



## **FOREIGN VISITOR TAX GUIDE**

**University of Missouri-St. Louis**

The Foreign Visitor Tax Guide (Rev February 2017) is consistent with UMSL's policies and procedures for making payments to nonresident aliens. For assistance, contact the Nonresident Alien Tax Specialist in the International Studies & Programs Office, 302 SSB, 314-516-7298.

# UNIVERSITY OF MISSOURI – ST LOUIS

## FOREIGN VISITOR TAX GUIDE

### Introduction

The Tax Reform Act of 1986 changed the reporting and withholding rules for institutions making payments to foreign visitors. In 1992, the IRS announced a major compliance effort directed at colleges and universities. In 1994, the IRS created a new division, the Foreign Payments Division to devote even more attention to this issue.

The IRS has since shifted its focus away from education toward enforcement of the complex rules associated with making payments to nonresident aliens. As a result, universities, including UMSL, have fine-tuned their withholding and reporting processes. The University has, therefore, taken several steps to ensure compliance with the complex rules associated with payments to nonresident aliens.

- In 1993, the University purchased Windstar Tax Navigator, a software package exclusively designed to assist with assessment of tax liability, tax treaty applications, FICA exemption availability, and other issues related to payments made to nonresident aliens.
- The University has since established Nonresident Alien Tax Specialists on each campus to interact with foreign visitors and hosting departments to facilitate payments to nonresident aliens for a myriad of activities on campus including honoraria, scholarships, wages, royalties and prizes/awards.

Each campus NRA Tax Specialist is dedicated to fulfilling the needs of both the institution and the nonresident alien in terms of issuance of the payment, as well as appropriate withholding and reporting of the income to both the NRA and the IRS. This book is a compilation of instructions and procedures to be referenced by departments when questions arise as to how to make payments to international visitors.

**Throughout this document, the phrase “nonresident alien” (NRA) is used to indicate tax status unless specified otherwise.**

## **Purpose**

The purpose of this guide is to inform the University public of the rules regarding making payments to foreign visitors to our institution. This guide is intended for use by departmental staff, faculty members, foreign scholars, foreign students, and other University personnel who interact with foreign visitors.

This guide covers only those situations most common to the majority of foreign students, faculty, and staff. Questions should be directed to the NRA Tax Specialist on your campus.

Visit the International Student & Scholar Services webpage at <http://www.umsl.edu/~intelstu/currentstudents/regsandtaxinfo/taxindex.html> for additional tax information or contact the tax specialist listed below.

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## Section 1

### U.S. TAX RESIDENCY

#### Overview

This section defines the types of taxpaying individuals and the resulting tax rules that must be followed.

The University of Missouri – St Louis requires anyone who is NOT a U.S. citizen to complete the Tax Assessment Intake Form (UM-374) (Exhibit 1-A&B) before any payment is issued. The UM-374 is used in conjunction with the Windstar Tax Navigator application to determine tax residency and FICA and treaty exemption eligibility. The campus NRA Tax Specialist will obtain photocopies of the individual's I-94, passport, U.S. Visa, I-20, DS-2019, or I-797 and Social Security Card (when available) as part of the tax assessment process discussed later.

For U.S. tax purposes, there are two types of individuals for which the University has different withholding/reporting obligations:

1. Those who qualify as residents for tax purposes:
  - U.S. Citizens,
  - Lawful Permanent Residents (a.k.a. Resident Aliens, “Green Card Holders”, persons with an I-551 stamp in their passport), and
  - Nonresidents for immigration purposes who meet the “substantial presence test” (SPT)
2. Those who are nonresident aliens for tax purposes (as defined below).

#### Definitions of Nonresident Alien

Immigration: someone in the U.S. temporarily who has a residence abroad they do not intend to abandon.

IRS: someone in the U.S. temporarily who has not been present long enough to pass the Substantial Presence Test (SPT)

It is important to point out that both the Department of Homeland Security (DHS) and the Internal Revenue Service (IRS) use the phrase “nonresident alien”. However, their definitions are unrelated. When the phrase nonresident alien or the abbreviation NRA is used in this document, it will refer only to the IRS definition listed above unless specified otherwise.

#### Substantial Presence Test (SPT)

This is how the IRS determines when a nonresident alien **for immigration purposes** is a resident or nonresident alien **for tax purposes**. The Substantial Presence Test (SPT) counts the number of days of physical presence over a three-year period (including at least 31 days in the current tax year), they become a resident alien for tax purposes.

However, persons in F, J, M, and Q immigration status are “exempt individuals” for a period of time after their arrival in the U.S. This “exempt individual” period does not relate to an exemption from taxes, per se, but from counting days of physical presence toward the fulfillment of the SPT. “Exempt individuals” remain a nonresident alien for tax purposes until such time that they accumulate 183 days of physical presence under the rules of the SPT. (See “exempt individual” details below.)

