

Subcontractors

Office of Research Services

Guideline

1.0 Purpose

- 1.1 There are Canada Revenue Agency and university rules that must be followed when an employee or subcontractor is paid through accounts payable, rather than as an employee through Human Resources. The guideline document offers common UNB workplace scenarios and the suggested Financial Services payment treatment.

2.0 Applicability

- 2.1 University-wide

3.0 Definitions

- 3.1 None applicable

4.0 Implementation

- 4.1 UNB Financial Services has a menu on their website to aid departments involved in employee payments and the creation of subcontractor contracts on behalf of the university.
- 4.2 There is also a link to the Canada Revenue Agency subcontractor guidelines, and if met, there are two subcontractor template versions available to be used as a guide when creating subcontractor contracts.

http://www.unb.ca/financialservices/contractors_vendors/independent_contractors.html

- 4.3 The following rules should be imbedded in the body of subcontractor agreements generated by UNB:
- Subcontractors (Sole Proprietors) receive T4a slips
 - Subcontractors who are individuals (meeting the CRA control requirements) and choose to be paid through Accounts Payable must provide proof of \$1 million liability insurance
 - There can be no conflict of interest created between a Subcontractor and an existing employment contract with the University
 - If a Subcontractor (Sole Proprietor) company earns greater than the small supplier \$30,000 of revenue on worldwide taxable supply per calendar quarter, or over the past four consecutive calendar quarters, they are required to become an HST

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registrant per Canada Revenue Agency. Any invoices submitted to Accounts Payable must provide HST registrant # and HST must be applied to the invoice.

5.0 Interpretation and Questions

- 5.1 For further information, please contact Financial Services or Dwight Ball Executive Director,
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