Navigating the Financial Logistics of Hosting International Speakers – A Team Approach

NAFSA: Association of International Educators  Region IV Conference
Session date: Monday, November 12, 2007
Location: Kansas City, Missouri
The financial logistics of hosting international speakers are daunting. We will offer suggestions on how to coordinate with other campus offices to successfully bring and compensate the international visitor/speaker. The basics of following both tax and immigration regulations for these visitors to your campus will be addressed including a comparison of the B, WB, and J-1 visa options.
Presenters:

Julie Rabaey, ISSS Assistant Director, International Center, Minnesota State University, Mankato, Phone: 507-389-1281, e-mail julie.rabaey@mnsu.edu

Unable to be at Regional session: Judy L. Todd, Nonresident Alien Taxation Specialist; Cashiers / Payroll / Student Loan Collections, University of Missouri-Columbia, Phone: 573-882-5509, ToddJ@missouri.edu
University of Missouri-Columbia
Introduction/Background

- Judy Todd – Former International Student Adviser, now Non-resident taxation specialist.
- NAFSA resource on tax issues
- Website resources:
  http://cashiers.missouri.edu/nra_non-residents.htm
MSU Introduction/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
Involvement with International Speakers/Guests

- Challenges with Visa considerations/challenges
- Changes in Social Security/IRS
- Increasing international networks/connections
- Visibility of International Center as a resource
Brief Visa Background - 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.
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...
Team Players

- The International Speaker – “Iaman Expert”
- The Academic Campus Colleague – “Aha Wegottahaveumhere”
- International Center – “Iamseenas Everthinginternational”
- Campus Business Services – “Iam Moneyholder”
- Office of the Chancellor/IRS – “Better Bedoingitright”
The International Speaker – “Iaman Expert”

Role
- Guest of the university (e.g., speaker, activist, exchange partner, scientific colleague)

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
Role
- Invite and host the international visitor on campus
- Logistics of speaking engagement (publicity)
- Ensure forms are processed for payment/reimbursement
International Center – “I am seen as international”

**Role**
- Advise hosting department about visa issues

**Responsibilities**
- Determine type of visa to request (B1/B2, WB, WT or J-1) and issue appropriate document or provide template letter language
- Can connect visitor with students/faculty from home country, help organize volunteers/welcome
Campus Business Services – “I am Moneyholder”

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
- Advise department of approval to begin purchase order & contract
- Process payment to visitor
- Forward tax withholding to appropriate entities, if applicable
Office of the Chancellor/IRS – “Better Bedoingitright”

**Role**
- Oversight/Compliance with Federal, State regulations

**Responsibilities**
- Review/Audit procedures/processes
- Announce changes, require modification to procedures/processes
Team Success Strategies

- Communication among players

- Seeing the common goal to make it happen (moving away from own jargon/requirements to lay terms)

- Being a resource in the process
MSU 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 and determines whether tax withholding is required.

International Visitor Forms and Documents

Forms to be completed by international visitor:
- Visitor Tax Residency Information Form
- W-2/W-2EN (Certificate of Foreign Status of Beneficial Owner for U.S. Tax Withholding)
- DS-2019 Eligibility Certification, if applicable (if J-1/B-1 visa or Visa Waiver)
- 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-Visa)

Other forms an international visitor may want:
- IRS Form W-7 (Application for IRS Individual Taxpayer Identification Number)
MSU sample B letter of invitation

Visa request for University Visitors - Sample Letter

Date

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

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

Dear Sir or Madam:

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

We respectfully request that you consider issuing a B-1/B-2 visitor visa (as applicable, the Visa Waiver Program waiver) 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 honoraria at 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)

Adapted with permission from Boston University's template of 11/11/09
EdwardsCenter, 250 CB, MSU, Mankato MN 56001
MSU Sponsoring Department
Proposal of Estimated Cost (Internal Use)

Sponsoring Department Estimated Costs

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>
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</thead>
<tbody>
<tr>
<td>Airline</td>
<td></td>
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<tr>
<td>Per diem</td>
<td></td>
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<tr>
<td>Hotel</td>
<td></td>
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<tr>
<td>Homestay</td>
<td></td>
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<tr>
<td>Supervised</td>
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<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, compensatory 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 applicable.

