

Paying Foreign Vendors and Hiring Foreign Employees

2015 Professional Development Institute



Colorado State University

Agenda

- Accounts Payable
 - Honoraria Payments to Individuals
 - Payments to Foreign Entities
- Travel Reimbursements
- Hiring Foreign National Employees



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Honoraria Payments - Individuals

- VISA Status
- General Rule - Tax Withholding 30%
- Tax Treaty Exemptions if Applicable
- 9-5-6 Rule
 - Activity can be for no longer than 9 days
 - No more than 5 institutions in the previous 6 months



Honoraria Payments - Individuals

- Documentation
 - Form W-8BEN
 - Foreign National Information Form
 - Passport
 - I-94 “Departure Record”
 - U.S. VISA if applicable
 - Other document requirements subject to specific VISA type
 - Indication of payment method
 - Purchase Order (PO)
 - Disbursement Voucher (DV)



Honoraria Payments - Individuals

- Payment Process

- Route Foreign Info Form & applicable immigration documents to Foreign National Tax Administrator (FNTA)
- FNTA will notify department of any required tax withholding, the tax rate, and the account to charge the tax
- Create new vendor and attach Form W-8BEN
- Tax should be added to DV prior to submitting



Payments – Foreign Entities

- General Rule - Tax Withholding 30%
 - Work performed in U.S.
 - Note on DV or PO location of work
- Tax Treaty Exemptions if Applicable
- Documentation
 - Form W-8BEN-E or W-8EXP
 - Indication of payment method
 - PO or DV
 - Send invoices to Beth Fritzler w/ wire instructions



Travel Reimbursements

- Tax Withholding
 - 30%
 - When no business purpose or benefit to CSU
 - 14%
 - Tax rate can be reduced to 14% for individuals who have VISA types F, M, J, or Q
- Note - honoraria payments not allowed on Travel Voucher for foreign nationals



Travel Reimbursements

- Documentation
 - Foreign National Information Form
 - Passport
 - I-94 “Departure Record”
 - U.S. VISA if applicable
 - Other document requirements subject to specific VISA type
 - Travel Voucher routed to Foreign National Tax Administrator



Hiring Foreign National Employees

- Required to meet with Foreign National Tax Administrator
- Documentation
 - Social Security Number
 - No Social Security Number
 - Form W-4
 - Other Tax Documentation
- Students restricted to 20 hours/week



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Reference

- <http://busfin.colostate.edu/ap.aspx>
- <http://busfin.colostate.edu/tax.aspx>
- IRS website for tax form guidance



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QUESTIONS?

Tax Services

Matt Wills 491-6242

Haitao Cao 491-3538

Accounts Payable

Genevra Scott 491-2040

Beth Fritzler 491-2097

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