The ABC’s of Hosting an International Speaker or Entertainer: A Team Approach

formerly “The ABC’s of Inviting a Foreign Speaker”

Presenters:

Minnesota State University, Mankato:
Julie Rabaey, Assistant Director, International Center (formerly International Student Office)
   Phone: 507-389-1281, e-mail julie.rabaey@mnsu.edu
Helen Wenner, Staff Accountant, Business Services
   Phone: 507-389-2269, e-mail helen.wenner@mnsu.edu

Office of the Chancellor, Tax Services:
Ann Page, Tax Specialist
Steve Gednalske, Tax Administrator

With special recognition to Caryn Lindsay, Director of International Programs Office
Background

Minnesota State Mankato is working to increase international activities

- International Programs Office (IPO) Director - former U.S. State Department official
  - Connected International Student Office (ISO), Business Services, Office of the Chancellor on requests for reimbursement/honorariums.
  - Implemented procedures with international visitor.
  - IPO/ISO to become International Center – seek to serve university community by providing expertise and lifting burden from academic departments
Maximizing our Expertise

- **Academic Areas**
  - Academic/scientific colleagues/connections

- **International Student & Scholar Services**
  - Immigration, visas, embassies

- **Study Abroad Programs**
  - International connections & cultural protocol

- **Business Services**
  - Procedures for payments, purchase orders, vendor contracts

- **Office of the Chancellor, Tax Services**
  - Source of clarification & payment
Player: Hosting Department

- Role
  - Invite and host the international visitor on campus

- Responsibilities
  - 4 months prior to expected visit
    1. Consult with International Center staff to determine type of visa to request and information needed from visitor
    2. Consult with Business Services staff to determine payment and reimbursement matters and information needed from visitor
      Options:
      a) Reimburse the traveler
      b) Reimburse the home institution or business
    3. Assist visitor to complete required Business Services form, as required by Tax Services – forward to Business Services
    4. Upon notification from Business Services, enter into a contract with the visitor by personalizing template letter of invitation and sending it to invited guest
    5. Process purchase order and formal contract through Business Services
Responsibilities

Upon visitor’s arrival

6. If visitor does not have a SSN, assist visitor to apply for an Individual Tax Identification Number (ITIN) on form W-7

7. Copy I-94 document and bring to Business Services

8. Upon completion of services, submit payment invoice and expense report to Business Services
Player: International Center

Role
- Advise hosting department about visa issues

Responsibilities
- Determine type of visa to request (B1/B2, WB, WT or J-1) and issue appropriate documents
- Assist departments and/or visitor to complete forms required by Business Services & Office of the Chancellor, Tax Services
- Provide template letter of introduction
Role

- Ensure departments do not make contractual arrangements with international visitors that could violate the visitor’s immigration status and be considered illegal payments for the campus
- Ensure compliance with tax regulations

Responsibilities

- Collect information and documentation from individual and departments
- Forward documentation to Tax Services, Office of the Chancellor for payment approval
- Advise department of approval to begin purchase order & contract
- Process payment to visitor
- Provide follow-up documentation to Tax Services, Office of the Chancellor
- Forward tax withholding to appropriate entities, if applicable
Player: International Visitor

Role
- Guest of the university

Responsibilities
- Send all requested personal and travel information prior to visit – including ITIN or Social Security Number, if available
- Take letter of invitation to U.S. consulate or Embassy to request a visa
- Upon arrival, apply for ITIN if needed and present the documents requested
- Upon completion of visit, complete honorarium and/or expense reports and receipts
Minnesota State University, Mankato Flowchart

Flow Chart to Assist in Determining Payment Method for Compensation

May 2007

1. Are you a State Employee at MSU or another Minn State Agency?
   - Yes: Contact Human Resources
   - No: Are you a U.S. Citizen or Permanent Resident?
     - Yes: Are you a Student?
       - Yes: Defined as person being enrolled in prior, current or future term
       - No: Process thru Student Payroll - Contact Student Payroll
     - No: Process on Purchasing / Accounts Payable System

2. Have you been on Student Payroll anytime this calendar year?
   - Yes: Process Thru Student Payroll
   - No: Process Thru Student Payroll

3. Are you a Student?
   - Yes: Hosting Department Notify
   - No: Are they an International Visitor?
     - Yes: Contact Business Services
     - No: Business Services