The Sponsoring Department of International Visitors must return a copy of this completed form to Business Services and the International Center.
MSU 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
VENDOR TAX RESIDENCY INFORMATION FORM
To be filled in by all vendors other than vendors, including spouses and entertainers.

Note: The following information is required by Internal Revenue Service (IRS) and is on the University of Michigan and Immigration Services (USCIS) Form. These are not legally required to fill out this form. However, if you do not do so, the institution will be unable to determine your eligibility for tax duty benefits and will withhold federal income tax at a rate of 30%. Even if you have a valid U.S. tax identification number, the institution may withhold federal income tax at a rate of 30%. This information will be used by the institution’s business office and finance personnel to determine your tax liability and may be taxable to other government officials as instructed 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 Or Immigration Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Law</th>
<th>Tax Name</th>
<th>Mailing Address</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country of Citizenship</th>
<th>Country of Tax Residence</th>
<th>Date of Original Permit of Entry under Current Visa Type or Immigration Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Immigration &amp; Taxation Documents (copy &amp; original)</th>
<th>Date of Academic Activity</th>
<th>Institution &amp; Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ I.D.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ W-2 box</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Green Card</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Passport</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Academic Activity</th>
<th>Institution - Direct Contact</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
</tr>
</tbody>
</table>

B: WITHHOLDING AGENT INFORMATION

Date: ______________________

Signature: ______________________

Phone Number: (_____)_______

Name (spouse): ______________________

MSU Business Services Office use only: Tax Services Contact Information: Ann Page at 651-642-5007, ann.page@msu.edu, or Steve Gedhalke at 651-642-3016, steve.gedhalke@msu.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.
To Certify Foreign Status

W-8BEN Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Name of beneficial owner in the foreign country</td>
</tr>
<tr>
<td>2.</td>
<td>Certificate of foreign status issued by a competent authority</td>
</tr>
<tr>
<td>3.</td>
<td>Certificate of identification issued by the foreign country</td>
</tr>
<tr>
<td>4.</td>
<td>Description of the foreign status, including a description of the income-producing activity</td>
</tr>
<tr>
<td>5.</td>
<td>Description of the foreign entity's tax identification number</td>
</tr>
</tbody>
</table>

Part II - Claim of Tax Treaty Benefits (if applicable)

1.  | Country of residence of the entity |
2.  | Description of the income-producing activity |
3.  | Description of the foreign status, including a description of the income-producing activity |
4.  | Description of the foreign entity's tax identification number |

Part III - General Principles (if applicable)

11.  | Description of the foreign status and the activity generating the income |

Sign Here: _______________________________
Form 8233 for Individuals Claiming Treaty

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

Part I: Identification of Nonresident Alien (See Instructions)

1. Name of individual who is a treaty benefit recipient (last name)
2. U.S. taxpayer identification number
3. Foreign tax identification number (if applicable)
4. Permanent residence address (country, city, state, and ZIP code)
5. City or town, state or province, if applicable (country, if applicable)
6. Address in the United States (state, city, and ZIP code)

Part II: Claim for Treaty Withholding Exemption (and/or Personal Exemption Amount)

11. Compensation for independent personal services (in U.S. dollars)
12. Compensation for personal services in a treaty country (in U.S. dollars)
13. Treaty country of performance
14. Total compensation earned
15. Total compensation paid (includes compensation paid by the United States)
16. Total compensation paid (includes compensation paid by the United States)

Part III: Certification

I, ____________________________, hereby declare under penalty of perjury that the information on this form is true and correct to the best of my knowledge and belief.

Employer identification number

Part IV: Withholding Agent Acceptance and Certification

Signature of withholding agent

Date

Form 8233 for Individuals Claiming Treaty

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5. City or town, state or province, if applicable (country, if applicable)
6. Address in the United States (state, city, and ZIP code)

Part II: Claim for Treaty Withholding Exemption (and/or Personal Exemption Amount)

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13. Treaty country of performance
14. Total compensation earned
15. Total compensation paid (includes compensation paid by the United States)
16. Total compensation paid (includes compensation paid by the United States)

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I, ____________________________, hereby declare under penalty of perjury that the information on this form is true and correct to the best of my knowledge and belief.

