

TRAVEL REIMBURSEMENTS TO FOREIGN NATIONALS

Travel reimbursements for Foreign Nationals may have potential income tax withholding consequences and must be reviewed by the Foreign National Tax Administrator before approval. If the Foreign National receives a compensatory payment, no matter how small the amount, the travel reimbursement falls under the “accountable plan” rules and is not taxable. Paying the travel expenses directly to the vendor will avoid any tax consequence to the individual. A 30% withholding tax may be required on travel reimbursements. This tax can be reduced to 14% for F, M, J or Q visa holders. An SSN or ITIN is required to be able to claim a tax treaty exemption.

PROCEDURES:

1. Contact the Foreign National Tax Administrator when planning to invite a foreign visitor to the University. Many questions can be answered before making an offer to the individual.
2. Route travel vouchers to the Foreign National Tax Administrator if the individual is not an employee and not a U.S Citizen.
3. Have the individual complete the Foreign National Information Form, print, sign, date and attach the requested copies to the travel voucher. After analysis, the department will be contacted if an appointment is required. The information form can be located at: <https://wsprod.colostate.edu/cwis12/international/personalinfo.cfm>
4. Include the following information in the comments area of the voucher:
 - Primary purpose of the visit.
 - Who benefits from the travel, CSU or the individual.
5. Honoraria payments to foreign nationals cannot be made on travel vouchers. Please request honorarium payments to foreign nationals via Accounts Payable.

REIMBURSEMENTS ALLOWED FOR VISA TYPES INDICATED ON THE I-94:

1. B1 or WB – visitors for business purposes
 - Reimbursements can be made for up to 3 months
2. B2 or WT – visitors for tourist purposes
 - Reimbursements can be made ONLY if an Honorarium is received
 - Must follow the 9-5-6 Rule:
 - Activity can be for no longer than 9 days and
 - No more than 5 activities in the prior 6 months

3. J-1

- Sponsored by another institution:
 - Travel reimbursement is potentially taxable
 - Must have written permission from their Responsible Office (RO) before travel takes place
 - Preferably have the sponsor institution invoice the department for expenses
- Sponsored by CSU and a non-employee:
 - Any travel reimbursement is potentially taxable income.

4. F-1

- Sponsored by another institution:
 - Travel reimbursement is potentially taxable
 - Preferably have the sponsor institution invoice the department for expenses
- Sponsored by CSU and a non-employee:
 - Travel reimbursement is potentially taxable

5. H1B

- Actual reimbursement of expenses only.