4. Hosting Department
   - 1. Contact Vendor
   - 2. Negotiate Contractual Agreement
   - 3. Process P.O.

5. Business Services advises Hosting Department

Contact Business Services
- Allen: Helen Werner
- To meet IRS compliance issues:
  - Also see website: http://tinyurl.com/gj60q

International Office
- Coordinate VISA process

Business Services
- Obtain info from visitor thru Hosting Department to determine financial obligations
- Consult with Office of the Chancellor/Dean Services (tax issues and payment)
B visa definition

8 CFR Sec. 214.2(b) Visitors --

(1) General. Any B-1 visitor for business or B-2 visitor for pleasure may be admitted for not more than one year and may be granted extensions of temporary stay in increments of not more than six months each... may be granted extensions of not more than one year each, provided that such work does not involve the selling of articles or the solicitation or acceptance of donations...

Omnibus Appropriations Bill (H.R. 4328) signed by the President on October 21, 1998. SEC. 431 ACADEMIC HONORARIA

In General.-- Section 212 (8 U.S.C. 1182), as amended by section 415, is further amended by adding at the end the following: (q) Any alien admitted under section 101(a)(15)(B) may accept an honorarium payment and associated incidental expenses for a usual academic activity or activities (lasting not longer than 9 days at any single institution), as defined by the Attorney General in consultation with the Secretary of Education, if such payment is offered by an institution or organization described in subsection (p)(1) and is made for services conducted for the benefit of that institution or entity and if the alien has not accepted such payment or expenses from more than 5 institutions or organizations in the previous 6-month period.
Differentiating between B and J visa

- B-1 is not an employee, obtains visa based upon letter of invitation.

- J-1 requires sponsor and issuance of an immigration document (DS-2019) by the institution. **INA: ACT 101 - DEFINITIONS**

(J) an alien having a residence in a foreign country which he has no intention of abandoning who is a bona fide student, scholar, trainee, teacher, professor, research assistant, specialist, or leader in a field of specialized knowledge or skill, or other person of similar description, who is coming temporarily to the United States as a participant in a program designated by the Director of the United States Information Agency, for the purpose of teaching, instructing or lecturing, studying, observing, conducting research, consulting, demonstrating special skills, or receiving training...
B letter of invitation

Visa request for University Visitor - Sample Letter

Date

United States Consulate
and/or
United States Port of Entry Officer

Re: Letter of Invitation for (name)
Visitor for Business to (institution and department)

Dear Sir or Madam:

(Name) has been invited to (attend / visit) the (workshop, conference, give lecture, etc.) sponsored by (department, division) at (institution and department) for the period (date) to (date). We expect to (provide, pay, reimburse) the visitor for international or domestic travel expenses (and/or per diem, honorarium).

We respectfully request that you consider issuing a B-1/B-2 visitor visa (or if applicable, the Visa Waiver Program/Visa Waiver Program) based upon the following factors:

- The individual will not be considered an employee of Minnesota State University, Mankato.
- The academic activity at Minnesota State University, Mankato will not exceed nine days in duration. We will also inform the business visitor not to receive honoraria from more than five educational institutions in a six month period.
- The B-1/B-2 or WB/WT notation on the I-94 card will permit the university to process reimbursement of honorarium as appropriate to this visitor. In order to process any payment we require that the visitor must present his or her passport and a copy of both sides of the I-94 card shortly after arrival at Minnesota State University, Mankato.

Thank you for your contribution to improving international collaborations.

Sincerely,

(MSU sponsoring department chair or director)
Procedures

Minnesota State University Mankato
Procedures for Payments to
International Visitors

Instructions for Sponsoring Department

1) Email required forms and documents listed below to international visitor for completion
   (ideally this should be done 3+ months prior to intended visit).
2) Scholar returns completed forms and documentation to MSU department sponsor.
3) Sponsoring department makes two copies (please ensure copies are legible) of form and
documentation (International Center and Business Services each get a copy). Ensure that
data privacy of the international visitor information is maintained at all times.
4) Department sponsor consults with the International Center about the type of visa to be
   requested. If necessary, the International Center issues DS-2019 form for obtaining a J-1 visa
   for the visiting scholar.
5) Department issues a Letter of Invitation. A template for the letter of invitation is available
   from the International Center.
6) The scholar takes the letter of invitation and other supporting documentation to the U.S.
   Embassy or Consulate in their home country to apply for a U.S. visa.
7) Business Services reviews the information provided by the international visitor and the
   sponsoring department to determine where tax withholding is required.