Employer identification number

Part IV: Withholding Agent Acceptance and Certification

Signature of withholding agent

Date
W-7 ITIN Application

![W-7 ITIN Application Form](image)

**Application for IRS Individual Taxpayer Identification Number**

- **Form W-7**
- **Purpose:** Application for Individual Taxpayer Identification Number (ITIN)
- **Use:** By individuals who are not U.S. citizens or permanent residents.

Before you begin:
- Do not submit this form if you have, or are eligible to obtain, a U.S. social security number (SSN).
- Completing a Form W-7 does not change your immigration status or your right to work in the United States and does not make you eligible for the earned income credit.

Reason you are submitting Form W-7: Read the instructions for the box you check. Caution: If you check box b, d, e, f, k, or p, you must file a tax return with Form W-7 unless you meet one of the exceptions (see instructions):

<table>
<thead>
<tr>
<th>Box</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Nonresident alien required to obtain ITIN to claim tax treaty benefits</td>
</tr>
<tr>
<td>b</td>
<td>Nonresident alien who is a U.S. cash cow</td>
</tr>
<tr>
<td>c</td>
<td>U.S. resident alien based on an prior year's status or an individual who is eligible to file a U.S. return and is required to have a taxpayer identification number (see exceptions)</td>
</tr>
<tr>
<td>d</td>
<td>Nonresident alien student, professor, or instructional aid</td>
</tr>
<tr>
<td>e</td>
<td>Nonresident alien who is a U.S. cash cow</td>
</tr>
<tr>
<td>f</td>
<td>Nonresident alien who is a U.S. cash cow</td>
</tr>
<tr>
<td>k</td>
<td>Nonresident alien who is a U.S. cash cow</td>
</tr>
<tr>
<td>p</td>
<td>Nonresident alien who is a U.S. cash cow</td>
</tr>
</tbody>
</table>

Name and address of foreign principal country:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Name</td>
<td>Middle Name</td>
</tr>
<tr>
<td>First Line</td>
<td>Second Line</td>
</tr>
<tr>
<td>State</td>
<td>ZIP Code</td>
</tr>
</tbody>
</table>

Resident alien status:

- If you are a resident alien, you must file a tax return if you are required to have a taxpayer identification number.
- If you are not a resident alien, you may file a tax return if you are required to have a taxpayer identification number.

Other information:

- If you are a resident alien, you must file a tax return if you are required to have a taxpayer identification number.
- If you are not a resident alien, you may file a tax return if you are required to have a taxpayer identification number.

Signature:

- If you are a resident alien, you must file a tax return if you are required to have a taxpayer identification number.
- If you are not a resident alien, you may file a tax return if you are required to have a taxpayer identification number.

Note: If you are a permanent resident or alien, you must file a tax return if you are required to have a taxpayer identification number.

For more information, see page 4.
Other useful forms and publications on this topic:
IRS website:  www.irs.gov
IRS Publication 515, Withholding of Tax on Nonresident Aliens:  
IRS Publication 519, US Tax Guide for Aliens:
Form SS-5, Social Security Number application
http://www.socialsecurity.gov/online/ss-5.pdf
Form W-7, Individual Taxpayer Identification Number application:
Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for U.S. Tax Withholding
Form 1042-S, Foreign Persons U.S. Source Income Subject to Withholding
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, Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual.
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:

- University of Missouri-Columbia [http://cashiers.missouri.edu/nra_non-residents.htm](http://cashiers.missouri.edu/nra_non-residents.htm)
- Minnesota State University, Mankato
  [http://www.mnsu.edu/busoff/purch/](http://www.mnsu.edu/busoff/purch/)
  [http://www.mnsu.edu/iso/faculty/](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](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](http://www.asu.edu/fs/TaxDept/nratax_g.htm)
Applications for other campuses

What can you do? If you wish, adapt Minnesota State University, Mankato model (work in progress) – recommend team approach on own campus.

Questions?