Payment for services to Resident/Non Resident foreign visitors

Dept

Pacific University has a requirement to follow strict regulations regarding the taxation and reporting of payments made to non-United States citizens. The regulations are set by the Internal Revenue Service (IRS), the U.S. government tax authority. As a result, Pacific University may be required to file reports with the IRS for payments made to consultants and guest speakers who are not U.S. citizens or permanent resident aliens (green card holders) and who receive compensation for services performed in the USA.

Each visitor must complete the Information and Tax Status Form. Part of completing this form is calculating the Substantial Presence Test. This test is important as it will help to determine if the individual is a Non Resident Alien or a Resident Alien for tax purposes.

a) If Resident Alien Individual—complete the following forms then submit to Accounts Payable.
   - Information and Tax Status Form
   - W-9 Form
   - Letter of agreement or Invoice. Contracts must be reviewed and approved by Pacific University Legal Counsel prior to submitting to A/P.
   - If special handling is required for the check (ex: hold for pick up) then a Check Request must be completed as well.

b) If Non Resident Alien Individual, we have two options for making payment.

If an income tax treaty exists between the U.S. and the home country of the visitor, an exemption from the U.S. tax can be claimed. A tax treaty does not automatically ensure exemption from taxation; as you must satisfy the requirements for the exemption set forth in the tax treaty. In order to be considered for a tax treaty exemption, you must complete Form 8233, and submit it prior to requesting payment.

1. If claiming tax treaty exemption, complete the following forms:
   - Information and Tax Status Form
   - W-8 Ben
   - Form 8233
   - Letter of agreement All contracts must be reviewed and approved by Pacific University Legal Counsel prior to submitting to A/P.
   - If special handling is required for the check (ex: hold for pick up) then a Check Request must be completed as well.

   Note: Visitor will receive form 1042S at year end

2. If no Tax Treaty then we can only reimburse for expenses. A/P does not do with holding on vendor payments.
   - Information and Tax Status Form
   - Reimbursement request form
   - Original receipts
   - If special handling is required for the check (ex: hold for pick up) then a Check Request must be completed as well.