International Visitor Forms and Documents

Forms to be completed by international visitor:
   - Visitor Tax Residency Information Form
   - W-2/BEN (Certificate of Foreign Status of Beneficial Owner for U.S. Tax
     Withholding)
   - B Honorary Eligibility Certification, if applicable (if B-1/B-2 visa or Visa Waiver
     Visa/Visa)
   - IRS Form 8233, if claiming treaty

Documentation provided by international visitor:
   - Copy of Passport (including identification page, current visa information, and
     copies of pages with prior visit to the United States information)
   - Copy of I-94 (provided upon entry to the U.S.)
   - Copy of DS-2019 (for J-1 visa)

Other forms an international visitor may want:
   - IRS Form W-7 (Application for IRS Individual Taxpayer Identification Number)
Sponsoring Department Proposal of Estimated Cost (Internal Use)

Name of individual (sponsoring dept.) completing:
Email of individual (sponsoring dept.) completing:
Name of international visitor (for which these costs relate):

Information needed from the sponsoring department:

<table>
<thead>
<tr>
<th>Item</th>
<th>Estimated Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airline</td>
<td></td>
</tr>
<tr>
<td>Per diem</td>
<td></td>
</tr>
<tr>
<td>Hotel</td>
<td></td>
</tr>
<tr>
<td>Honorary</td>
<td></td>
</tr>
<tr>
<td>Special</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: Reimbursement of expenses under accountable plan rules generally does not result in tax withholding on payments to an international visitor. However, compensation payments may result in withholding depending on such factors as whether the international visitor has a U.S. federal identification number and whether tax treaties are available.

The Sponsoring Department of International Visitors must return a copy of this completed form to Business Services and the International Center.
VENDOR TAX RESIDENCY INFORMATION FORM

To be filled in by all nonresident alien vendors, including speakers and entertainers to document individual’s resident or nonresident status for tax purposes, tax withholdings, and any tax treaty benefits.
Official Form

VENDOR TAX RESIDENCY INFORMATION FORM

To be filled in by all nonresident alien vendors, including speakers and entertainers.

**Note:** This following information is required to determine your resident or nonresident status for tax purposes. Failure to provide this information may result in withholding and may not be subject to other penalties.

This information will be used by the institution’s Business Office and Finance personnel to determine your taxability and may be available to other government agencies as authorized by law.

BEFORE MAKING ANY PAYMENT TO NONRESIDENT ALIEN VENDORS, COLLECT THE INFORMATION ASKED FOR ON THIS FORM AND CONTACT TAX SERVICES.

A: PERSONAL INFORMATION

<table>
<thead>
<tr>
<th>Name</th>
<th>Social Security # or ITIN #</th>
<th>Current Visa Type/Immigration Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Date of Original Port of Entry under Current Visa Type/Immigration Status</th>
</tr>
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<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Immigration &amp; Taxation Document (copy &amp; original)</th>
<th>Date of Academic Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ ID</td>
<td>□ Degree</td>
</tr>
<tr>
<td>□ Passport</td>
<td>□ Thesis</td>
</tr>
<tr>
<td></td>
<td>□ Doctorate</td>
</tr>
<tr>
<td></td>
<td>□ Other</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Institution &amp; Department</th>
<th>Type of Academic Activity</th>
</tr>
</thead>
<tbody>
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</table>

<table>
<thead>
<tr>
<th>Institution – Direct Contact</th>
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</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

B: WITHHOLDING AGENT INFORMATION

<table>
<thead>
<tr>
<th>Date of Pay</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phone Number</th>
<th>Name (spouse)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

MSU Business Services office use only: Tax Services Contact Information: Ann Page at 651-632-5007, annpage@umn.edu or Steve Geshkefa at 651-632-5016, steve.geshkefa@umn.edu

Send a copy of this form to Tax Services, 1430 Energy Park Drive, Suite 300, St. Paul, MN 55108 or Fax to 651-649-5770.
B Honoraria Eligibility Certification

MnSCU form to collect information on a visitor’s legal status and past honoraria and expense reimbursements is private data under Minnesota law. The information will be used to determine individual’s legal eligibility to receive honoraria and/or expense reimbursement from the Minnesota State Colleges & Universities.
B Honoraria Eligibility Certification

This form is an enrollment form for B Honoraria eligibility certification. The information provided on this form will be used for the purpose of certification and will be maintained in accordance with Minnesota State Colleges & Universities’ policies. The information provided will be shared concurrently with the Honoraria office and the individual B Honoraria form that was completed by the B Honoraria student. The information to be shared may be used for administrative purposes and may be shared with others as required.