The Substantial Presence Test is confusing and difficult to apply. Fortunately, the University has acquired the Windstar Tax Navigator application to assist in this process. The foreign visitor needs to provide a completed Tax Assessment Intake Form (UM-374) or meet with the NRA Tax Specialist for their tax residency to be determined. Even so, a description of the test is important, if only to explain why certain questions on the Tax Assessment Intake Form (UM-374) are critical.

### **Student Exempt Individual**

A student must be temporarily present in the U.S. in F or J immigration status (IRC Section 7701(b)(5)(D)). The student is also subject to the following time requirement:

- Will NOT qualify for “exempt individual” status if he was present in the U.S. as an exempt individual during any part of five calendar years since January 1, 1985 (IRS Pub 519).

### **Teacher or Trainee Exempt Individual**

A teacher or trainee includes anyone temporarily present in the U.S. in J non-student status (IRC Section 7701(b)(5)(C)). The J non-student is also subject to a time requirement:

- Will NOT qualify as an “exempt individual” if he was exempt as a teacher, trainee, or student for any part of two of the **previous six** calendar years (IRC Section 7701(b)(5)(E)(i)).

(A J-1 non-student will qualify as an “exempt individual” if he was entirely absent from the United States during the previous six calendar years).

An interesting benefit of being a nonresident alien in F-1, J-1, M, or Q immigration status is a resulting **exemption from Social Security and Medicare tax withholding**, which is administered by the NRA Tax Specialist.

### **Calendar Year**

The IRS uses the calendar year (January 1 – December 31) when applying the SPT and/or determining “exempt individual” status for students, teachers, or trainees. If the individual is in the U.S. as an exempt individual for **ANY PART** of a calendar year, that year will count as a full calendar year.

### **Summary**

This section discussed how the NRA Tax Specialist determines whether an international visitor is a resident alien or nonresident alien for tax purposes. If the international visitor is a resident alien, he is treated the same as a U.S. citizen for withholding purposes. However, regardless of the visitor’s tax status, the University is obligated to get documentation to support the amount of tax, if any, to withhold from payments. The individual is also required to complete the Tax Assessment Intake Form (UM-374) and provide supporting documentation and/or may need to meet with the campus NRA Tax Specialist during their visit.

## Section 2

### U.S. TAXABLE INCOME

#### Overview

This section describes what payments are income to a nonresident alien, how the source of income affects U.S. taxes, and what payments may be excluded from income.

#### What payments are income to a nonresident alien?

Most nonresident aliens at the University receive one or more of the following types of income; (i) wages paid to employees, (ii) payments made to independent contractors which includes honoraria paid to visiting speakers and lecturers or payments to consultants, (iii) scholarship/fellowship payments and, (iv) prizes and awards.

#### Source of Income

All income can be classified by its “source:”

- Foreign source, or
- U.S. source.

Foreign source income to a nonresident alien individual is not subject to U.S. tax (IRC Section 872). U.S. source income is potentially subject to U.S. tax, depending upon exclusions that may be available to the nonresident alien contained in either the Internal Revenue Code or a tax treaty. Use the chart below to determine the source of income to a nonresident alien.

<u>Type of Income</u>	<u>Location of Payer</u>	<u>Activity in the U.S.</u>	<u>Activity outside the U.S.</u>
Compensation*	Inside U.S.	U.S. Source Income	Foreign Source Income
	Outside U.S.	U.S. Source Income	Foreign Source Income
Scholarship/Fellowship**	Inside U.S.	U.S. Source Income	Foreign Source Income
	Outside U.S.	Foreign Source Income	Foreign Source Income
Prize/Award	Inside U.S.	U.S. Source Income	U.S. Source Income
	Outside U.S.	Foreign Source Income	Foreign Source Income

\*Compensation includes payments to an independent contractor or wages to an employee.

\*\*Scholarships and Fellowships only include non-service payments.

## **Exclusions from Income**

U.S. source income to a nonresident alien is potentially subject to U.S. tax. Certain types of income may not be subject to tax if there is an exclusion provision contained in the Internal Revenue Code (IRC). One such provision is the exclusion for “qualified scholarships” under IRC Section 117.

### **IRC Section 117 Excludes Qualified Scholarship from Income**

To be excluded from income, the payment must be a “qualified scholarship” received by a “candidate for a degree” for the purpose of studying or conducting research at an educational organization.

#### **Definition of “Qualified Scholarship”**

Any bona fide scholarship amount applied directly to:

- Educational fees required for enrollment or attendance at the University
- Other fees, books, supplies, and equipment required for courses of instruction at the University (IRC Section 117(b) and Section 1441(b)).

#### **Definition of “Non-Qualified Scholarship”**

Scholarship payments provided for expenses such as room, board, non-business travel, research and equipment and other expenses not required for enrollment or attendance at the University are considered nonqualified scholarships and may be subject to tax (Prop. Treasury Regulation 1.117-6(c)(2)).

- Scholarship income, that would ordinarily be “qualified”, paid directly to the recipient converts to a “non-qualified scholarship”, that may be subject to tax.

