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Amherst College
Accounts Payable
Policy for Paying Foreign Visitors
(Nonresident Aliens)

I. Introduction - This policy describes the procedures for complying with the federal income tax withholding and reporting requirements for payments made through accounts payable to nonresident aliens. For federal tax purposes, individuals are generally taxed as nonresident aliens if they do not fall into any of the following categories:

- United States Citizen
- United States Resident with a Green Card
- Individual without a Green Card who meets the substantial presence test. The "substantial presence test" is a complicated calculation that is generally satisfied if the individual was present in the U.S. for a combination of 183 days during the current and previous 2 years.
- *Note – Students present in the U.S. on an F,J, M or Q visa (for up to five years) and teachers here on a J or Q visa (for up to two years) are generally exempt from the substantial presence test and are nonresident aliens.*

If you are inviting a foreign visitor to campus and wish to pay him/her, you must follow the procedures outlined below.

II. Visa Status - The visa status must be confirmed to ensure that the holder is authorized to receive payments, including honorariums and expense reimbursements**.**

There is a special rule for B-1/B-2 visa holders and individuals who enter on the U.S. on the visa waiver program. These individuals may receive payments from the College, including honorarium payments, for academic-related services provided to the College**, if the services do not exceed 9 days and the person has not accepted such payments from more than 5 institutions in the previous 6 month-period**.

If you are inviting a foreign visitor whose visa has been sponsored by another U.S. institution, you must receive written permission from the sponsoring institution authorizing Amherst College to make payment to that person.

III. Travel and Living Expenses - Reimbursements of travel and living expenses paid to nonresident aliens with the proper substantiation are not subject to federal income tax reporting or withholding. Accounts payable will reimburse these expenses as long as it is verified that the visa holder is authorized to receive expense reimbursements. A copy of the individual's visa and passport must be attached to the request. The following procedures will not apply to these payments.

IV. Payment for the Performance of Services - Foreign National Information Form (FNIF)- To assist the Comptroller's Office in determining whether a foreign visitor should be properly classified as a nonresident alien, the FNIF must be completed by each foreign visitor who will be paid through accounts payable for the performance of services. This includes foreign speakers and lecturers who will be paid an honorarium. The form should be signed and dated by the foreign visitor and submitted to the Comptroller's Office with the appropriate attachments prior to requesting payment. This form does not need to be completed by foreign visitors who will only receive a reimbursement of travel and living expenses.

Federal Tax Reporting- All non-employee compensation paid to nonresident aliens are reportable to them and to the IRS on a Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding at the end of the calendar year.

Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. All nonresident aliens, including individuals who have a social security number, who are paid for services through Accounts Payable, must complete **Parts I & IV** of Form W-8BEN, **unless the individual is claiming treaty benefits on Form 8233 as explained below.** ***Do not use Form W-8BEN to claim treaty benefits for compensation earned as an independent contractor.***

Federal Income Tax Withholding- The tax rate on payments made to nonresident independent contractors is generally 30%. However, the federal tax may be reduced or eliminated if the person is eligible to claim treaty benefits as explained below.

Treaty Benefits - Individuals who are residents of certain countries (approximately 55 countries) may claim tax treaty benefits which exempt all or a portion of payments received for independent personal services from federal income tax withholding. An individual may claim these benefits by completing **Form 8233**, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual. The completed form must be submitted to the Comptroller's Office, prior to payment, for filing with the Internal Revenue Service. For specific treaty articles, please refer to http://www.windstar-tech.com/public/treaties.html, IRS Publication 901 - U.S. Tax Treaties or you may contact Laurie Bouchard in the Comptroller's Office at 542-8494 or by e-mail at lmbouchard@amherst.edu**.**

Individual Taxpayer Identification Number (ITIN) In order to claim treaty benefits, an individual must have a valid social security number or ITIN. An ITIN is a number issued by the IRS to foreign individuals who are ineligible to obtain a social security number. To apply for an ITIN, an individual must complete **Form W-7**, Application for IRS Individual Taxpayer Identification Number. Either the original or copies, certified by the issuing agency or notarized by a U.S. Notary Public, of certain identifying documents (generally a passport) must accompany the application. Nancy Brownfield in the Treasurer's Office will be available daily from 9:00am until noon to notarize copies of the applicant's passport. The applicant must bring the original passport and sign the copy of the passport in Nancy's presence. Nancy should be e-mailed at nabrownfield@amherst.edu in advance to schedule an appointment with her. The Comptroller's Office will submit the completed form to the IRS.

It can take as long as 30 days for the IRS to issue an ITIN. It will be the department's responsibility for obtaining the ITIN from the applicant. If the Comptroller's Office does not receive the ITIN once it is issued, the federal tax withholding liability must be satisfied through other College sources, generally the department making the payment.

If you have any questions on these procedures, the rules that apply to nonresident aliens or if you need further assistance, please contact Laurie Bouchard in the Comptroller's Office at 542-8494 or by e-mail at **lmbouchard@amherst.edu**. You may also refer to the NRA flowchart to assist you in determining which forms must be completed.

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Foreign National Information Form

Foreign Nationals receiving payments through Accounts Payable, of non-employee compensation, including honorariums, must complete the Foreign National Information Form. ***This form is not required for reimbursements of travel and lodging expenses paid to Foreign Nationals***.

Name _____	Social Security Number or Taxpayer
Address _____	Identification number, if any.
_____	_____
_____	

1. Visa Status _____. (Attach copy).
   If immigration status is a J-1, what is the subtype? Please circle one.
   ✎ 01 Student ✎ 02 Short Term Scholar ✎ 05 Professor ✎ 12 Research Scholar ✎ Other
   If immigration status is a B-1/B-2, you may need to provide further information.

   What country are you a citizen of? _____.
   What country are you a tax resident of, if different from above? _____.

2. What is the actual date you entered the United States? _____/___/___.
   Month Day Year

3. What date do you anticipate leaving the United States? _____/___/___.
   Month Day Year

4. Were you present in the United States for any other days during the current or previous two years?

4a. If yes, please list the date(s) and visa status.

Date of Entry	Date of Exit	Visa Status
__/__/___	__/__/___	_____
__/__/___	__/__/___	_____
__/__/___	__/__/___	_____
__/__/___	__/__/___	_____

5. What is the payment for? _____

6. Are you eligible for and do you want to elect to claim treaty benefits? _____.
   If yes, please complete Form 8233 Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual. Form 8233 must be submitted to the Comptroller's Office for review and for filing with the IRS.

7. If you answered yes to question 6 and you do not have a social security number or individual taxpayer identification number, and you are ineligible for a social security number, you must complete Form W-7, Application for IRS Individual Taxpayer Identification Number. Form W-7 must be either mailed or brought to an IRS Office with the proper documentation. A copy must be provided to the Comptroller's Office.

8. If you answered no to question 6, please complete Parts I & IV of Form W-8BEN Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. Form W-8BEN must be submitted to the Comptroller's Office. Form W-8BEN is not filed with the IRS. A 30% federal income tax will be withheld on your payment.

I hereby certify that all of the above information is true and correct. I understand that if my status changes from that which I have indicated on this form, I must submit a new Foreign National Information Form to the Comptroller's Office.

Signature_____Date_____

This form must be submitted to the Comptroller's Office with a copy of the visa and the appropriate forms attached prior to a disbursement being made.