

What are “contract” Engineering Services?

GUSTECH’s Electronic and Systems Engineering Services are conducted on a contract basis, primarily for the tax protection of our clients. We follow the IRS guidelines that define the difference between an employee and that of an independent contractor to ensure that our clients incur no tax liabilities and fines regarding “withholdings,” that may occur due to a misclassification. Simply put, GUSTECH performs all engineering services as an **independent contractor**, enforcing most of the 20 test factors deployed by the IRS in determining the working relationship between GUSTECH and our clients.

Too briefly, the client controls “what” is done, and not the way in which GUSTECH gets the result. The “20 factors” summarized are:

<ul style="list-style-type: none"> • Client does NOT tell when, where, and how to work 	<ul style="list-style-type: none"> • Client does NOT train us to perform services in a particular manner 	<ul style="list-style-type: none"> • Our services are NOT part of our client’s vital business operations
<ul style="list-style-type: none"> • Client does NOT stipulate which worker does work 	<ul style="list-style-type: none"> • Client does NOT hire, supervise, or “pay” our workers 	<ul style="list-style-type: none"> • We do NOT have a “continuing” relationship with our clients (SEE NOTE¹)
<ul style="list-style-type: none"> • Client does NOT set work hours 	<ul style="list-style-type: none"> • Client does NOT require full-time availability (SEE NOTE²) 	<ul style="list-style-type: none"> • Client does NOT stipulate work location (SEE NOTE²)
<ul style="list-style-type: none"> • Client does NOT stipulate order or sequence of services performed (SEE NOTE²) 	<ul style="list-style-type: none"> • Client does NOT require report submission (SEE NOTE²) 	<ul style="list-style-type: none"> • Client does not pay by the week or month (SEE NOTE²)
<ul style="list-style-type: none"> • Client does NOT pay travel and business expenses (SEE NOTE²) 	<ul style="list-style-type: none"> • Client does NOT provide “normal” tools and equipment (SEE NOTE²) 	<ul style="list-style-type: none"> • GUSTECH does NOT invest significantly in the client’s business
<ul style="list-style-type: none"> • Client does NOT cover GUSTECH losses (SEE NOTE²) 	<ul style="list-style-type: none"> • GUSTECH normally works primarily for one client at a time 	<ul style="list-style-type: none"> • GUSTECH offers Engineering Services Publicly (including through this web site)
<ul style="list-style-type: none"> • Client does NOT have the right to fire our worker 	<ul style="list-style-type: none"> • Our worker as the right to quit without incurring liability 	<p>Please read notes for clarification of details and “exceptions” by design...</p>

NOTES:

1 Each contract with a client is for a particular job with a definite (planned) duration. Due to the quality of our work, many clients are repeat customers, requesting different services for different projects. There are no “long” or “on-going” jobs. These guidelines satisfy the IRS requirements regarding the working relationships with our clients.

2 Each contract with a client is a custom arrangement, depending upon the joint desires with our clients. Although the client is NOT permitted to require full-time availability, it is often quoted and executed at or above full-time loading, as resources are available. Generally, our engineering services are conducted in our own laboratories, mostly as “telecommuting” services. However, system integration is often executed at the client’s facilities, and are quoted thus in the project planning documents. Although the clients are NOT permitted to mandate the submission of “reports,” when working as an engineering team member, regular communications often consist of a minimum of week-end status updates. Additionally, almost all design projects include, as a minimum, a preliminary design review, and a critical design review; with perhaps some interim reviews for really large and complicated projects. The payment mechanism generally consists of invoices issued by GUSTECH at major milestones only. However, for very large design efforts that cover many months, more frequent invoicing may be included in the project plan. These minor payments may be periodic; however, they are not based upon units of time. Clients do NOT pay for local travel expenses. However, a project plan may include extraordinary costs for project related trips (out-of-area kick-off meetings, trade shows support, special testing facilities support, etc.) In some instances, “specialty” test equipment may be provided by the client in support of product testing, as stipulated in the project planning documents. GUSTECH prepares a detailed project plan as a proposal for all projects, at our cost. We quote our best estimate of project costs for Purchase Order purposes. If there are no changes in the statement of work or its scope, GUSTECH covers the costs for all efforts exceeding our original quotes for each set of tasks. It is our loss for improper project planning. Changes made by the client, however, will be accompanied by a resulting re-quote for the additions, and Purchase Order Modifications.

GUSTECH is a Sole Proprietorship registered by the Secretary of State of Ohio, since 20 Jun 96. In addition to the “Contract” Electronic and Systems Engineering services discussed briefly above, our Publishing operations have been added for handling sales-distribution of “products” that have evolved from various engineering projects. We have a retail sales license, but do not use it. We prefer to wholesale our products to other resellers, thereby sharing and spreading the wealth.