#### **Definition of a “Candidate for a Degree”**

A full or part-time student pursuing studies or research at the University is considered a candidate for a degree (Prop. Treasury Regulation 1.117-6(c)(4)(i), (ii)). It is not necessary for the student to be enrolled in a degree-seeking program (Prop. Treasury Regulation 1.117-6(c)(4)(iii)).

#### **Business Travel**

Reimbursements for travel to a nonresident alien are not subject to withholding when made under an “Accountable Plan.” An Accountable Plan requires amounts paid to an individual to meet all three of the following conditions: (1) there is a business connection for the expenses; (2) the expenses are substantiated; and (3) travel advances are returned to the employer.

The University’s expense reimbursement policy meets the requirements of an Accountable Plan. Reimbursement of expenses to nonresident aliens will not be made except for conditions set forth in the Business Policy Manual that are consistent with the American Competitiveness and Workforce Improvement Act (ACWIA) as described in Section 6 (Exhibit 6-C).

#### **Summary**

This section discussed:

- What payments are considered income to a nonresident alien;
- How the “source” of the income determines U.S. taxability of the payment; and
- Income is excluded from U.S. tax because of provisions contained in the IRC.

## **Section 3**

### **DETERMINING THE TYPE OF INCOME**

#### **Overview**

This section describes the four most common types of payments made by colleges and universities to nonresident aliens.

#### **Categorizing Payments**

Once a payment has been determined to represent income to an individual who is NOT a U.S. Citizen or Lawful Permanent Resident, the sponsoring department must categorize the income to be paid. The type of income determines how to process the payment.

There are four types of income typically paid by the University to nonresident aliens:

- Wages & salary payments to employees;
- Honoraria paid to visiting speakers and lecturers or payments to consultants;
- Scholarship/fellowship payments made to students, scholars, and trainees;
- Prizes and awards

#### **Wages/Salary Payments to Employees**

Anyone who performs services is an employee if the employer has control over what will be done and how it will be done. (A scholarship/grant will be treated as wages to an employee if the payment is based on past, present, or future services.) Often an individual claims to be an independent contractor, but after reviewing the University's Employee/Independent Contractor Classification Checklist (Exhibit 3-A), is found to be an employee. Procedures for making payments to nonresident alien employees are discussed in Section 7.

#### **Independent Contractor Payments**

A nonresident alien independent contractor may be a foreign scholar invited by a University department to come to the U.S. to speak at a conference, present a paper, perform some similar function for an honorarium, or as a consultant with work authorization (See Commonly Used Non-immigrant Visas, Exhibit O-A).

- An independent contractor is an individual who does not have an employer/employee relationship with the University as determined by the University's Employee/Independent Contractor Classification Checklist.
- The University considers an honorarium to be a "token" payment, gratuitous in nature rather than equivalent to "fair market value."
- A consultant is an independent contractor who is paid "fair market value" for the services performed, often requiring a contract. Most nonresident aliens are not eligible for payment as consultants due to immigration status restrictions.

If in doubt about whether or not a nonresident alien is eligible for payment as a consultant, contact the campus NRA Tax Specialist for clarification prior to entering into the consulting agreement.

Procedures for making payments to nonresident alien independent contractors are discussed in Section 6.

## **Scholarship/Fellowship Payments Made to Students, Scholars, and Trainees**

A “scholarship/fellowship” is a payment toward a future activity (i.e. the following semester) that is not related to the performance of services. These payments may be on behalf of a student (undergraduate or graduate) or a researcher. In the case of a student, academic and enrollment requirements may be appropriate components for a scholarship payment.

Payments that do not strictly meet this definition will not qualify as a “scholarship” or “fellowship.” Depending on the circumstances, such payments may instead be treated as compensation for services rendered (wages).

Scholarships requiring services be rendered as a condition of receiving the income, must be treated as employee or independent contractor compensation and paid through the Peoplesoft HR/Payroll System. These payments are subject to withholding of taxes, (See Section 8).

## **Prizes and/or Awards**

A prize or award is defined by the IRS as a payment resulting from a previous activity, like designing a logo or winning a contest. A prize or award must not be confused with a “scholarship,” which is defined above. A prize may be cash or a perquisite (payment “in kind” like a gift certificate).

Prizes and awards are seldom exempt from the customary 30% withholding, even if the nonresident recipient has never been present in the U.S. The IRS defines all prizes and awards as U.S. – sourced income and, therefore, subject to the 30% nonresident alien withholding unless a treaty exemption applies. (See income sourcing table in Section 2).

Contact the NRA Tax Specialist for specific instructions on how to process your payments for prizes and/or awards.

## **Summary**

In this section, the sponsoring department has categorized the income to the nonresident alien as:

- Wages/salary payments to employees;
- Payments made to independent contractors for services rendered;
- Scholarship/fellowship payments made to students, scholars, and trainees;
- Prizes/awards.

## **Section 4**

### **TAXPAYER IDENTIFICATION NUMBERS (TINs)**

#### **Overview**

This section describes two types of U.S. taxpayer identification numbers, how to obtain one, and how it should be used.

