

# CYBER RISKS & LIABILITIES

## Hiring Independent IT Contractors

When it comes to IT work, many small and mid-size companies just don't have the budget to employ a full-time IT staff. Often, these tasks are performed by the owner or current employees with limited knowledge of how the company's computer system or related tasks work. This creates potential cyber security problems that can lead to a data breach, theft or destruction of intellectual property and identity theft.

Luckily, businesses can hire independent contractors to assist them with all IT-related tasks. Businesses can reach out to contractors for short-term help, such as setting up a network or firewall or designing a company website, or opt for long-term contracts, such as providing 24/7 network troubleshooting support or developing cyber security policies.

### Reasons to Hire an IT Contractor

- *Unique skill set* – Many IT tasks can be confusing or complicated to the average person. By hiring an IT contractor, businesses can complete a project in much less time than if they were to have an employee with minimal IT experience do the job.
- *Cost savings* – Business owners can save a lot of money over the long term by hiring a contractor to do work for a short period of time, therefore eliminating the need to hire an expensive full-time employee for the job.
- *Benefits* – Business owners don't have to worry about giving contractors benefits such as paid time off or insurance—they are responsible for their own. Businesses also save on payroll taxes.
- *Politics* – A contractor is there just to focus on the job at hand. They are not likely to get involved in office politics that might slow other employees from performing the same job.

- *Minimal training* – Generally, IT contractors are well-versed in the best IT practices and can perform work with little to no training, which costs businesses a lot of time and money.
- *Quality assurance* – Contractors can provide useful second opinions on work a company has done itself.

### If You Hire an IT Contractor

- *Consider using an IT staffing agency.* Using an IT staffing agency eliminates the potential headache of hiring a contractor yourself, as the agency will do all the legwork for you.
- *Do your homework.* You usually get what you pay for when hiring an independent contractor. Good contractors may come with a hefty price tag, but when the reputation of your business is on the line, only the best contractors should do. Screen all potential contractors and perform a thorough interview to narrow down the best candidate for the task you need performed. Make sure to request references. There are several websites on the Internet where companies can hire IT contractors.
- *Avoid misclassification.* Misclassification of an independent contractor can occur when a contractor receives many of the benefits of an actual employee, such as paid time off or health insurance, or is hired for an indefinite period of time. While the cost savings as a result of not having to pay contractor benefits or payroll taxes sounds enticing, the government enforces tough penalties for misclassification.
- *Retain knowledge.* If you hire an independent contractor to perform tasks around the office, it is important to pay attention to what he or she is doing so that you won't have to pay for the same services



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in the future. By learning the processes the contractor used to complete the job, you can use that knowledge in the future to keep costs down and increase security.

- *Develop a contractor-specific security policy.* Intellectual property stored on your computer network is probably worth a lot of money. If you hire a contractor, make sure there is a policy in place to let him or her know your expectations for keeping your assets safe. The contractor should know that protecting sensitive information, such as lead lists, email addresses, medical records, credit card numbers and Social Security numbers should be the top priority while performing the task. Make sure your employees are aware of any security policies, as well.

Ultimately, it is in most companies' best interest to employ a full-time IT staff, if possible. Full-time IT employees have the time to intimately learn your business' network and are the best defense against cyber attacks, whereas relying on independent contractors can be expensive in the long run. If your firm does not have the size or scope to require full-time IT personnel, it's important to set expectations with your IT contractor to ensure your data and systems remain safe and your security expectations are upheld. Whichever option your business chooses, cyber security should be taken very seriously.

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