Wright Office Solutions
It's in the Detail

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Newsletter

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www.wrightoffice.com

Independent Contractor vs. Employee

The independent contractor vs. employee dilemma is one that has affected many industries. Distinguishing between the two is a problem for general contractors who deal with subcontractors regularly.

For example, ABC Construction hires Don to provide labor for a project. Don signs a statement agreeing that he is a subcontractor, though ABC will pay all construction costs. Don can hire his own helpers but, to assure quality, ABC must approve those workers and will routinely inspect their work. Don pays the people he hires, but he does so with funds he receives from ABC after he submits a weekly expense statement.

The IRS might re-characterize Don and his helpers as ABC employees, despite the statement Don signed at the project's beginning. Why? Because in many ways ABC treats them as employees. The IRS uses "The 20-factor Test" to determine whether a worker is an employee or an independent contractor. But the essential question the IRS considers is one of control.

Behavioral Control. Even when the general contractor gives no instructions about how to perform work, if the company has the right to direct how results are achieved, it may have sufficient behavioral control to jeopardize independent contractor status. Along the same lines, general contractors may provide training for actual employees but independent contractors must use their own methods.

Financial Control. It considers the extent to which workers have unreimbursed expenses, as well as the extent of a worker's investment in the facilities used to perform services; the greater the worker's investment in his or her own business, the more likely it is that the IRS will find independent contractor status. Also important are the extent to which a worker's services are available to the market, the extent to which the worker can make or lose money and, to some degree, the way in which the worker is paid.

Relationship Control. If a worker provides services that are a key component of the company's business activities, he or she is more likely to be viewed as an employee. If a relationship is long term, rather than temporary, it may be deemed to be an employer-employee relationship. More obviously, if a company provides employee-type benefits, such as sick or vacation pay, a worker is more likely to be seen as an employee.

There are few things worse than getting a nasty tax surprise when the IRS re-characterizes a contractual worker as an employee, there are also legal risks. Work with your CPA and attorney to ensure you're not running undue risks in this area.

Wright Office Unveils New Website

We have been working diligently this year collecting and updating years of information that has been valuable and helpful to our customers and integrated these documents in our website. Our new design features a host of new benefits for users; organized in multiple sections for you to find exactly what you are looking for. We have our products, services, report samples and an entire archive of our newsletters for you to review.

In addition to a clearer, simple and easier-to-use layout, the new website includes a password protected area strictly for our WOS customers. Here you will find a vast amount of information and white sheets for every module in the program. Access is free to all customers who attended one of our 2009 seminars. Watch your email for login and password access information.

We encourage you to check it out and let us know what you think. The new website is at the old address: **www.wrightoffice.com**

Tech Support

Calls from Our Customers

Over the years we have had many calls from our customers looking for a way to extract data from SMB into Excel. We looked at several in the past, that were cumbersome, not very user friendly, and not supported well by the vendor.

We have recently discovered a new gem. It is an Add-In to Microsoft Excel using an ODBC driver to access SMB data. Using this tool, Excel-based reports can be produced with the comfort of knowing that your information is accurate because it is taken directly from your SMB tables.

There is no longer a need to spend time re-keying information into Excel and risking data-entry errors. Once your data is in Excel and in the desired reporting format, you can refresh the information anytime with a single-click. You have the freedom to interact with the extracted data and make changes that include other excel functions; all of which remain in place when you refresh your data. No time is lost.

We have been working with this Add-In for a couple months and believe this is a must have for any company currently using Excel for additional data analysis. It's built in wizards steps you through the process of creating your functions and queries. A bundle of first-rate reports to get you started on your way.

We can honestly say we are truly impressed with this software and the vendor support. We are planning a Webinar after the holidays for customers that want to see this in action. Stay tuned!