#### **Taxpayer Identification Numbers**

Taxpayer identification numbers (TINs) issued by the Social Security Administration are called Social Security numbers (SSNs). However, some foreign visitors do not qualify to obtain an SSN. For those individuals, the Internal Revenue Service will issue an Individual Taxpayer Identification Number (ITIN). The paragraphs below describe procedures the foreign visitor should follow to obtain a taxpayer identification number.

#### **How to Obtain a Social Security Number**

Social Security numbers are reserved for individuals who are employed in the U.S. With few exceptions, the Social Security Administration (SSA) will not issue an SSN for non-work purposes. An individual may obtain an SSN by completing Form SS-5, Application for a Social Security Card, available from the local Social Security Administration Office. Please check with International Student & Scholar Services for additional documentation that may be required.

In general, the SSA requires a 10 day waiting period between the date of arrival in the U.S. and the submission of an application for an SSN. Additionally, individuals in F-1 and J-1 status must have an active SEVIS record prior to applying. This may require new students to wait up to 30 days after the first day of class to apply. NRA employees must apply for a Social Security number as soon as possible and immediately upon receipt of their SSN card, provide a copy to the Nonresident Alien Tax Specialist. Nonresident Alien employees may be hired, work, and be paid prior to receiving their SSN, as long as their authorization for employment is valid. (HR Policy 105)

#### **How to Obtain an Individual Taxpayer Identification Number (ITIN)**

Individual Taxpayer Identification Numbers (ITINs) are issued by the Internal Revenue Service (IRS) to individuals who are not eligible to obtain an SSN but must furnish a tax identification number for U.S. tax reasons (ITINs cannot be used for employment). If an individual has been issued an ITIN and subsequently is issued an SSN, the individual must stop using the ITIN and use the SSN instead. A copy of the Social Security card should be attached to a copy of the ITIN Notice and mailed to the ITIN Unit at the IRS so records can be updated.

An individual who wishes to apply for an ITIN may complete an IRS Form W-7, attach certified or original copies of documents that substantiate the information provided on the application form, and submit along with their original income tax return to the ITIN Processing Unit. (A list of acceptable documents can be found in the W-7 instructions.) The ITIN Unit will process the W-7 application, assign an ITIN to the return and send it to the appropriate income tax processing center.

In some cases a W-7 can be submitted without a tax return and without certified copies or original documents attached. Students and visitors should check with the Nonresident Alien Tax Specialist for details.

#### **Summary**

This section described how an individual may apply for a Social Security Number. If the individual is not legally permitted to work in the U.S., then the individual may be eligible to apply for an ITIN instead of an SSN.

## Section 5

### INCOME TAX TREATIES

#### Overview

The U.S. government has agreements, called income tax treaties, with over sixty foreign governments that are designed to avoid double taxation on income. Each income tax treaty is negotiated separately, so the provisions vary from country to country and generally take precedence over U.S. tax law. The Windstar Tax Navigator application will determine if an individual qualifies for a tax treaty exemption and will print appropriate application forms.

#### How to determine if an individual may qualify for a tax treaty exemption

All NRA's must complete the Tax Assessment Intake Form (UM-374) and submit copies of passport, visa, and current U.S. immigration documents to the campus NRA Tax Specialist for a final tax treaty determination.

To be eligible for a tax treaty exemption:

- The individual must reside in a tax treaty country (List of treaties can be found in IRS Publication 901).
- U.S. activity and/or immigration status must meet treaty criteria;
- Individual must have an SSN or ITIN;
- Duration of stay in the U.S. must meet treaty criteria; and
- The individual must meet all other treaty requirements, as determined by the NRA Tax Specialist.

#### To claim a tax treaty exemption from withholding

- The individual must meet all of the above eligibility criteria and
- Provide to the campus NRA Tax Specialist the appropriate treaty exemption claim form, completed and signed **prior to the payment being made:**

Wages:	IRS Form 8233
Scholarship:	IRS Form W-8BEN
Independent Contractor/Honorarium:	IRS Form 8233

#### Important Note: Tax Return Treaty Benefit

If a treaty exemption from withholding is not claimed before the end of the tax year, the international visitor may be eligible to claim the tax treaty at the time the appropriate tax return forms are filed the following year.

#### Reporting of Tax Treaty Exempt Income:

Wage and/or scholarship income that has been exempted from withholding because a tax treaty was applied will be reported on IRS Form 1042-S issued on or before March 15 for the previous year.

## Section 6

### COMPENSATION FOR INDEPENDENT PERSONAL SERVICES

#### Overview

The purpose of this section is to provide assistance for determining if the type of payment to be made meets IRS requirements for compensation for independent personal services and the individual who provides this service to the University is eligible for such payments.

#### How to make payments to nonresident alien independent contractors

1. Will the individual perform the activity/service within the U.S.?  
YES: Go to #2  
NO: Contact the NRA Tax Specialist for payment instructions.
  
