Processing of Payments for Non-Employees

September 26, 2012

Presented by Steven Truong and Oksana Haehn
Today’s Topics

- What is a non-employment payment?
- What is the department’s role?
- Detailed review of types of payments
- What happens next?

= References UCLA Article in blue
Types of Non-employee Payments

• Services Payments
  – Independent Personal Services, Lecture Fee; one-time lecture fee (guest speaker), Consulting Fee, Performance Fee.
  – Non-employee must provide a service as a requirement to receive payment.

• Non-Service Payments
  – Fellowship Payment, Patent, Patient studies, Royalties, Prize/Award.
  – A service is NOT required for reimbursements or payment
**Honorarium** is an award granted in recognition of a special service or distinguished achievement. It is a monetary gift which **DOES NOT** require a service to be “paid”.

**Lecture fee** is a payment for a one time lecture or a series of lectures that occur in a span of two weeks or less.

**Performance fee** is made to an individual or group for professional services not directly related to an academic function.

**Consulting Fee** - a fee to one who gives professional advice or services generally considered an expert in their field.
Awards/Prizes
- **Fellowship/Scholarships** are for the purpose of aiding study, training, or research.
- **Other Awards** are payments for recognition for some special achievement, skill, knowledge, or renown in a certain area or are won from a contest.

Death Payments are payments to a beneficiary upon death of an employee.

Reimbursements are payments to compensate an individual for money spent for a UC business item. This includes travel expense.

Retirement Payments are paid to individuals upon qualified retirement.

Royalties are payments made for the use of property, especially a patent or copyrighted work.
Department’s Duties

- IRS assumes that all payments made for services are to employees.
- Departments are responsible for properly classifying individual’s relationship with UCLA.
- Departments are required to apply guidelines from Business and Finance Bulletin 77 in order to make a correct determination
- Senate Bill 1467 (1000289)
Guidelines to assist departments in classifying individual’s status as it relates to employment. Also, has an independent pre-hire worksheet.

It is assumed that a Departments is applying the principals of Bus. 77 every time a non-employment payment is made. Payments over $5,000.00 must have a completed independent pre-hire worksheet attached.

Web site: www.ucop.edu/ucophome/policies/bfb/
Department’s Duties

- Determine the relationship between the individual & UCLA
- Determine appropriate type of payment and the correct system to request a payment from
  - Payroll – PPS
  - Travel – Express
  - Accounts Payable – Bruin Buy
  - Student Payments - BAR
- Determine where the services are being performed
- Determine the visa status
- Determine the non-citizen's eligibility to receive a payment from UCLA
- Determine tax residency of the individual and request a GLACIER Record and supporting documents.
- Correctly process request for payment.
# Systems That Issue Payments

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Personnel/Payroll System (PPS)</th>
<th>Accounts Payable System (BruinBuy)</th>
<th>Student Billing System (BAR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>Wages/Payment</td>
<td>Reimbursements</td>
<td>If a registered student</td>
</tr>
<tr>
<td>Student</td>
<td>If Employed</td>
<td>Reimbursements</td>
<td>Fellowship/Scholarship Awards</td>
</tr>
<tr>
<td>Visitor</td>
<td>No payment allowed</td>
<td>• Reimbursements</td>
<td>If post-doc</td>
</tr>
<tr>
<td>• Non-employee</td>
<td></td>
<td>• Payment for services</td>
<td>• Fellowship/Awards</td>
</tr>
<tr>
<td>• Non-student</td>
<td></td>
<td>• Fellowship (non UCLA Student)</td>
<td></td>
</tr>
</tbody>
</table>

Departments are responsible for ensuring that all U.S. immigration regulations have been applied in determining payment eligibility to non-U.S citizens.

Information can be found at:
http://map.ais.ucla.edu/go/payroll-services (1004328), Charts and Calendar Section

Alien Reference Charts:
• Immigration Classifications Chart
• Employment Authorization Document (EAD) Coding Information Chart
• US Permanent Resident & Refugee Coding Information Chart
Departments are responsible for ensuring that all UC policies governing non-employment payments have been met.

