**Consultancy Test**

**Use this test to determine what is classed as a consultancy contract**

Any arrangements which are potentially consultancy contracts should be tested against the following criteria and questions. The treatment of the payment will depend upon the responses provided.

It is the University’s responsibility to make a determination of employment status. It is not sufficient, therefore, to accept the assurance of the individual themselves, but in each case to make the following assessment.

**Step 1. Answer the questions**

1. **Control and Duties:**

(If there is a requirement to manage other University staff then answer "NO" to the question below)

|  |  |
| --- | --- |
| **Questions to ask** | **Answer** |
| Is the individual expected to define what work is required to be done and how as part of the contract? | YES / NO |
| Is the individual expected to work without having priorities set by or without regular direction or supervision from other staff employed by the University? | YES / NO |
| Is the contract free from any requirement or expectation to manage other University staff as part of the work undertaken? | YES / NO |

(If there are similar roles being performed by employed staff then answer "NO" to the question below).

|  |  |
| --- | --- |
| Are the duties or the role performed by the individual unique when compared against other jobs within the University? | YES / NO |

(If termination is dependent upon giving a notice period then answer "NO" to the question below)

|  |  |
| --- | --- |
| Is termination of the contract dependent upon completion of the work and / or breach of contract? | YES / NO |

1. **Substitution**

|  |  |
| --- | --- |
| **Questions to ask** | **Answer** |
| Does the individual have the freedom to specify whether they carry out the work in person - i.e. can the individual specify or hire an alternate worker if they choose to do so? | YES / NO |
| In the event of illness or unavailability, is the individual expected to be able to supply a substitute worker to carry out the duties of the contract? | YES / NO |

1. **Equipment**

|  |  |
| --- | --- |
| **Questions to ask** | **Answer** |
| Is the individual expected to provide their own equipment or materials (where required) with which to work or perform the duties of the contract? | YES / NO |
| Can the duties of the contract be performed by the individual "off-site" - i.e. away from University premises - whether or not this is particularly specified in the contract? | YES / NO |

1. **Control and Duties:**

|  |  |
| --- | --- |
| **Questions to ask** | **Answer** |
| Is the individual expected to bear running costs associated with the work, even if such costs are subsequently recharged? | YES / NO |
| Is the contract fee charged on a fixed-price basis either for the whole job, or for specific stages?(If a rate is paid - hourly, weekly, monthly, etc then answer NO to this question) | YES / NO |
| Is the individual expected or required to provide their own insurance indemnity cover as part of the contract? | YES / NO |

### **Step 2. Determine status**

1. If most answers are YES (including at least one YES under each separate heading), the contract may be treated as a 'Consultancy Contract' for tax and payroll purposes.
2. If most answers are NO (or one or more of the separate headings does not have a single YES response) - the contract must be paid for tax purposes via the University Payroll. Please refer to Personnel Services guidance to determine employment status.
3. If, having completed the test, there remains any doubt over consultancy status, then the contract should be referred to the Payroll Team for determination.