2. Will the individual be in an immigration status that permits him/her to receive compensation for independent personal services or reimbursement/direct payment of travel expenses when the activity occurs? (Exhibit 6-A and 6-B)  
YES: Go to #3  
NO: **Terminate agreement immediately** – it is invalid. The University may be subject to penalties if funds are provided to an NRA who is not authorized by the Department of Homeland Security to participate in the activity that generated those funds.
  
3. The international visitor must provide either a completed Tax Assessment Intake Form (UM-374) or similar information according to instructions from the NRA Tax Specialist. In addition, the visitor must provide to the Tax Specialist, copies of required documents (U.S. visa stamp in passport, unexpired foreign passport, I-94, and Social Security Card if applicable).
  
4. Does the individual possess an U.S. taxpayer identification number (either an SSN or Individual Taxpayer Identification Number [ITIN])?  
  
YES: Proceed with payment documentation according to instructions (submission of forms Electronic Check Request and UM-378).  
  
NO: Absence of an SSN or ITIN (or pending application through the campus NRA Tax Specialist) will require a 30% withholding. The payment may be grossed up to provide the amount originally promised (divide the desired net payment by 0.7 to find the grossed up amount).

**Contact the campus NRA Tax Specialist for assistance if necessary.**

## Section 7

### COMPENSATION TO EMPLOYEES

#### Overview

Generally, wages/salary payments to nonresident alien employees are subject to the same graduated withholding tax rates as U.S. citizens. However, there are special rules for how a nonresident alien, for tax purposes, must complete IRS Form W-4. The special rules may be reviewed with the employee during an appointment with the NRA Tax Specialist. For example a nonresident alien cannot write “Exempt” on Form W-4.

#### Wage/salary payments made to nonresident alien employees

1. Is the employment activity located within the U.S.?
  - a. **YES:** The compensation is U.S. source income. First, the department must enter the employee’s information into ePAF. Then, prior to beginning work, the new employee must schedule a meeting with the campus NRA Tax Specialist. The employee must bring to the meeting: an original unexpired foreign passport, I-94, and I-20, DS-2019, I-797, EAD, or other unexpired DHS authorization of employment.
  - b. **NO:** The compensation is foreign sourced. The University is required to neither report, nor withhold taxes from foreign sourced income to nonresident aliens. Indicate on the New Vendor Request Form that the payment represents foreign source income to a nonresident alien and is not subject to 1099 reporting. You must attach a completed IRS Form W-8BEN for individuals or a W-8BEN-E for companies.
2. There are two provisions for FICA withholding exemptions from wages paid by the University.
  - a. **Student Exemption:** Internal Revenue Code Section 3121(b)(10). Generally, a student who is enrolled at least half time, is working less than full time for the school which they are enrolled at, and is not a benefits eligible position (career position) is exempt from FICA taxes while they remain enrolled. Human Resources monitors this exemption.
  - b. **NRA Exemption:** Internal Revenue Code Section 3121(b)(19). Employees exempt under this law will have a future FICA expiration date in the UM Specific panel of PeopleSoft HR Job Data panels. This exemption is available for anyone in F, J, M, or Q immigration status who is still a nonresident alien for tax purposes including both student and nonstudent positions. This information is entered in PeopleSoft as soon as possible after the new hire paperwork has been completed.
3. There may be changes to the PeopleSoft Pay Group and associated Earn Code after the “new hire” package is processed. For example: non-student employees and those from Canada may be changed from MON to another code such as M18 or M17 and from BIW to B18 or B17 to provide tax treaty exemptions from withholding. Similarly, once tax treaty benefits end, the person’s earn code may be changed back to MON or BIW.

## Section 8

### SCHOLARSHIPS/FELLOWSHIPS

#### Overview

This section describes how to make nonqualified scholarship payments and who may qualify for a lower tax withholding rate.

#### Scholarship and Fellowship Payments

A scholarship or fellowship payment per IRS definitions is any payment made to aid an individual in their study, training, or research which does not require past, current, or future services to be performed as a condition of receiving the payment. Section 2 and 3 of this guide explained that the “qualified” portion of a scholarship/fellowship can be excluded from taxable income. Amounts received in excess of “qualified” expenses are considered “non-qualified” making the scholarship/fellowship subject to taxes. Income tax treaties may exempt an otherwise taxable scholarship/fellowship from tax.

#### Who May Qualify for a Lower Withholding Rate of 14%

IRC Section 1441(b) provides that for scholarship/fellowship payments made to nonresident aliens who meet the following criteria, the statutory 30% withholding rate is reduced to 14%. To qualify for the 14% withholding rate:

- The grantee must be a nonresident alien in the U.S. in F, J, M, or Q immigration status;
- The grantee must be a “candidate for a degree” as described in Section 2; and
- The payment must be a scholarship/fellowship.

