



The
UNIVERSITY
of **VERMONT**

Policy V. 4.3.12.1

Responsible Official: Vice President
for Finance and Administration

Effective Date: November 9th, 2006

Nonresident Aliens – Payments to

Policy Statement

In order to comply with the complex tax reporting and withholding requirements under U.S. tax laws University employees must follow procedures outlined in the University's [Payments made to Nonresident Aliens Policy and Procedures Manual](#) that was developed with the aid of KPMG LLC Nonresident Alien Tax Compliance consulting practice.

Reason for the Policy

The Internal Revenue Service (IRS) and other government agencies assess institutions with significant penalties for failure to properly classify, pay and withhold taxes on non resident aliens. The University must follow specific regulations pertaining to payments to non resident aliens and demonstrate compliance with the regulations through utilization of a defined and documented procedure in order to reduce the significant financial and political risk associated with non compliance.

Strategic Direction

This policy supports the following goal in the University's [Strategic Plan](#):

- Focus the human, fiscal, environmental, technological and physical resources of the University on institutional values and priorities.

Applicability of the Policy

This policy applies to all members of the University of Vermont community who engage individuals to perform services for the University, authorize expenditures related to such services, or process payment transactions.

Policy Elaboration

See [Policy and Procedures Manual](#)

Definitions

See [Policy and Procedures Manual](#)

Procedures

See [Policy and Procedures Manual](#)

Guidelines for Payments of Honoraria and Expense Reimbursements to Foreign Visitors

Forms

Blank copies of all applicable forms are available at the back of the policy and procedures manual. Instructions, as well as “sample-completed” forms, are included within the manual.

Contacts

Questions related to the daily operational interpretation of this policy should be directed to:

Assistant Controller Tax and Treasury Services
656-0674
(regarding the IRS Form SS-8)

The Vice President for Finance and Administration is the official responsible for the interpretation and administration of this policy

Related Documents / Policies

[Employee vs. Independent Contractor](#)

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Approved by the President on November 9, 2006