

CHECKLIST · FREE RESOURCE LIBRARY · DIRT WORK BID SCHOOL

Subcontractor Onboarding Checklist

Everything you collect before a sub sets foot on your job, why each item exists, and the diary dates that stop a valid certificate from quietly expiring in the middle of a job.

Who it is for. Anybody hiring a trucker, a plumber, a concrete crew or another excavator, and anybody who has been asked by a general contractor for paperwork on a sub and had none.

An uninsured sub is your exposure

When a sub's employee gets hurt on your job and the sub has no workers compensation, the claim frequently lands on your policy. When a sub damages a utility, your name is on the ticket. The paperwork below is not administration, it is the difference between their problem and your problem.

Collect all of it before the first day. After the first day you have no leverage, because the work has started and you need them.

Sub record

LEGAL BUSINESS NAME, EXACTLY AS REGISTERED

TRADING NAME

ENTITY TYPE

ADDRESS

MAIN CONTACT AND MOBILE

ACCOUNTS CONTACT

FEDERAL EIN OR SSN AS GIVEN ON THE W-9

STATE CONTRACTOR OR TRADE LICENCE NUMBERS

LICENCE EXPIRY DATES

SCOPE THEY ARE BEING ENGAGED FOR

AGREED PRICE OR RATES

PAYMENT TERMS

Before they start: documents

- ☐ Signed subcontract with the scope attached as an exhibit, not described in an email
- ☐ IRS Form W-9, completed and signed, filed before the first payment
- ☐ Certificate of insurance, ACORD 25 or equivalent, current
- ☐ General liability limits that meet what your own prime contract requires you to flow down
- ☐ Additional insured endorsement, by form number, naming your company. Not just the words on the certificate
- ☐ Waiver of subrogation where your prime contract requires it
- ☐ Workers compensation certificate, or a valid state exemption or sole proprietor waiver

- ☐ Commercial auto coverage where they are driving on or to the site
- ☐ Umbrella or excess coverage where the limits require it
- ☐ Contractor or trade licences, in date, and verified against the issuing authority rather than a photo
- ☐ Bond, where the job requires one
- ☐ Lien waiver forms agreed up front, conditional and unconditional, so the argument does not happen at payment time

Before they start: safety and site

- ☐ Written safety programme, or their signed acknowledgement of yours
- ☐ Competent person designated by name for any excavation work they will do
- ☐ Trench protection method they will use, confirmed in writing, and the tabulated data on site
- ☐ Training records for the specific work: excavation, confined space, rigging, traffic control
- ☐ Drug and alcohol programme where the owner or general contractor requires one
- ☐ Safety data sheets for any chemical they bring on site
- ☐ Emergency contacts and the nearest hospital
- ☐ Equipment list with unit numbers, and confirmation that inspections are current
- ☐ Site orientation completed, including where the utility marks are

Money and tax

- ☐ Rates or lump sum agreed in writing, including what happens to standby and to overtime
- ☐ What is included and what is excluded, listed
- ☐ Retainage, if any, and the release conditions
- ☐ Invoicing requirements: what has to be attached, and by when
- ☐ Daily tickets required and who signs them
- ☐ Change order process explained before there is a change
- ☐ Worker classification considered honestly against the IRS test, because a sub who works only for you, on your equipment, on your schedule, may not be a sub
- ☐ 1099-NEC set up for the year where required

Expiry diary

Every one of these expires. Put the dates in one table and check it monthly, because a certificate that lapsed in July protects nobody in August.

DOCUMENT	EXPIRY DATE	REMINDER DATE	RENEWED ON	FILED

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A certificate is evidence, not coverage

An ACORD 25 is a snapshot of what was in force on the day it was issued. It is not the policy, it confers no rights on its own, and the policy behind it can be cancelled the next morning without anybody telling you.

Two habits fix most of this. Ask for the additional insured endorsement itself rather than the certificate's description of one, and ask to be listed as a certificate holder so you get notice. Then diary the expiry date and check it, because nobody else will.

Where this comes from

Every code, standard and statute this sheet leans on. Check them.

IRS Form W-9

<https://www.irs.gov/forms-pubs/about-form-w-9>

Request for taxpayer identification number and certification.

IRS Form 1099-NEC

<https://www.irs.gov/forms-pubs/about-form-1099-nec>

Nonemployee compensation. What you file for a sub who is not a corporation.

IRS, Independent contractor or employee

<https://www.irs.gov/businesses/small-businesses-self-employed/independent-contractor-self-employed-or-employee>

The classification test. Getting it wrong is a payroll tax problem, not a paperwork problem.

ACORD forms

<https://www.acord.org/forms>

ACORD 25 is the certificate of liability insurance every GC asks a sub for.

29 CFR 1926.650, Scope, application and definitions

<https://www.ecfr.gov/current/title-29/subtitle-B/chapter-XVII/part-1926/subpart-P/section-1926.650>

Where competent person, trench, protective system and shield are defined.

Ladders into module 08, Getting on the List, and Walking Away From the Rest.

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<https://dirtworkbusiness.com/library/subcontractor-onboarding-checklist>