#### How to make Non-qualified Scholarship/Fellowship Payments

1. Is the payee required to perform services in the U.S. in order to receive the grant?
  - a. YES: The payee is considered an employee of the University. Follow routine “hiring” procedures in Section 7.
  - b. NO: Go to #2
2. Are the funds for the scholarship from sources outside the U.S. and designated to a specific recipient?
  - a. YES: Income is not taxable/reportable in the U.S. Go to #4.
  - b. NO: The grant is U.S. source taxable/reportable in the U.S. Go to #3.
3. The individual must complete the Tax Assessment Intake Form (UM-374) and/or follow the intake procedures according to the campus NRA Tax Specialist. Copies of Form I-94, Passport, U.S. Visa, and Forms I-20, DS-2019, I-797, or other appropriate immigration document must accompany the UM-374 or otherwise be provided in accordance with campus NRA Tax Specialist procedures. Go to #4.
4. Scholarships and fellowships can be made in one of two ways:
  - a. **CASHIERS:** Payments to enrolled UMSL students are processed through the Student Financial Aid Office and appears as a credit on the student account. This is the most common means of making a scholarship/fellowship payment.
  - b. **PAYROLL:** For non-student scholarship/fellowship payments and limited student payments of housing stipends (off campus athletic housing scholarship). This requires the completion of an electronic check request form which is sent to the Nonresident Alien Tax Specialist for processing.

## **Section 9**

### **COURTESY APPOINTMENTS**

#### **Overview**

This section describes who should have a courtesy appointment, their purpose, and procedures departments should follow to set them up.

#### **Who Should Have a Courtesy Appointment?**

Individuals who will be housed on campus should be set up in HR PeopleSoft with a courtesy appointment. These individuals may or may not be paid by other sources.

#### **Their Purpose**

The University of Missouri maintains a UM Worker's Compensation Policy to cover employees for work related injuries. Non-employees are also covered while they are on campus conducting their activities. In the event a non-employee is injured on campus, the courtesy appointment confirms the individual's relationship with the University and makes the claim process easier.

Courtesy appointments enable individuals to obtain an UMSL ID card, have access to library and other campus facilities, and receive "employee discounts" on purchases at the University Bookstore.

Individual must show their UMSL ID card to obtain access to these benefits. UMSL ID cards are issued by the TritonCard Office in MSC 190. Once the courtesy appointment is in PeopleSoft, the individual can go to the TritonCard Office with their Driver License, State ID, Passport, or other government issued identification document.

The department should work with the Technology Support Center to obtain internet access and establish an email account for non-employees housed in the department. A courtesy appointment must be established and an Employee ID (Empl ID) assigned before IT can assign an SSO and establish an email account for the individual.

#### **Preparing the PAF**

Departments must submit a courtesy appointment through the ePAF system. Questions regarding completion of a courtesy appointment should be directed to the Human Resources Department.

EXHIBIT 1-A

Tax Assessment Intake Form -- University of Missouri-St. Louis

This form must be completed before you can receive any form of payment. All applicable questions below must be answered. The completed form must be presented with your passport and immigration documents at the time of appointment. Lawful Permanent Residents answer page 1 only, then sign and date on back.

PERSONAL / PASSPORT INFORMATION

Last or Family Name: First: Middle:
Date of Birth (month/day/year): E-mail address:
Social Security # (or Individual Taxpayer ID # if no SS#): Student # (If an UMSL Student)
Country of citizenship: Country that issued passport:
Passport # Passport Expiration Date (month/day/year):
Visa # (the "control number" that begins with the year):

ADDRESSES

U.S. Local Street Address: Foreign (home) Residence Address (should not be P.O. Box)
[Blank lines for address entry]

CURRENT IMMIGRATION STATUS

[ ] U.S. Immigrant/Permanent Resident [ ] F-1 Student
[ ] H-1B Temporary Worker [ ] J-2 Dependent
[ ] Other: [ ] J-1 Exchange Visitor
--IF J-1 Exchange Visitor, what category?
[ ] Student [ ] Research Scholar [ ] Short Term Scholar [ ] Alien Physician [ ] Other:

PRIMARY ACTIVITY DURING THIS VISIT (Choose only one)

[ ] Studying in a degree program [ ] Observing [ ] Demonstrating special skills
[ ] Studying in a non-degree program [ ] Consulting [ ] Clinical activities
[ ] Teaching [ ] Conducting research [ ] Temporary employment
[ ] Lecturing [ ] Training [ ] Here with spouse

What was the start date of your immigration status for the current activity?
(In many cases, this is the date you entered the U.S.) month/ day/ year

What is the projected end date of your primary activity?
(In many cases, this is the completion date on your immigration document.) month/ day/ year

If you are a student, at what level do you study?
[ ] Undergraduate [ ] Masters [ ] Doctoral [ ] Other:

Describe the activity that will result in U.S. income (i.e. professor of physics, consulting, teaching assistant, food service worker, scholarship, contest prize, etc.)

Name of UMSL Department providing the income? Amount?