**Accounting Manual Chapters**
- **D371-12.1** Disbursements - Accounting for and Taxation of
- **D371-25** Honorarium (note: not up to date)
- **D371-35** Death payments
- **D371-77** Taxing of Non-residents of CA for non-employment type payments

**Business and Finance Bulletins**
- **BFB G-13** Moving and Relocation Expenses
- **BFB G-28** Travel Policies
- **BFB G-43** University Membership in Organizations
Review of Each Type of Payment

• Independent Personal Service
• Travel Reimbursements
• Fellowship/Scholarship Awards
• Other
  – Death payments
  – Retirement payments
  – Royalties
Independent Personal Services
work/service performed by an individual who is not an employee

☑️ You have determined that the relationship with UCLA is non-employment and completed a Independent Contractor Pre-Hire Worksheet
Decide the appropriate type of payment and which system can process the type of payment

Determine where the services are being performed (Sourcing)
Independent Personal Services payments are sourced where the services are performed

**Foreign Sourced**
- **Federal:** Amounts paid to a nonresident for services performed out of U.S. are “foreign sourced”. They are not subject to taxation or reporting.
- **California:** Amounts paid to a nonresident of CA for services performed out of CA are “foreign sourced”.

**U.S. Sourced**
- **Federal:** Amounts paid to a nonresident for services performed in the US are U.S. sourced and subject to taxation.
- **California:** Amounts paid to a nonresident of CA for services performed in CA are “California sourced”.

Please note that an independent contractor is paid for his TOTAL WORK (which includes the preparation).
Decide what visa status the individual should have based on the type of payment.

<table>
<thead>
<tr>
<th>Visa Statuses Authorized To Receive Payments</th>
<th>Visa Statuses NOT Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A-1</strong> with EAD</td>
<td>No status obtained***</td>
</tr>
<tr>
<td><strong>B-1</strong>, <strong>B2</strong></td>
<td>F F1 and F2 (Dependent of an F1)</td>
</tr>
<tr>
<td><strong>J-1</strong>, <strong>J-2</strong> with EAD</td>
<td>J J-1 Student</td>
</tr>
<tr>
<td><strong>K-1</strong>, <strong>K-2</strong> with EAD</td>
<td><strong>H</strong> All H-1, H-2, H-3, H4</td>
</tr>
<tr>
<td><strong>O-1</strong>, <strong>O-2</strong> (UCLA sponsored)</td>
<td><strong>M1</strong> Vocation student</td>
</tr>
<tr>
<td><strong>P-1</strong>, <strong>P-2</strong>, <strong>P-3</strong> (UCLA sponsored)</td>
<td><strong>O-3</strong> Dependent of an O1 or O2</td>
</tr>
<tr>
<td><strong>U.S. Perm Resident</strong></td>
<td><strong>P-4</strong> Dependent of an P-1/P-2/P-3</td>
</tr>
<tr>
<td>Refugee/Approved Asylum</td>
<td><strong>TN</strong> From Canada or Mexico</td>
</tr>
<tr>
<td><strong>WB</strong>, <strong>WT</strong></td>
<td><strong>TD</strong> Dependent of a TN</td>
</tr>
<tr>
<td><strong>V1</strong>, <strong>V2</strong>, <strong>V3</strong> with EAD</td>
<td><strong>??</strong> Status not sponsored by UCLA</td>
</tr>
</tbody>
</table>

* Authorization to receive payment is restricted to rules of the American Competitiveness and Workforce Act
** Will require additional documentation if not UCLA sponsored

Special consideration for individuals from Canada
Honoraria/Service Payment – B-1, B-2, WB, WT

- Service must be for usual academic activity (most often lecture/speaking/presentation fee)
  - Service can not exceed 9 days at a single institution
  - Can receive payment from 5 institutions in the course of 6 months

- NOTE: Consulting is not considered an academic activity by USCIS.
Determine the visa status and tax residency of the individual

Since Independent Personal Services payments are considered taxable, residency for tax purposes must be determined

- For Federal residency: Apply one of the I.R.S. residency test (green card or substantial presence)

- For California residency: Determine if the individual is in CA for more than a temporary or transitory period

Review!

FORM 590
A Taxpayer identification number, TIN, is required to make a payment and apply for tax treaty exemption.

- The TIN can be either a Social Security number, SSN, or an ITIN.
- A visitor can apply for an ITIN with UCLA’s acceptance agent.
- If the individual does not have an ITIN or cannot obtain an ITIN from UCLA, a request for exception to policy must be emailed to Sandy Sabeti: ssabeti@finance.ucla.edu.
- EIN – Foreign Entity
Request a GLACIER Record

What is GLACIER?

