



## The "Sniff Test" When It Comes to Independent Contractors

But because this can get very serious and costly if there is a problem, contractor cleaning companies want to always come out smelling like a rose when it comes to hiring independent contractors.

West Chicago, IL - In the past year, who is and who is not considered an independent contractor has become more complicated. In an attempt to clarify things, the National Labor Relations Board (NLRB) made some big changes to independent contractor classifications.

However, according to many legal experts, instead of clarifying the status, the NLRB may have actually "muddied the waters," because some of the criteria is open to different interpretations.

The contract cleaning industry has a long history of outsourcing cleaning work to independent contractors, so these new rules can have a serious impact on the contract cleaning industry.

Because of this, this month's *Business of the Business from Tornado*, a manufacturer of professional cleaning equipment, provides the following helpful tips as to what government agencies might be "sniffing for" should they be taking a look at your business and your independent contractors:

- If someone was once an employee but is now reclassified as an independent contractor and doing the same or similar work.
- If there is no contract or agreement between the employer and the independent contractor; most contracting relationships are based on signed agreements.
- If the independent contractor works only for your company and no one else.
- If the human resources department resolves issues between the company and the contractor; if there are problems, managers or business owners should handle them.
- If the independent contractor is invited to employee functions.

- If independent contractor records are maintained in a human resources department with employee files; contracts with independent contractors should be kept separate from employee files.
- If the independent contractor is paid even if work is not completed; technically, the contractor should not be paid until the work is completed.

"Some of these issues may sound like a bit of a stretch, such as where the contractor's records are stored," says Doug Berjer, regional sales manager for Tornado. "But because this can get very serious and costly if there is a problem, contractor cleaning companies want to always come out smelling like a rose when it comes to hiring independent contractors."

*The Business of the Cleaning Business Advisory is designed to help building service contractors operate their businesses more efficiently and profitably.*