

PAYMENTS TO DISTINGUISHED GUEST SPEAKERS

Under specific circumstances, units may independently contract for non-traditional instructional services which are viewed by the Internal Revenue Service as legitimate non-wage payments. Non-wage payments for U.S. citizens and lawful permanent residents may be routed through the university's accounts payable system without mandatory income tax withholdings. Non-wage payments to foreign nationals (non-resident aliens) are subject to mandatory tax withholdings and must be processed through the university's payroll system.

Non-wage payments may be processed through the university's accounts payable system under the following conditions:

- Compensation is made to a U.S. citizen or a lawful permanent resident, i.e., anyone other than a foreign national.
- Documentation (Request for Disbursement Form) will indicate the individual is being compensated as a "distinguished guest speaker". The terms "visiting", "professor", "instructor", "scholar", or any other titles presently used throughout the payroll system will not be used.
- Documentation will also include a signed and dated Form W-9, Request for Taxpayer Identification Number and Certification.
- The actual payment will be described as a "fee" in all documentation. The term "honorarium" will not be used.
- Compensation must be established as a single payment.
- Services are non-recurring and the period in which services are provided should be six (6) weeks or less. Services provided over a longer period of time are assumed recurring and must be compensated through the payroll system.
- The letter of invitation to the guest speaker should include language similar to "You will receive a fee of X dollars. According to IRS regulations, the university must report these fees on a Form 1099-MISC at the end of the calendar year. There will be no taxes withheld on this payment. Please consult a tax advisor to determine the proper tax treatment."

Non-wage payments must be processed through the university's payroll system under any of the following conditions:

- Compensation is made to a foreign national (non-resident alien).
- Payment is established in multiple, recurring installments.
- Period in which services are provided is greater than six (6) weeks.
- Foreign national "distinguished guest speakers" must possess a visa which permits employment. Federal income tax withholdings are required in all instances unless the guest speaker is eligible for an income tax treaty exemption. Individuals holding a "J", "M", or "Q" visa are subject to 14% federal tax withholdings. All other foreign nationals are subject to 30% federal tax withholdings. State income tax withholdings are optional.
- The letter of invitation to foreign guest speakers should additionally indicate a social security number or individual taxpayer identification number (ITIN) is required upon arrival.
- Foreign guest speakers who do not hold a social security number must provide a completed IRS Form W-7, Application for IRS Individual Taxpayer Identification Number. If the foreign guest speaker seeks applicable tax treaty exemption, the ITIN must be provided upon arrival. It normally takes 4 to 8 weeks for the IRS to assign a taxpayer identification number.
- Payments will be processed by submission of a completed non-wage payment packet. Additional document requirements exist for foreign nationals eligible for income tax treaty exemption.