

Inviting & Paying an Honorarium to a Foreign National for Academic Activities at your agency

Name of Foreign National: _____

Title of Activity: _____

Date of Activity: _____

Pre-arrival planning:

- Finalize the activity details: title of activity; date; time; honorarium amount and whether travel expenses will be reimbursed.
- Confirm if foreign national meets the *Honorarium Rule* (if not, only travel reimbursement is allowed and only for B-1 visa holders).
- If J-1 or F-1 scholar, direct the individual to get permission letter from both home department and International Office (at your agency or at sponsoring agency).
- Determine if foreign national is eligible for tax treaty exemption by following this link to check if their country has a treaty with the United States: Reference IRS Publication 515 or use Windstar Tax Navigator to determine eligibility
 - If not eligible, payment may be able to be made with appropriate federal tax withholding at 30% and potentially NC State Tax 4%.
 - If eligible, ask if he/she has a U.S. SSN or ITIN (one is required in order to claim the treaty):
 - If YES and would LIKE to claim the tax treaty, provide SSN or ITIN on 8233 form and submit with payment documents to Accounts Payable.
 - If YES and would NOT LIKE to claim the tax treaty, payment can be made with the appropriate federal withholding tax at the rate of 30%.
 - If NO and would LIKE to claim the tax treaty, make an appointment with Accounts Payable for when the foreign national is on campus. E-mail to set up an appointment. Include in the email the visa status of the applicant and the country they are from. (note: application for an ITIN will delay payment).
 - If NO and would NOT LIKE to claim the tax treaty, payment can be made with the appropriate federal withholding tax at the rate of 30% and potentially NC State Tax.
- Send invitation letter to the foreign national to communicate the details of the activity.

When the individual has arrived on campus:

- Make a copy of identity page in passport (make sure copy is readable).
- Make a copy of visa and/or port of entry stamp in passport (make sure copy is readable).
- If J-1 scholar, make a copy of permission letter & DS 2019.

- If F-1 scholar, make a copy of permission letter & I-20.
- Foreign national completes the Foreign National Data Gathering Form
- Foreign national should complete affidavit for 9-5-6 Rule.
- Foreign national completes affidavit for no SSN, if applicable, and agency will withhold a statutory rate.
- If eligible for a tax treaty benefit and has U.S. Taxpayer ID number, foreign national completes Form 8233, "Exemption from Withholding on Compensation for Independent Personal Services of Nonresident Alien Individual."

If eligible & wants to claim tax treaty benefit but doesn't have a Tax ID number, foreign national:

- Keeps appointment at Accounts Payable to file for ITIN (a list of documents that need to be brought to the appointment will be provided by the ITIN unit when the appointment is set up).
- Completes Form W-7.

Department completes the following:

- Check request form for honorarium (Customize for you policies and procedures).
- Check request or Invoice Voucher form for travel reimbursement (request can be for any amount).

Department sends the following to AP:

- Check request forms (customize for you procedures)
- If J-1 scholar, copy of permission letter and DS 2019. If F-1 scholar, copy of permission letter and I-20.
- Form 8233, if eligible for tax treaty benefit **and** has (or is in the process of applying for) a U.S. Taxpayer ID number (SSN or ITIN). Note: the submission of this form will delay payment for 2 weeks.
 - If honorarium is being paid to a foreign company, original form W8BEN (no form 8233 needed).
- Copy of passport identity page.
- Copy of visa and/or port of entry stamp in passport.
- For Canadians, copy of both driver's license and social insurance card **OR** copy of passport identity page.
- Copy of invitation letter sent to foreign national prior to event.

Pay the foreign national:

- Will pick up check from Accounts Payable (ready in five days if Form 8233 was not submitted; 15 days if form was submitted) **OR**
- Wire funds (additional fee of \$25.00 applies) **OR**

Check should be mailed directly to foreign national's address by Accounts Payable