- A secured web based NRA tax compliance system
- Can be accessed worldwide 24 hours a day
- GLACIER determines
  - Tax Residency
  - Withholding Rates
  - Income Tax Treaty Eligibility
Request a GLACIER Record

- Electronically Submit “Initial GLACIER Information Form” to Payroll Services (1002770)

- If visitor doesn’t have U.S. Taxpayer Identification Number, schedule ITIN appointment with UCLA Tax Services
To begin the process for a foreign individual, complete the following online form:

- Complete the name, email address, UID, and department contact information.
- Choose all the Relationships with UCLA that apply to this individual.
- Select the corresponding Relationship Type, Payment Frequency, and Income Type.
- Click on the Submit Button after reviewing the information. An email confirmation will be sent.
- Foreign individuals should be made aware that an email from Support ALFRD, an Online Tax Compliance System, may be received.

For more information on GLACIER, please refer to the following pages:
- Initial GLACIER Information Form Instructions: [http://map.ucla.edu](http://map.ucla.edu)
- GLACIER: Online Nonresident Alien Tax Compliance System: [http://map.ucla.edu](http://map.ucla.edu)

**Department Instructions:**

- **Scholarship/Fellowship**
  - UCLA Student
  - Postdoctoral Scholar/Visiting Scholar
  - All Others
- **Income Type (select one):**
  - Scholarships/Fellowships: Award
  - Scholarships/Fellowships: Taxable Post Doc Benefits
  - Scholarships/Fellowships: Other
- **Relationship Type (select one):**
  - Guest Speaker
  - Artist/Performer/Athlete
  - Consultant/All Others
- **Income Type (select one):**
  - Consulting Fee/Payment
  - Consulting Fee/Artistic Performance Fee
  - Other Non-Employee Service Payment

- **Artist/Performer (non-employee)**
- **Income Type (select one):**
  - Performance Fee

- **Royalty Recipient**
- **Income Type (select one):**
  - Industrial Royalty
  - Copyright Royalty

- **Non-Employee/Others**
- **Relationship Type (select one):**
  - Prize or Award Recipient
  - All Others
- **Income Type (select one):**
  - Prize/Award/Payment
  - Other Payment
  - No Payment
All information entered into the GLACIER system is summarized on this report.

Key information includes:

1. Residency for Tax Purposes
2. Tax Treaty Eligibility
3. Required Forms & Documents
Review of Tax Treaty Option

1. A Tax Treaty must exist between the US and resident country of visitor.
2. Visitor must be a nonresident of US* unless otherwise allowed by tax treaty.
3. Primary purpose of visit and actual job must meet the tax treaty.
4. Time and $$$ constraints must be met.
5. Individual must have a tax payer ID# - **SSN** or **ITIN**
6. Must complete appropriate paper work.
## Independent Personal Service - Income Code 16 (1004302)

This table indicates the independent personal services articles of tax treaties between the U.S. and each country listed.

Refer to IRS Publication 901 for more information.

