

## Case Study

# Payroll & Compliance

### Client Profile

A Fortune 100 California based global leader in the supply of networking equipment and network management for the internet, with operations across the world.

### Challenge

#### IC Compliance and Risk Mitigation

Mitigate risk by ensuring Independent Contractor (IC) compliance. The current master vendor had limited expertise in IC Compliance and did not want to address these issues.

#### Small Vendors

Reduce the number of small suppliers the company contracts with to mitigate the risks of co-employment, misclassification and reduce their administrative burden. Procurement did not have the bandwidth to deal with the volume of small suppliers the organization was engaging.

#### Acquired Vendors

Implement a process to effectively deal with the legacy staffing suppliers that the company inherits through a constant stream of acquisitions.

### Solution

ClearPath was selected as one of the Company's master vendors because of its proven ability to deliver process enhancements and its expertise in IC Compliance.

#### Contractor Compliance and Risk Mitigation

The Company's internal processes for hiring independent contractors were fully integrated with ClearPath's ClearIC program. Managers looking to engage an IC review the hiring process on the client's intranet and are directed to a co-branded compliance micro-site that provides information and initiates the IC evaluation process via our online questionnaires. ClearPath compliance specialists analyze answers and supporting documents to recommend the appropriate classification. ClearPath then on-boards and payrolls the worker either as an IC or a W-2 through our Employer of Record program. As part of the program, a Case Defense File is created for use in potential IRS or state audits.

#### Vendor Management – Small Suppliers

Managers wanting to bring on any type of supplier (not just staffing or contingent workers) with 10 or less employees are directed by procurement to ClearPath. Purchase Orders are issued to ClearPath, who then engages the supplier. ClearPath manages the on-boarding (including contracts, corporate policy adherence and verifying insurances), provides consolidated billing and ensures compliance enforcement.

#### Vendor Management – Acquired Companies

ClearPath implemented a sub-vendor management program to manage staffing suppliers that the client inherits through its acquisitions. ClearPath then provides the following services: on-boarding (including contracts, corporate policy enforcement, verifying insurances), consolidated billing, payment distribution and compliance adherence.

### Benefits

- Mitigated the risk of contractor misclassification and co-employment
- Minimized administrative burden by consolidating under a single supplier
- Significant tangible time and cost savings
- Acquisition process enhanced by the ability to re-engage legacy suppliers
- Minimizing work disruption during the integration of acquired companies