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.

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
(http://www.uvm.edu/policies/acct/relateddocs/nonresmn.htm)
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
(802) 656-0674
(regarding the IRS Form SS-8)

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

Related Documents / Policies

Employee vs. Independent Contractor
http://www.uvm.edu/~uvmppg/ppg/acct/indcontract.pdf

Effective Date

Approved by the President on November 9, 2006