### Tax Treaty Eligibility Table by Country - Independent Personal Services (Income Code 16)

<table>
<thead>
<tr>
<th>Country</th>
<th>Code</th>
<th>Maximum Presence in U.S.</th>
<th>Common Amount of Payment</th>
<th>Tax Treaty Art</th>
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<tr>
<td>Australia</td>
<td>AE</td>
<td>183 days</td>
<td>No limit</td>
<td>14</td>
</tr>
<tr>
<td>Austria</td>
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<td>No limit</td>
<td>No limit</td>
<td>14</td>
</tr>
<tr>
<td>Bangladesh</td>
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</tr>
<tr>
<td>Barbados</td>
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<td>14</td>
</tr>
<tr>
<td>Belgium</td>
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<td>No limit</td>
<td>7*</td>
</tr>
<tr>
<td>Bulgaria</td>
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<td>No limit</td>
<td>No limit</td>
<td>7*</td>
</tr>
<tr>
<td>Canada</td>
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<td>No limit</td>
<td>US*</td>
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<td>China</td>
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<td>No limit</td>
<td>13</td>
</tr>
<tr>
<td>Commonwealth*</td>
<td>SEE BELOW</td>
<td>183 days</td>
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<td>VI (2)</td>
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<td>17</td>
</tr>
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<td>Czech Republic</td>
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<td>14</td>
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<td>No limit</td>
<td>14</td>
</tr>
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<td>No limit</td>
<td>15</td>
</tr>
<tr>
<td>Estonia</td>
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<td>14</td>
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<td>No limit</td>
<td>14</td>
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<td>France</td>
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<tr>
<td>Germany</td>
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<td>7*</td>
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<td>No limit</td>
<td>7*</td>
</tr>
<tr>
<td>India</td>
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<td>Indonesia</td>
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<td>Ireland</td>
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<td>14</td>
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<tr>
<td>Israel</td>
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<td>No limit</td>
<td>15</td>
</tr>
<tr>
<td>Italy</td>
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<td>14</td>
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<tr>
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<tr>
<td>Japan</td>
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<td>No limit</td>
<td>7*</td>
</tr>
<tr>
<td>Kazakhstan</td>
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<td>No limit</td>
<td>14</td>
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<tr>
<td>Korea, Rep. of</td>
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<td>182 days</td>
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<tr>
<td>Latvia</td>
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<td>14</td>
</tr>
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<td>No limit</td>
<td>14</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>LU</td>
<td>No limit</td>
<td>No limit</td>
<td>15</td>
</tr>
<tr>
<td>Mexico</td>
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<td>14</td>
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<tr>
<td>Morocco</td>
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<td>Netherlands</td>
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<td>No limit</td>
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<tr>
<td>Norway</td>
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<td>182 days</td>
<td>No limit</td>
<td>13</td>
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<td>15</td>
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<tr>
<td>Romania</td>
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<td>182 days</td>
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<td>14</td>
</tr>
<tr>
<td>Russia</td>
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<td>183 days</td>
<td>No limit</td>
<td>13</td>
</tr>
<tr>
<td>Slovak Republic</td>
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<td>No limit</td>
<td>14</td>
</tr>
<tr>
<td>Slovenia</td>
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<td>No limit</td>
<td>No limit</td>
<td>14</td>
</tr>
<tr>
<td>South Africa</td>
<td>ZA</td>
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<td>14</td>
</tr>
<tr>
<td>Spain</td>
<td>ES</td>
<td>No limit</td>
<td>No limit</td>
<td>15</td>
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<td>Sri Lanka</td>
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<tr>
<td>Sweden</td>
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<td>No limit</td>
<td>14</td>
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<td>No limit</td>
<td>14</td>
</tr>
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<td>Thailand</td>
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<td>90 days</td>
<td>$10,000.00</td>
<td>15</td>
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<tr>
<td>Trinidad and Tobago</td>
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<td>Tunisia</td>
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<tr>
<td>Ukraine</td>
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<tr>
<td>United Kingdom</td>
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<td>No limit</td>
<td>No limit</td>
<td>7*</td>
</tr>
<tr>
<td>Venezuela</td>
<td>VE</td>
<td>No limit</td>
<td>No limit</td>
<td>14</td>
</tr>
</tbody>
</table>

*Commonwealth: Aruba, Antilles(AN), Aruban(AU), Asia(AS), Austria(AO), Australia(AU), Belgium(BE), Bulgaria(BG), Canada(CA), Chile(CH), Colombia(CO), Costa Rica(CR), Denmark(DK), Dominican Republic(DR), Egypt(EG), Finland(FI), France(FR), Germany(GE), Greece(GR), Haiti(HA), Hungary(HU), Iceland(IE), India(IN), Indonesia(IN), Ireland(IR), Israel(IL), Italy(IT), Japan(JP), Kazakhstan(KZ), Korea, Rep. of(KR), Latvia(LV), Lithuania(LT), Luxembourg(LU), Mexico(MX), Morocco(MO), Netherlands(NL), New Zealand(NZ), Norway(NO), Philippines(PH), Poland(PL), Portugal(PT), Romania(RO), Russia(RU), Rwanda(RW), Saudi Arabia(SA), South Africa(SA), Sri Lanka(LK), Sweden(SW), Switzerland(SZ), Thailand(TH), Trinidad and Tobago(TD), Tunisia(TN), Turkey(TU), Ukraine(UA), United Kingdom(UK), Uruguay(UY), United States(US), Venezuela(VA), Yemen(YE)

* Belgium, Bulgaria, Canada, Germany, Iceland, Japan and US are Business Profit articles.
**Tax Treaty Example 8233 Form**

This is a completed 8233 form for the tax treaty example. This form is generated through GLACIER in cases where a tax treaty exemption may be applicable.

### 8233 Form

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

[Form Instructions]

<table>
<thead>
<tr>
<th>Who Should Use This Form?</th>
</tr>
</thead>
<tbody>
<tr>
<td>IF you are a nonresident alien individual who is receiving...</td>
</tr>
<tr>
<td>Compensation for independent personal services performed in the United States</td>
</tr>
<tr>
<td>Compensation for dependent personal services performed in the United States</td>
</tr>
<tr>
<td>Noncompensatory scholarship or fellowship income and personal services income from the same withholding agent</td>
</tr>
</tbody>
</table>

**DO NOT Use This Form...**

IF you are a beneficial owner who is... INSTEAD, use...

