



Nonresident Alien - Honorarium and Contracted Services Payments

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TXST UPPS Related to Contracting & Paying a Nonresident Alien

UPPS 03.04.01 - Contracted Services, Including Consultants, Speakers, and Other Services : Policy and Procedure Statements : Texas State University (txst.edu)

02.01 All **payments to foreign persons** will be in accordance with *UPPS No. 03.04.06, Nonresident Alien - Honorarium and Contracted Services Payments*. The **director of Payroll and Tax Compliance should be contacted** regarding payment to foreign persons invited by the university to perform services **at least 30 days prior to their arrival on campus**.

04.01 **Vendor setups and updates will be done through the online vendor portal (PaymentWorks)**. The department will initiate the set up by sending an invitation through PaymentWorks to the vendor. Instructions for sending vendor invitations can be found on the Vendor Self-Service website.

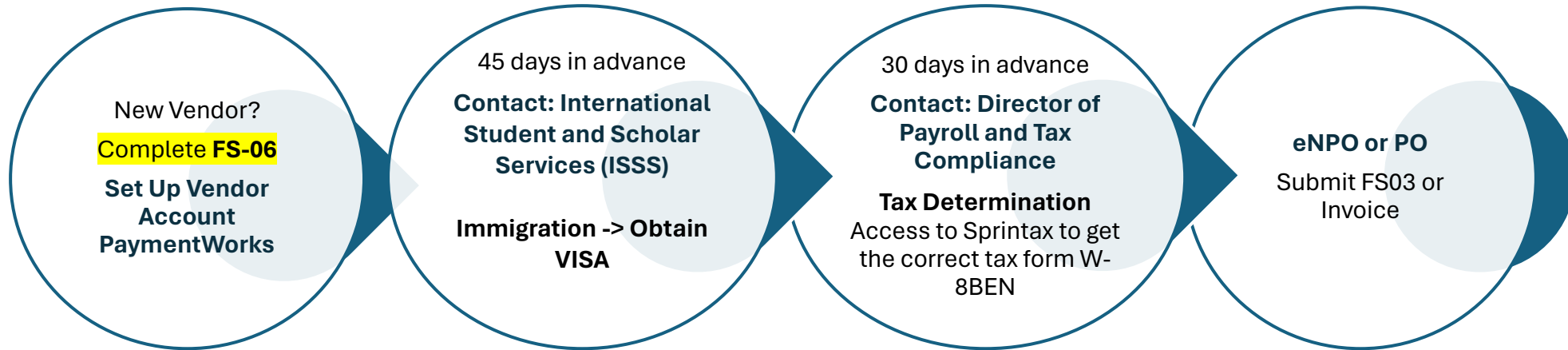
06.01 The university **will pay a contractor using the Contracted Services Payment Voucher (Form FS-03), or an invoice** from the vendor. All contracted services should have either a purchase order or should be submitted via eNPO.

UPPS 03.04.06 - Nonresident Alien - Honorarium and Contracted Services Payments : Policy and Procedure Statements : Texas State University (txst.edu)

03.01 The NRA must **obtain the appropriate type of visa** that allows to be compensated within the United States and provide the necessary documents before performing services for the university.

03.02 The account manager must **contact the International Student and Scholar Services (ISSS) at least 45 days in advance** to help assess the appropriate visa classification to pursue when inviting international scholars.

03.03 The account manager must **contact the Payroll and Tax Compliance Office to determine tax residency** and discuss the tax withholding requirements.



SECTION III – PROPOSED CONTRACTOR TO COMPLETE AND SIGN

5. Are you a U.S. Citizen or Permanent Resident?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
5a. If no, then what is your Country of Citizenship?	United Kingdom	
5b. If no, what U.S. Visa type do you hold?	N/A - Zoom visit	
5c. When does the Visa expire?	N/A - Zoom visit	
5d. Where will the services be performed?	<input type="checkbox"/> Inside the U.S.	<input checked="" type="checkbox"/> Outside the U.S.

***DEPARTMENT – If “No” is checked for number “5” above, contact the Tax Specialist for payment guidance at taxspecialist@txstate.edu or 512-245-2543

Are you a US Citizen or Permanent Resident ?	Yes – Proceed with Paymentworks.	No – go to next question.
What type of VISA do you hold?	<p>No VISA</p> <p>Contact the International Student and Scholar Services (ISSS) to get the appropriate VISA.</p>	<p>Allowed visas to pay honorariums:</p> <ul style="list-style-type: none"> • F1 OPT Student in Optional Practical Training • J1 Student in the U.S. under Exchange Visitor Program • J2 Spouse or child of student in U.S. under Exchange Visitor Program, • B1 Temporary visitor for business • B2 Temporary visitor for pleasure • WB Waiver for business • WT Waiver for tourism • DACA/TPS Deferred Action for Childhood Arrivals / Temporary Protected Status <p>Review expiration date.</p>
Where will the services be performed?	<p>Inside the US</p> <p>Contact the Director of Payroll and Tax Compliance for the tax determination.</p>	<p>Outside the US</p> <p>(via Zoom or TEAMS).</p> <p>The vendor and the Account Manager must complete/sign the form Foreign Source Income Exclusion Statement and attach it with an invoice or FB03 to PO or eNPO.</p>

TXST must withhold
federal income tax
from **ALL**
U.S. source income payments
made to or on behalf
of a **nonresident alien.**
(IRC 1441)

Tax Determination

Option #1 Tax Withholding

- Taxes are deducted from the payment and the vendor receives the difference (net).
- Example of an invoice of \$1,000.00

GL Account	Cost Center	Fund	Amount
725200 Lecturers Higher Ed	#00000####	#000001024	1,000.00
201201 - NRA Tax Withheld		9001421000	(300.00)
Payment to Vendor (Net)			700.00

- The Tax Office will advise you of the GL & Fund (no cost center used) for the tax withholding when creating the e-NPO or PO.
- Attach the Tax Office tax determination to the e-NPO or PO.

Tax Determination

Option #2 Gross-Up Payment

- The department pays the taxes on behalf of the vendor and the vendor receives the gross amount.
- The amount of the expense including the taxes is calculated utilizing the **gross-up method**.
- Not recommended; vendors may request a tax reimbursement to the IRS filing the annual tax return.
- Example of an invoice of \$1,000.00

GL Account	Cost Center	Fund	Amount
725200 Lecturers Higher Ed	#00000####	#000001024	1,428.57
201201 - NRA Tax Withheld		9001421000	(428.57)
Payment to Vendor (Net)			1,000.00

- The Tax Office will advise you of the GL & Fund (no cost center used) for the tax withholding when creating the e-NPO or PO.
- Attach the Tax Office tax determination to the e-NPO or PO.

CONTACT US

Payroll and Tax Compliance



512-245-2543



taxspecialist@txstate.edu



[Payroll and Tax Compliance Office](https://www.txstate.edu)
[: Texas State University \(txst.edu\)](https://www.txstate.edu)

