

STANDARD ADMINISTRATIVE PROCEDURE

21.01.99.M0.01 Payment to Foreign Nationals, Who are not Texas A&M University Employees, for Services Performed in the U.S. and Reimbursement for Travel Expenses

Approved March 10, 1997

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SAP Statement

The federal government has determined the type of payments which can be made as a result of the activities related to the visit of the Foreign National and the immigration status held. Accordingly, it is important that TAMU complies with all federal and state guidelines governing reimbursement of expenses, payment for usual academic services, also referred to as honorarium/speaker fees and/or consultation fees to Foreign Nationals

Official Procedure/ Responsibilities/ Process

1. GENERAL

- 1.1. Foreign Nationals not employed by Texas A&M University may hold different types of immigration status when visiting Texas A&M University. It is important that TAMU complies with all federal and state guidelines governing reimbursement of expenses, payment for usual academic services, also referred to as honorarium/speaker fees and/or consultation fees to Foreign Nationals.
- 1.2. In accordance with Export Control requirements, the [International Visitor Request Form](#) must be processed for approval and screened prior to the invitation/visit. The [Certificate of Foreign Status](#) form must be submitted with the International Visitor Request Form. Financial Management Operations (FMO) will perform restricted party screening (RPS) using export control compliance software licensed by the university and will set up the vendor in FAMIS at this time. If the results of the RSP identify potential export control restrictions or concerns, FMO will promptly notify the Office of Research Compliance or designee for further review. The Export Control Compliance office, or designee, will then notify the hosting department and FMO of any possible issues and approve or deny the visit as appropriate and notify the hosting department and FMO.

- 1.3. All payment requests for Foreign Nationals not employed by Texas A&M University as a result of the activities related to their visit must include **LEGIBLE** copies of the individual's I-94 entry-exit record, approved I-797 if already in the United States working for another entity, entry visa stamp, and passport. In some cases, the I-20 or DS-2019 will be required.
- 1.4. All payments for usual academic services to Foreign Nationals for services require an Individual Taxpayer Identification Number (ITIN) or a Social Security Number (SSN). If the individual does not have either, please refer to section 3.1.3.
- 1.5. **ONLY** payments reimbursing business travel expenses under the accountable plan do not require a SSN or an ITIN. Refer to the *TAMU Guidelines for the Disbursement of Funds* Manual Section I.B.29 **Payments to Foreign Nationals** for specifics: <http://disbursement.tamu.edu/>.
- 1.6. All payments for services made to individuals who are not U.S. citizens or U.S. permanent residents are subject to the non-resident alien U.S. income tax withholding rate as set by the IRS regulations. This tax rate may be reduced if certain conditions are met. These conditions include:
 - 1.6.1. The individual is considered a U.S. resident alien for tax purposes, **OR**
 - 1.6.2. The individual is eligible for a tax treaty benefit, **AND**
 - 1.6.3. **All** required GLACIER documentation is completed.
- 1.7. Failure to comply with IRS and Immigration guidelines could result in TAMU losing their ability to have International Programs and could also result in fines and penalties.
- 1.8. **GLACIER**
 - 1.8.1 Texas A&M uses the web-based GLACIER tax compliance system which allows individuals to enter their personal and travel related information on-line. GLACIER determines U.S. tax residency status and any tax treaty eligibility and benefits. GLACIER completes the applicable forms and Tax Summary Report. Completion of the GLACIER process is mandatory for any foreign national who is not a U.S. legal permanent resident.
 - 1.8.2 When the International Visitor Request Form is submitted, FMO will create an account in GLACIER and email the login information to the visitor. The Individual should complete his/her GLACIER tax record no more than 30 days prior to arrival, and upon arrival submit required documents and forms to the department contact. The Individual

Reimbursement Form, along with the required GLACIER documents and forms can then be submitted to FMO, mail stop 6000, for processing.

- 1.9 Departments may opt to pay the individual's tax liability as a part of the payment for usual academic activities. This process, known as grossing up is permissible. The GLACIER and immigration documentation requirements still exist. The amount which must be paid by the department will vary based upon the individual's U.S. residency status and, if a reduction in the tax liability is available due to the existence of a tax treaty. The U.S. residency status and tax treaty status cannot be determined without the GLACIER process being completed.
- 1.10 It is the department's responsibility to be aware of and follow this procedure and the associated disbursement manual processes. Failure to comply will result in payment processing delays. Additionally, the department may be liable for the individual's original tax burden, as well as the gross up associated with it.

2. VISA NON-IMMIGRANT STATUS TYPES AND PAYMENT ELIGIBILITY

- 2.1 Foreign Nationals not employed by Texas A&M University may come to Texas A&M University with a variety of non-immigrant status types. Below is a link for some of the most common status types with which Foreign Nationals come to Texas A&M University and the required procedures for reimbursement of expenses and payment for usual academic activities: <http://payroll.tamu.edu/media/18357/Foreign-National-Visa-Matrix.pdf>.

3. PAYMENT REQUEST PROCESS

- 3.1 In order to process payment to a Foreign National in a timely manner, specific documents, forms, and steps must be completed and followed. There are three different categories of payment processes that can be made to foreign nationals.
 - 3.1.1 Reimbursement for business travel expenses under the accountable plan.
 - 3.1.1.1 Required documentation and forms: [Individual Payment Request Form](#), itemized expenses and receipts, purpose and benefit of travel, and legible copies of I-94 and passport with visa stamp.
 - 3.1.1.2 Business travel expenses that are direct billed from the vendor require itemized receipts, Foreign National name, legible copies of the I-94 and passport with visa stamp.
 - 3.1.2 Payment for services to a Foreign National who possess a SSN or ITIN.

- 3.1.2.1 Required documentation and forms: [Individual Payment Request Form](#), itemized expenses and receipts, legible copies of I-94 and passport with visa stamp, and forms listed by GLACIER.
- 3.1.3 Payment for services to a Foreign National who does not possess a SSN or ITIN.
 - 3.1.3.1 Required documentation and forms: [Individual Payment Request Form](#), itemized expenses and receipts, legible copies of I-94 and passport with visa stamp, and GLACIER documents. Federal income tax will be withheld at the current IRS rates unless the Foreign National is in a visa status that allows a lower withholding rate. Prizes and awards are always taxed at the current IRS rates.
- 3.2 The above payment processes have very specific steps that must be followed in order for payment to be made in a timely manner and to allow tax treaty benefits to be honored. The specific step-by-step guidelines can be found in the Disbursement Manual located at <http://disbursement.tamu.edu>.
- 3.3 Payments can be issued via check in foreign currency or U.S. currency, ACH to a U.S. bank, or wire transfer to a foreign bank (additional departmental costs). Additional information may be required.

NOTE: Departments MUST examine and copy the I-94 while the guest is in the U.S. The card is collected by federal authorities upon exit from the U.S. and cannot be retrieved or recreated. GLACIER documents MUST be reviewed and approved by FMO Accounts Payable prior to the individual leaving Texas A&M University.

Forms

[International Visitor Request Form](#)
[Certificate of Foreign Status](#)
[Individual Reimbursement Form](#)
[GLACIER Information](#)
[Export Controls Resources](#)

Related Statutes, Policies or Requirements

Supplements [System Policy 21.01](#)

Contact Office

Please contact the Accounts Payable Individual Reimbursements Auditor at (979) 845-8774 or ir@tamuds.tamu.edu if you have any questions regarding these guidelines.

OFFICE OF RESPONSIBILITY: [Financial Management Operations](#)