Name: ___________________________ SSN or ITIN: ___________________________

I, ______________________________, arrived in the United States bearing a B-1 or B-2 visa, or under the Visa Waiver Program (VWP or VWP), or I was exempt from documentary requirements for entering the United States. I will perform the following academic services:

__________________________________________________________________________

I hereby certify to the following facts:

1. The services are being conducted for the benefit of ____________________________
2. The activities will last no longer than 90 days at this institution
3. I have not accepted honoraria (and incidental expenses in the case of a B-2 visitor) from more than 5 institutions or organizations in the previous 6 months.

Signed under penalties of perjury.

Signature: ____________________________

Date: ____________________________

Signed: ____________________________

Address: ____________________________

__________________________________________________________________________

NSU Business Services office use only: Send a copy of this form to Minnesota State Colleges & Universities - Tax Services, 1450 Energy Park Drive, Suite 300, St. Paul, MN 55108 or Fax to 651-549-5770

Contact Information: Dave Dzienkals, Tax Administrator, at 651-542-2186, dszienkals@minnstate.edu, or Ann Page at 651-542-2001, ann.page@minnstate.edu.
To Certify Foreign Status
Form 8233 for Individuals Claiming Treaty

<table>
<thead>
<tr>
<th>Part</th>
<th>Identification of Beneficiary Owner (See Instructions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Name of individual who is beneficial owner (last name)</td>
</tr>
<tr>
<td>2</td>
<td>U.S. taxpayer identifying number (SSN or ITIN)</td>
</tr>
<tr>
<td>3</td>
<td>Foreign tax identifying number (if applicable)</td>
</tr>
<tr>
<td>4</td>
<td>Instrument address (street, city, state or province, country)</td>
</tr>
<tr>
<td>5</td>
<td>Address in the United States (street, city, state or province, country)</td>
</tr>
</tbody>
</table>

Note: The address of the United States is not required if the treaty basis was determined by the United States, or if the treaty basis was determined by another treaty country. If the treaty basis was determined by both the United States and another treaty country, the address in the United States is required.

<table>
<thead>
<tr>
<th>Part</th>
<th>Claim for Treaty Withholding Exemption and/or Personal Exemption Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Amount claimed for treaty withholding exemption or personal exemption</td>
</tr>
<tr>
<td>7</td>
<td>Treaty basis for treaty withholding exemption or personal exemption</td>
</tr>
</tbody>
</table>

Note: The treaty basis for treaty withholding exemption or personal exemption must be determined by the United States and/or another treaty country. If the treaty basis was determined by both the United States and another treaty country, the treaty basis for treaty withholding exemption or personal exemption must be determined by both the United States and another treaty country.

<table>
<thead>
<tr>
<th>Part</th>
<th>Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>Under penalties of perjury, I declare that the information on this form and the attached copies is true, complete, and correct.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part</th>
<th>Withholding Agent Acceptance and Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Acceptance of certification by withholding agent or requesting officer</td>
</tr>
</tbody>
</table>

Note: The certification must be accepted by the withholding agent or requesting officer.

Form 8233 for Individuals Claiming Treaty

Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

For instructions, see the user guide.
W-7 ITIN Application
Resources

Other useful forms and publications on this topic:
Form SS-5, Social Security Number application: [http://www.socialsecurity.gov/online/ss-5.pdf](http://www.socialsecurity.gov/online/ss-5.pdf)

This year end tax form will be used to report employee compensation for which a tax treaty was claimed or compensation that was paid to a nonresident alien for independent personal services, regardless of whether tax treaty benefits are claimed.

Form 8233 is used to request tax treaty benefits on independent personal service compensation. Nonresident alien students, teachers and researchers performing dependent personal services also use Form 8233 to request tax treaty benefits.
Other university models

Institutional websites relating to this topic:

- Minnesota State University, Mankato
  http://www.mnsu.edu/busoff/purch/
  http://www.mnsu.edu/iso/faculty/

- Office of the Chancellor, Tax Services
  http://www.financialreporting.mnscu.edu/Tax_Services/BusinessOffice/Nonresident_Alien/NonResidentAlien_index.htm

- Arizona State University
  http://www.asu.edu/fs/TaxDept/nratax_g.htm
Applications for other campuses

- Adapt Minnesota State University, Mankato model (work in progress) – recommend team approach on own campus

- Questions?