EXHIBIT 1-B

TAX EXEMPTIONS INFORMATION

Is your spouse in the U.S.? [ ] Yes [ ] No If "Yes", is your spouse employed? [ ] Yes [ ] No
Do you want to claim an exemption for your spouse if legally allowed to do so? [ ] Yes [ ] No
Do you have other dependents in the U.S. you would like to claim exemptions for? [ ] Yes [ ] No If so, how many? \_\_\_\_\_

RESIDENCY VERIFICATION

What country did you live in before this visit to the U.S.? \_\_\_\_\_
Were you subject to taxes as a resident of that country? [ ] Yes [ ] No
Did your tax residency in that country end prior to this visit to the U.S.? [ ] Yes [ ] No If yes, when? \_\_\_/\_\_\_/\_\_\_

U.S. IMMIGRATION HISTORY

If the answer to either of the questions below is yes, please complete U.S. Immigration History, Part 2.

Have you ever had another immigration status in the United States? [ ] Yes [ ] No
Have you ever been present in the United States before this visit? [ ] Yes [ ] No

U.S. IMMIGRATION HISTORY, Part 2

Please list any F, J, M, or Q visa immigration activity since January 1, 1988 and all other visa immigration activity only for the past three calendar years.

Table with 6 columns: Date of US Entry, Date of US Exit, Visa/Immigration Status, J-1 Subtype, Primary Activity, Have you Taken Any Treaty Benefits? (Yes/No). Includes 8 rows of blank entry lines.

I hereby certify that all of the above information is true and correct. I give UMSL permission to access my I-94 records from DHS for purposes of verifying tax/immigration status. I understand that if my status changes from that which I have indicated on the form I must submit a new Tax Assessment Intake Form.

Signature: \_\_\_\_\_ Local Phone Number: \_\_\_\_\_ Date: \_\_\_\_\_

Consent and Authorization to Release Information

I, \_\_\_\_\_ (name) hereby authorize the University of Missouri to release information contained on the Tax Assessment Intake Form to Windstar Technologies, Inc., P.O. Box 800 Providence Hwy, Ste 13 Norwood, MA 02062-0800 for the following purpose: technical software support for THE INTERNATIONAL TAX NAVIGATOR SYSTEM.

Signature: \_\_\_\_\_ Date \_\_\_\_\_

## EXHIBIT 3-A

### UNIVERSITY OF MISSOURI EMPLOYEE/INDEPENDENT CONTRACTOR CLASSIFICATION CHECKLIST

Individuals hired to perform services for the University of Missouri are presumed to be employees of the University. The information provided below will assist the University in determining whether the individual performing the services will be classified for federal, state and FICA tax purposes as an employee or as an independent contractor. The checklist should be completed by the person knowledgeable about the services to be rendered and responsible for the hiring of the individual. Complete Sections I, II and III (if necessary) and attach to a description of services to be provided if the checklist indicates that an individual may be treated as an independent contractor. Otherwise, follow the procedures for hiring a new employee.

<b>I. General Information</b>		Funding: <input type="checkbox"/> Non Grant <input type="checkbox"/> Sponsored Project/Grant
_____ (Individual's Name)	_____ (Social Security No. or Individual Taxpayer ID)	
Department _____	Residency Status for immigration purposes (check one):	<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Lawful Permanent Resident <input type="checkbox"/> Non-resident Alien
Form Preparer _____	_____ (Signature)	_____ (Date)
		_____ (Phone No.)
<b>II. Multiple Relationships with the University</b>		<b>YES      NO</b>
A. Does this individual currently perform similar work for the University as an employee?		_____
B. Is it currently expected that the University will hire this individual as an employee immediately following the termination of his or her independent contractor services?		_____
C. During the 12 months prior to the date on which the independent contractor services commenced, did the individual have an official University appointment (including temporary) and provide the same or similar services?		_____
D. Does the University pay as employees others who perform essentially the same duties that are to be performed by this individual?		_____
E. Does the individual only provide services to the University of Missouri and not offer their services to the general public as part of a trade or business?		_____
<p><i>If the answer is "No" to all questions, proceed to the questions in Section III.</i>  <i>If the answer is "Yes" to any of the five questions, the individual should be classified as an employee and paid via the normal appointment process.</i></p>		
<b>III. Classification Guidelines (Complete only one of A., B. or C. depending on the type of services performed by the individual.)</b>		
<b>A. Teacher/Lecturer/Instructor</b>		<b>YES      NO</b>
1. Is the individual a "guest lecturer" (e.g. an individual who lectures at only a few class sessions and has no influence in assigning a grade or certifying the completion of a course)?		_____
	May be an ind. contractor	Go to 2.
2. a. Is the individual teaching a course that is neither a degree prerequisite for students nor provides credit for a University degree?		_____
b. Does the individual provide the same or similar services to other entities or to the general public as part of a trade or business?		_____
<p><i>If the answer to both questions 2.a. and 2.b. is "Yes," then treat the individual as an independent contractor.</i>  <i>If the answer to either question 2.a. or 2.b. is "No," then go to question 3.</i></p>		
3. In performing instructional duties, will the individual primarily use course materials or textbooks that are created, selected or provided by the individual or will the individual determine course content or instructional sequence?		_____
	May be an ind. contractor	Treat as an employee
<b>B. Researcher</b>		
<p>Researchers hired to perform services for a University department are presumed to be employees of the University. If, however, the researcher is hired to perform research for a particular University professor or employee, please indicate which of the following relationships is applicable by placing a check mark in the appropriate blank:</p>		
Relationship #1 – The individual will perform research for a University professor or employee under an arrangement whereby the University professor or employee determines how the work will be performed.		_____
	Treat as an employee	May be an ind. contractor
Relationship #2 – The individual will serve in an advisory or consulting capacity with a University professor or employee (i.e., the individual will be working "with" the University professor or employee in collaboration between equals" type arrangement).		_____
	May be an ind. contractor	Treat as an employee
<b>C. Individuals Not Covered Under Sections A. or B.</b>		
1. Does the individual provide the same or similar services to other entities or to the general public part of a trade or business?		_____
	May be an ind. contractor	Go to 2.
2. Will the department provide the individual with specific instructions regarding performance of the required work rather than rely on the individual's expertise?		_____
	Treat as an employee	Go to 3.
3. Will the University set the number of hours and/or days of the week that the individual is required to work as opposed to allowing the individual to set own work schedule?		_____
	Treat as an employee	May be an ind. contractor

