Employee Status:

Areas That Support Contractor Status:

Determination:

Hire worker as an independent contractor?	YES	NO
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Utilize Volunteers to accomplish the project?	YES	NO
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Prepared By _____

Date _____

Independent Contract Service Provider Questionnaire

Name of Individual: _____

Name of Business: _____

Nature of Business: _____

Please answer the following questions about the proposed independent contractor and discuss your answers as appropriate. Attach additional sheets if necessary.

1. Is the proposed contractor a corporation? YES NO
If so, please provide tax identification number: _____.
If the proposed contractor is an individual, please provide the individual's United States social security number or individual tax identification number: _____.
2. Conflict of Interest: Does a volunteer of the HSMG serving in an official capacity or any member of their immediate families have a direct or indirect financial interest in the independent contractor specified above? YES NO (If yes, attach proof of compliance with the HSMG's Conflict of Interest Policy.)
3. Please attach a statement describing the nature of the service to be performed by the proposed contractor and how that service relates to the responsibilities of your committee and a **detailed** scope of services to be provided.
4. Is the proposed contractor going to be involved in completion of daily operations on your committee? YES NO Please explain why or why not?
5. How long will the contractor be working on the project? _____
6. Will the contractor perform the services personally? YES NO
With other individuals? YES NO
Of those other individuals, whose employees are they?
7. Will this project require full-time effort by the contractor personally? YES NO
8. Does the proposed contractor perform work for and solicit work from other clients? YES NO
Please attach the proposed contractor's brochure or resume (if available).
9. Is the proposed contractor listed in any service directory for the services to be contracted? YES NO
Please attach photocopies of the listings.
10. Will your committee specify: (if yes, please explain)
 - a. Where the work is performed? YES NO
 - b. What hours will be worked? YES NO
 - c. How the work is performed? YES NO
11. Does your committee substantially control or have the right to substantially control:
The detailed method of work? YES NO Result of work? YES NO
(If yes, please explain.)

12. Does your department provide the following things needed to perform the work?
(If so, attach a sheet explaining why):

- a. Work space for the contractor? YES NO
- b. Tools and equipment (including office equipment)? YES NO
- c. Materials and supplies needed to perform the work? YES NO

13. Does the HSMG provide:

- a. Training for the contractor? YES NO If so, what type of training?
- b. Other persons to assist in performing the work? YES NO If so, whom?

14. Will the HSMG be paying expenses of the contractor? YES NO
If so, what type of expenses and what is the method of payment?

15. How is the proposed contractor to be paid—a flat fee for the job, an hourly or daily rate for time spent on the project, or an amount per week or month?

16. What are the terms of payment? (i.e. weekly, monthly, when job is completed, in increments during the job, etc).

16. Has your committee (or the HSMG to your knowledge) used this contractor before? YES NO
Do you foresee using this contractor again? YES NO (Please explain)

Signature of Person Completing this Form	Phone #	Date
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Printed Name of Person Completing this Form

Signature of HSMG President	Phone #	Date
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Office Use Only

Approved as Service Provider _____

Approved one time only for this Requisition _____