- Receiving compensation for dependent personal services performed in the United States and you are not claiming a tax treaty withholding exemption for that compensation
- Receiving noncompensatory scholarship or fellowship income and you are not receiving any personal services income from the same withholding agent
- Claiming only foreign status or treaty benefits with respect to income that is not compensation for personal services

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**Identification of Beneficial Owner (See Instructions):**

1. Name of individual who is the beneficial owner: Pierre Payroll
2. U.S. taxpayer identification number or foreign tax identification number, if any: 11111111
3. Foreign tax identification number, if any: FRANCE
4. Permanent residence address (street, apt., or station, or rural route): 1 Rue de Merlot, Paris, F-7503
5. City of birth: Paris, FRANCE
6. State of birth: Country where the beneficial owner has a permanent or principal place of business: France

---

**From Visa**

- This may be a SS# or ITIN

**From I-94**

---

[Form Instructions]
W-8 BEN for Non-Service Payments
For Royalties and Entities
From GLACIER when applicable

Part I Identification of Beneficial Owner (See instructions.)

1. Name of individual or organization that is the beneficial owner

Pierre Payall

2. Country of incorporation or organization

France

3. Type of beneficial owner:

☑ Individual

☐ Corporation

☐ Disregarded entity

☐ Partnership

☐ Simple trust

☐ Grantor trust

☐ Complex trust

☐ Estate

☐ Government

☐ International organization

☐ Central bank of issue

☐ Tax-exempt organization

☐ Private foundation

4. Permanent residence address (street, opt. suite no., or rural route). Do not use a P.O. box or in-care-of address.

1 Rue de Meric

5. City or town, state or province. Include postal code where appropriate.

Paris, F-7590

6. Mailing address (if different from above)

104 Sanetoe Blvd., #500

7. City or town, state or province. Include postal code where appropriate.

Los Angeles, CA 90025

8. U.S. taxpayer identification number, if required (see instructions)

15111111111

☐ SSN or ITIN

☐ EIN

9. Foreign tax identifying number, if any (optional)

10. Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

I certify that the following will also apply:

☑ The beneficial owner is a resident of France, within the meaning of the income tax treaty between the United States and that country.

☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

☐ The beneficial owner is a resident of France, within the meaning of the income tax treaty between the United States and that country.

☐ The beneficial owner is a resident of France, within the meaning of the income tax treaty between the United States and that country.

☐ Special rates and conditions (if applicable—see instructions): The beneficial owner is claiming the provisions of Article 21... of the treaty identified on line 9a above to claim a ___% rate of withholding on (specify type of income): Scholarship or Fellowship

Explain the reasons the beneficial owner meets the terms of the treaty article:

Part III Notional Principal Contracts

I have provided or will provide a statement that identifies those notional principal contracts from which the income is not effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Signature of beneficial owner (or individual authorized to sign for beneficial owner)

Date (MM-DD-YYYY)

Capacity in which acting

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 250472

Form W-8 BEN (Rev. 2-2006)
After receiving confirmation from Payroll Services that all forms and documents have been received and are correct:

Process BruinBuy Order according to Accounts Payable guidelines with the following additional guidelines:

• Note in BruinBuy comments that “GLACIER forms and documents have been submitted to Payroll Services.

• add Steven Truong and Michael Sattin as reviewers on the BruinBuy order.

• Enter “I” in the DOC TO AP field on your BruinBuy order.
Taxation
WITHHOLDING IMPLICATIONS

Federal:

Withholding
- 30% - all payments not covered under a tax treaty
- 0% - payments covered under a tax treaty

Year End Statement
- 1042S

Year End Reporting
- 1040NR or 1040NR EZ Return

State:

Withholding
- 7% - any payment greater than $1500 or when the total year-to-date payments are greater than $1500.
- 0% - payments equal to or less than $1500

Year End Statement – If payment is greater than $1500 per year
- 592B

Year End Reporting
- 540NR Return
<table>
<thead>
<tr>
<th>Payment Type</th>
<th>Scope of Activity</th>
<th>Foreign Sourced Income Statement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Payment</td>
<td>One form is needed for the time period of employment. It is the responsibility of the department to make sure that the employee does not enter the U.S. for the duration of employment (i.e. meetings, seminars, etc.)</td>
<td>Form needed only once for the time of employment indicated on the form</td>
</tr>
</tbody>
</table>
| Independent Contractor Payment | 1-time payment. Each payment needs to be reviewed for its merits. Most often an independent contract payment is *one time only*. Continued payment on a regular basis may be employment. Go to the “Business and Finance Bulletin 77” to determine if you are making a correct determination. The central offices assume that the department fills out this bulletin for each independent contractor payment requested.  
http://www.ucop.edu/ucophome/policies/bfb/bus77.html | Form needed each time payment is made              |
| Purchasing Contract       | If you have a purchasing contract then the “Foreign Sourced Income Statement” may be used to blanket the time period of the contract.                                                                                                                                                | One form needed for the length of contract        |
TRAVEL REIMBURSEMENT
Department’s Duties