## EXHIBIT 6-A

### **ACWIA (American Competitiveness And Workforce Improvement Act Of 1998)**

Any alien temporarily visiting the United States for business or pleasure (B-1, B-2, WB, and WT) may accept an honorarium payment and associated incidental expenses for a usual academic activity or activities when all of the conditions below are met:

1. The activity(s) at UMSL can be no more than 9 days in duration
2. The individual can NOT have accepted honoraria or expense reimbursement for similar activities from more than 5 institutions in the previous 6 months.

**EXHIBIT 6-B**

**LIST OF COMMONLY USED NON-IMMIGRANT VISAS**

A- 1, A-2	Diplomats and foreign government officials and their dependents. Some dependents are granted work authorization.
B-1	Business Visitors. No work authorization. Eligible to receive expense reimbursements, and honorarium payments that meet provisions of ACWIA.
B-2	Visitors for Pleasure. No work authorization. Eligible to receive expense reimbursements and/or honorarium payments that meet provisions of ACWIA.
C-1	Transit visa. No work authorization.
D-1	Foreign Crewman. Work authorized for the sponsoring employer.
E-1	Treaty Trader. Work authorized for the sponsoring employer.
E-2	Treaty Investor. Work authorized for the sponsoring employer.
F-1	Students. Work authorized under very limited circumstances.
F-2	Dependents of Students. No work authorization.
G-1, G-2, G-3, G-4	Employees of International Organizations. Some dependents are granted work authorization.
H-1A	Nurses. Work authorized for the sponsoring employer.
H-1B	Professionals. Work authorized for the sponsoring employer.
H-2A	Temporary Agricultural Workers. Work authorized for the sponsoring employer.
H-2B	Temporary Workers. Work authorized for the sponsoring employer.
H-3	Trainee. Work authorized for the sponsoring employer.
H-4	Dependents of H visa holders. No work authorization.
I-1	Foreign Journalists. Work authorized for the sponsoring employer. Dependents are not work authorized.
J-1	Exchange Visitors including students, scholars and trainees. Work authorized under certain circumstances.
J-2	Dependents. Work authorized under certain circumstances.
K-1	Fiancé/Fiancée of U.S. citizen. Work authorized.
L-1A	Intra-company Executive or Managerial Transferee. Work authorized for the sponsoring employer.
L-1B	Intra-company Specialized Knowledge Transferee. Work authorized for the sponsoring employer.
L-2	Dependents. No work authorization.
M-1	Vocational Student. Work authorized under certain circumstances.
M-2	Dependents. No work authorization.
O-1	Individual of Extraordinary Ability in the sciences, education, business, athletics, or the arts. Work authorized for the sponsoring employer.
O-3	Dependents. No work authorization.
P-1	Internationally known Athletes and Entertainment groups. Work authorized for the sponsoring agency that petitioned immigration for the P-1 status employer.
P-2	Performing Artists under a reciprocal exchange program. Work authorized for the sponsoring agency that petitioned immigration for the P-2 status employer.

EXHIBIT 6-B CONTINUED

P-3	Culturally unique Entertainers. Work authorized for the sponsoring employer.
P-4	Dependents. No work authorization.
Q-1	International Cultural Exchange. Work authorized for the sponsoring employer.
R-1	Religious Workers. Work authorized for the sponsoring employer.
R-2	Dependents. No work authorization.
TN	Trade NAFTA. Work authorized for the sponsoring employer.
TD	Trade NAFTA. Dependent. No work authorization.
WB	Waiver of visa for business. No work authorization. Eligible to receive reimbursement for expenses and/or honorarium payments under ACWIA provisions. 1
WT	Waiver of visa for tourism. No work authorization. Eligible to receive reimbursement for expenses and/or honorarium payments under ACWIA provisions travel expenses.