



INDEPENDENT CONTRACTOR INFO

Working as an Independent Contractor

In California, independent contractors (people paid on a 1099 form) are not the same as regular employees (W-2 workers). Most labor and employment laws that protect employees do not apply to you if you are a true independent contractor.

What Independent Contractors Do NOT Get

You are not entitled to these employee protections:

- Minimum wage guarantees
- Overtime pay
- Required meal or rest breaks
- Paid sick leave, vacation, or other paid time off
- Health insurance or other benefits
- Unemployment insurance
- Workers' compensation if you get hurt on the job
- Strong protection against retaliation if you complain about work issues
- Easy help from the Labor Commissioner for wage or hour problems (you usually have to go to court and use your contract instead)

These rules come from California's Labor Code and wage orders. They only protect employees, not independent contractors.

Can the Board and Budget Committee See Your Contract and Payment Details?

Yes — it is not only okay, but often required.

Nonprofit board members have important legal responsibilities (called fiduciary duties). They must:

- Act in good faith and in the best interest of the nonprofit.
- Use reasonable care, like a careful person would, and ask questions when needed.

This includes two main duties:

- Duty of care: They must stay informed, review finances, and watch expenses closely.
- Duty of loyalty: They must avoid conflicts of interest, self-dealing, or wasting money.

Board members cannot do their job properly if they are not allowed to see important spending details — like payments to contractors, hours worked, and contracts.

At our board meetings, we regularly review contractor hours and payments. This helps us make good budget decisions and protect the organization's resources.



Under California Nonprofit Law, board directors have the legal right to look at and copy books, records, and documents of the organization when needed. This includes:

- Contracts
- Financial records
- Invoices
- Payment details

They do this at reasonable times as part of their oversight work.

What the Budget/Finance Committee Does

The budget or finance committee looks closely at money matters. Their job includes:

- Reviewing expenses and payments to contractors or vendors
- Making sure money is used wisely and for the right purpose
- Spotting potential problems (such as too-high costs or issues with worker classification)
- Helping the full board approve the yearly budget and track any changes

This is normal and standard practice for nonprofits. Many organizations have the finance committee or full board review bigger contractor agreements.

The board of directors and our budget/finance committee have a legal responsibility to review all expenses, including payments to contractors, hours worked, and invoices. This oversight is required by California Nonprofit Law and their fiduciary duties to act in the best interests of the organization, protect charitable resources, and ensure responsible budgeting. They review this information internally as part of standard governance — it is not a breach of confidentiality.