- Determine if expense can be reimbursed
- Determine the visa status of the individual
- Determine if the visa status is eligibility to receive reimbursement
- Collect and know how to review the appropriate documents
- Process the request through the correct system
Determine if expense can be reimbursed

It is assumed that a Department is applying the UC Guidelines as shown in Business and Finance Bulletins G-28 (Travel) and G-13 (Relocation) every time a travel reimbursement or relocation expense is requested.

Web site: www.ucop.edu/ucophome/policies/bfb
www.travel.ucla.edu
Generally, the following are not required when reimbursing travel expenses to a nonresident alien:

- Sourcing the Payment
- Determining residency for tax purposes
- Taxpayer ID
- Tax Withholding

The payment is not subject to tax withholding or reporting: ACCOUNTABLE PLAN
Typical type of Reimbursement

(10044400)

- **Travel Expense**
- **Relocation Expense**
  - Recruitment- Travel (tax free)
    - Prior to job offer
  - House hunting – all reimbursed through payroll (taxable)
  - Moving of household goods – Travel (tax free)
  - Travel to new job – all reimbursed through travel
    - Transportation cost – Travel (not taxable)
    - Lodging – Travel (not taxable)
    - Meals – all reimbursed through payroll (taxable)
- **Visa Fees**
  - If the visa is for a business purposes then the fee is paid through Accounts Payable. (this is normally alpha type visas)
  - Permanent Resident - Must be a critical part to department*.
- **Temporary Housing**
- **Direct Billing/Recharging**

IRS Code: Sec. 162 “Trade or Business Expenses”
Payments are allowed to the following visa types for Reimbursements:

<table>
<thead>
<tr>
<th>Visa Statuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-1**</td>
</tr>
<tr>
<td>B-1*, B2*</td>
</tr>
<tr>
<td>F1</td>
</tr>
<tr>
<td>H-1, H-2, H-3</td>
</tr>
<tr>
<td>J-1*, J-2 with EAD</td>
</tr>
<tr>
<td>K-1, K-2 with EAD</td>
</tr>
<tr>
<td>O-1, O-2 (UCLA sponsored)</td>
</tr>
<tr>
<td>P-1, P-2, P-3 (UCLA sponsored)</td>
</tr>
<tr>
<td>U.S. Permanent Resident/Refugee/Asylee</td>
</tr>
<tr>
<td>TN</td>
</tr>
<tr>
<td>WB*, WT*</td>
</tr>
<tr>
<td>V1, V2, V3 with EAD</td>
</tr>
</tbody>
</table>

*Authorization to receive payment is further restricted by the rules of the American Competitiveness and Workforce Act.

**Must show all receipts per immigration rules of A-1 visa status.
☑️ Determine if the visa status is eligibility to receive reimbursement

Departments are responsible for ensuring that all USCIS regulations have been applied in determining payment eligibility to non-U.S citizens.
**NOT Eligible for Reimbursement**

Foreign nationals possessing an immigration visa or status of one of the following types may **NOT** receive any payment while in the United States. This includes reimbursement for travel and subsistence payments:

<table>
<thead>
<tr>
<th>Visa Statuses NOT Authorized</th>
</tr>
</thead>
<tbody>
<tr>
<td>No status obtained**</td>
</tr>
<tr>
<td>F-2  Dependent of an F1</td>
</tr>
<tr>
<td>H4    Dependent of H1</td>
</tr>
<tr>
<td>O-3   Dependent of an O1 or O2</td>
</tr>
<tr>
<td>P-4   Dependent of an P-1/P-2/P-3</td>
</tr>
<tr>
<td>TD    Dependent of a TN</td>
</tr>
</tbody>
</table>
Exceptions:

- Individuals from Canada who enter the United States without a visa or I-94. They are deemed to have an implied B-1 visa. They can be reimbursed:
  1. If their purposes for being at UCLA is for recruitment of employment and this is indicated on the Travel Voucher.
  2. If they have proof of residence in Canada.

