

Foreign National Procedures Checklist for payment of honorarium and/or expense reimbursement

Applicability: The following procedures apply for payments to any individual who is not a U.S. Citizen or Permanent Resident (Green card holder).

Forms: Payment of expenses only should be requested on the Travel and Expense Report. Payment of honorarium or honorarium plus expenses should be requested on the Non-Employee Payment for Services Form.

Pre-Arrival

- Department should send a foreign visitor an invitation letter to verify commitment for speaking, teaching or other academic engagement; this letter should include:
 - a) An outline of the terms of the engagement (date, time, topic, amount to be paid, etc.);
 - b) A request that the visitor confirm what immigration status/citizenship status, and;
 - c) An inquiry as to whether the visitor has a US Social Security or a US Individual Taxpayer Identification Number (ITIN).
 - d) If the visitor is Canadian, remind them to request an I-94 card (and present a copy of the Notre Dame invitation letter as support) and ask for B-1 or WB visa status when entering the US.

- If the visitor is traveling on a B1/B2 visa or in WB/WT (visa waiver) status:
 - a) Department should verify with the visitor that they will meet the two requirements outlined on the Compliance Statement for Payments to Visitors in Business or Tourist Status form; B1 or WB may be reimbursed expenses (but not honoraria) without meeting these requirements and completing this form, but all other payments must comply;
 - b) If the visitor has a U.S. SSN or ITIN, contact Tax (Becky Laskowski 1-7051) to determine if treaty benefits are available to exempt individual from income tax withholding.

- If the visitor is traveling on a J-1 visa:
 - a) A letter from the visitors sponsoring organization authorizing payment of honorarium/service (letter not required for expense reimbursement only) must be obtained prior to making payment.

- If the visitor is traveling on a F-1 (student) visa:
 - a) Authorized to receive payment of business expense reimbursement only. **An individual in F-1 status is not allowed to be self employed and therefore cannot receive payment of honorarium/service.** There is an exception if the student has received an approval for OPT (Optional Practical Training) status. For additional information, please contact Tax Department.

- If the visitor is traveling on a H-1B visa:
 - b) Authorized to receive payment of business expense reimbursement only. **An individual in H-1B status (sponsored by another institution) is not allowed to receive payment of honorarium/service.**

Pre-Arrival (con't)

- If the visitor is traveling on any other type of visa:
 - a) Contact Tax (Becky Laskowski) to find out what type of payments individual is authorized to receive, if any.

Arrival

- Upon arrival of the visitor, the required document must be obtained as outlined below:

B1/B2 visa or in WB/WT (visa waiver) status:

1. Copy of I-94 card
2. Copy of passport
3. Copy of Visa (B1/B2 visitors only)
4. [Compliance statement](#) completed and signed by visitor and approved by department head
5. Completed Form 8233 only if visitor has a US SSN or ITIN and is treaty eligible (only collect for payment of honorarium/service). Part 1 (all), Part II Lines 11a, 11b, 12c and Part III (all) of Form 8233 must be completed.

J-1 visa sponsored by another institution:

1. Copy of I-94 card
2. Copy of passport
3. Copy of Visa
4. Copy of DS-2019
5. Authorization letter from sponsoring organization
6. Completed Form 8233 only if visitor has a US SSN or ITIN and is treaty eligible (only collect for payment of honorarium/service). Part 1 (all), Part II Lines 11a, 11b, 12c and Part III (all) of Form 8233 must be completed.

F-1 visa sponsored by another institution (**expense reimbursement only**):

1. Copy of I-94 card
2. Copy of passport
3. Copy of Visa
4. Copy of I-20

H-1B visa sponsored by another institution (**expense reimbursement only**):

1. Copy of I-94 card
2. Copy of passport
3. Copy of Visa
4. Copy of I-797A (H-1B approval notice)

Required Income Tax Withholding

- Payment of honorarium/service and unsubstantiated expenses (considered taxable income) is subject to federal and state income tax withholding of 33.4% unless visitor is eligible for tax treaty benefits. See listing of [Tax Treaty Countries with Independent Contractor Articles](#).
- Department can choose to gross up the payment to cover the income tax withholding. The taxes will be charged to the same banner account as the payment of honorarium/service.

Requesting Payment

- Prepare payment request form (NEPS and/or Travel and Expense Form) and attach required documentation (outlined above)
- Indicate if payment of honorarium should be “grossed up”
- Submit completed payment request form to Accounts Payable for processing
- If payment represents honorarium (service), payment request form will be routed to tax department for compliance review and on to the payroll department for payment in the “one time” pay run. **Note: the “one-time” pay is process only once a week, currently scheduled on Wednesdays (check is ready on Friday).** Special arrangement can be made to have check prepared at the time of the arrival of your visitor by contacting the tax department. The check will be released only when all documents have been reviewed and approved.

Year End Tax Reporting

- IRS Annual Tax Form 1042-S will be sent in early February by the tax department to all honorarium/service payment recipients using address provided on the payment request form
- Tax Form will show income earned and income taxes withheld
- Visitor used Form 1042-S as support to file U.S. Income Tax Returns
- Visitors that qualify for tax treaty exemption from withholding are required by law to file U.S. Income tax returns