- Also, prospective students who enter the country on a B-2 are allowed reimbursement for travel expenses if this is designated on their entry documentation.
Collect and know how to review the appropriate documents

<table>
<thead>
<tr>
<th>Travel Voucher or EXPRESS Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>If only receiving a reimbursement for travel expenses: Submit a Declaration of Immigration Status by Non-U.S. Citizens</td>
</tr>
</tbody>
</table>
Declaration of Immigration Status Form

UCLA Travel Center
Declaration of Immigration Status by Non-U.S. Citizens

Traveler Instructions
To comply with the U.S. immigration laws, UCLA requires the following Traveler's information (i.e., Items A-E below) to be provided by all Non-U.S. Citizen Travelers (Travelers) prior to receiving travel reimbursements or benefits (e.g., when UCLA directly pays travel-related hotel or airborne expenses on your behalf) from UCLA. Please complete the below information and return to the UCLA representative who requested this information.

A. Indicate your current U.S. Immigration Status (or your expected U.S. Immigration Status if you haven't yet entered the U.S.) Note: Canadian Residents entering the U.S. without U.S. Immigration Documentation have an "Implied B-1" Immigration Status.

☐ No U.S. Immigration Status obtained
☐ F-2
☐ H-1B
☐ O-3
☐ P-4

B. Indicate the type of immigration documentation you have to support your current or expected U.S. Immigration Status and attach a copy of that documentation to this form:

☐ Green Card
☐ I-94 Form
☐ Proof of Canadian Residency – only for Canadians with "Implied B-1" status in Item A above
☐ Other: Describe

C. Indicate your "primary" relationship to the University in connection with this travel:
(Check one)

☐ Employee
☐ Independent Contractor (e.g., non-employee guest speaker or lecturer, honoraria recipient)
☐ Non-Employee (e.g., student, fellow or researcher): Describe relationship below

D. If you checked Non-Employee in Item C above, please indicate the "primary" purpose of your travel: (Check one)

☐ Travel "primarily" supported my individual educational or research goals; or
☐ Travel "primarily" benefited the University: Describe benefit to University:

E. Complete this item only if you have (or expect to have) a B-2 or WT immigration status (Check one choice for both Items 1 and 2 and list dates in Item 1)

1. The period of my academic activity at UCLA [☐ will or ☐ won't] be 9 days or less
☐ List dates - From: __________________ To: __________________

2. I [☐ have or ☐ have not] been reimbursed for reasonable travel and incidental expenses incurred in connection with a usual academic activity from more than 5 educational institutions in the previous six-month period.

TRAVELER'S SIGNATURE _____________________________ DATE _____________________________
TRAVELER'S PRINTED NAME _____________________________

For Direct Bill Airfare, please fax this page to (310) 794-2703.
For Travel Reimbursement, please return this page to department.
Fellowships
Scholarships
Grants
Department’s Duties

- Determine the relationship between the individual & UCLA
- Determine appropriate type of payment and the correct system to request a payment from
- Determine where the activity is taking place
- Determine the visa status and tax residency of the individual
- Determine the non-citizen's eligibility to receive a payment from UCLA
- Collect and review appropriate documentation
- Correctly process request for payment
Determining US Tax Residency

Federal (US) tax residency is determined by using GLACIER
Definitions (UCLA Students)

**Fee Remissions**: a portion of mandatory registration fees that may be paid by a University department.

**Fellowship**: an amount paid or allowed to, or for the benefit of, an individual to aid him in the pursuit of study or research.

**Financial Aid**: financial assistance given to students. This may be in the form of grants or loans.

**Scholarship**: an amount paid or allowed to, or for the benefit of, a student, whether an undergraduate or graduate, to aid such individual in pursuing his studies.
## Procedure to Pay Funds to Students

### FELLOWSHIP/SCHOLARSHIP

<table>
<thead>
<tr>
<th>Departmental Funds</th>
<th>Graduate Division Funds</th>
<th>Non-UCLA Administered</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Complete a Form 10 designating recipient and note that the individual is a foreign national</td>
<td>✓ Complete an Award Nomination Form designating recipient.</td>
<td>✓ Non-UCLA Administered</td>
</tr>
<tr>
<td>✓ Forward to Graduate Division</td>
<td>✓ Forward to Graduate Division</td>
<td>BruinBuy</td>
</tr>
</tbody>
</table>

### Fee Remissions

Departments need to complete and submit the remission roster. Amount of remissions will be charged on the PPP5302.
DEPARTMENT’S WORKFLOW

Fellowship/Scholarship

- Determines if recipient is eligible to receive funding (see Visa Status Eligibility Chart)
- Determines purpose of award
- Offers Scholarship/Fellowship funding to Undergrad, Graduate, Postdoctoral or Visiting Scholar

Completes one of the following forms

Financial Aid Award Transmittal (FAAT)
Undergraduate Students

Fellowship Award Transmittal (Form 10)
Graduate, Postdoctoral or Visiting Scholars

Allocation Form
Graduate Students

If payment is for:
- FEE AWARDS, Code 117
- NON RESIDENT TUITION AWARDS

GSS/FAO
- Review award forms
- Process payment

PAYROLL SERVICES
- Set up GLACIER
- Review completed tax documentation
- Code 436 Tax Criteria Screen in BAR

GLACIER Tax Record is Required
Provide awardee with “Initial GLACIER Information Form”
Submit Initial GLACIER Online Entry form to Payroll

Determines if GLACIER Tax Record will be required

Send completed award forms to:
- FAAT
  A215 Murphy Hall MC 143501
- Award Transmittal or Allocation Form
  1228 Murphy Hall MC 14401

If Permanent Resident, Asylee, or Refugee will be required to complete W-9 form
- GD/FA will collect this information from awardee

NO GLACIER
“Initial GLACIER Online Entry Form”

Initial GLACIER® Online Entry Form

Department Instructions: To begin the process for a foreign individual, complete the following online form.

- Complete the name, email address, UID and department contact information.
- Choose all the relationships with UCLA that apply to this individual.
- Select the corresponding relationship type, pay frequency, and income type.
- Click on the submit button after reviewing the information. An email notification will be sent.
- For more information on GLACIER, please refer to the following portal:
  - Initial GLACIER Information Form Instructions: [http://map.ucla.edu](http://map.ucla.edu)
  - GLACIER: Online Nonresident Alien Tax Compliance System: [http://map.ucla.edu](http://map.ucla.edu)

Name: [ ] Lisa
Email Address: [ ]
UID: [ ]
Department Contact: [ ]

Relationship with UCLA:
(choosing all that apply)
[ ] Employee

Scholarship/Fellowship
Relationship Type (select one):
- UCLA Student
- Post Doctoral Scholar/Visiting Scholar
- All Others

Independent Contractor
Relationship Type (select one):
- Guest Speaker
- Artist/Performer/Athlete
- Consultant/All Others

Income Type (select one):
- Consulting Fee/Artistic Performance Fee
- Other Non-Employee Service Payment

Artist/Performer (non-employee)
Income Type (select one):
- Performance Fee

Royalty Recipient
Income Type (select one):
- Industrial Royalty
- Copyright Royalty

Non-Employee/Others
Relationship Type (select one):
- Prize or Award Recipient
- All Others

Income Type (select one):
- Prize/Award/Payment
- Other Payment
- No Payment

[Submit] [Clear Form]
### Tax Treatment of Fellowship/Scholarship Payments to Nonresidents for Tax Purposes

#### Components of Award

<table>
<thead>
<tr>
<th>Fellowship/Scholarship Payments</th>
<th>Degree Candidate</th>
<th>Non-Degree Candidate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Compensation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requires a service</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Qualified</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books, tuition, and required fees</td>
<td>W2 or 1042S*</td>
<td>W2 or 1042S*</td>
</tr>
<tr>
<td><strong>UN-qualified</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room and Board</td>
<td>1042S</td>
<td>1042S</td>
</tr>
<tr>
<td>Travel (for student benefit)</td>
<td>1042S</td>
<td>1042S</td>
</tr>
<tr>
<td>Equipment -optional</td>
<td>1042S</td>
<td>1042S</td>
</tr>
</tbody>
</table>

*if Tax Treaty

Trainees /Professional Development

- Taxable
  - N/A
  - 1042S
  - 1042S
  - 1042S

Undergraduates

- W2 or 1042S*

Post Docs

- W2 or 1042S*
### Fellowship/Scholarship - This table is for students who receive fellowship/scholarship awards.

### Graduate Student Support is the campus office that determines eligibility.
Consequences of Residency Status on Fellowship Tax Withholding and Reporting

**Nonresidents**
- US nonresidents have all of their fellowship income reported to the IRS and generally have federal taxes withheld on the taxable portion of their fellowship.

**Residents**
- US residents do not have any of their fellowship income reported, nor do they have federal taxes withheld on this income.
- California residents do not have any of their fellowship income reported, nor do they have California State taxes withheld on this income.
0% - Payments to students who are eligible for tax treaty exemption

14% - Payments to individuals with an F1 or J1 visa status

30% - Payments to individuals with a status other than F1 or J1
You are now an expert in processing payments to NRA’s who receive non-payroll payments.