



NONRESIDENT ALIEN PAYMENTS POLICY

Policy # AF.0012.1

Responsible Executive: Vice President for
Administration
and Finance

Responsible Office: Administrative
Services

Originally Issued: 1/8/2025

Latest Revision: 1/8/2025

- I. [Policy Statement](#)
- II. [Purpose of Policy](#)
- III. [Applicability](#)
- IV. [Definitions](#)
- V. [Policy Procedure](#)
- VI. [Enforcement](#)
- VII. [Policy Management](#)
- VIII. [Exclusions](#)
- IX. [Effective Date](#)
- X. [Adoption](#)
- XI. [Appendices, References and Related Materials](#)
- XII. [Revision History](#)

I. Policy Statement

The purpose of this Policy is to ensure that payments made by the University of Louisiana at Lafayette (“University”) to Nonresident Alien consultants, contractors, visitors, and students are made in compliance with federal law, U.S. Citizenship and Immigration Services (“USCIS”), and the Internal Revenue Service (“IRS”).

II. Purpose of Policy

This Policy establishes the rules and guidelines for processing payments to Nonresident Aliens, including but not limited to consultant/contractor payments, visiting scholar payments, and scholarship and fellowship payments to Nonresident Alien students to ensure compliance with federal law, including USCIS laws and IRS requirements. This Policy does not apply to payroll compensation of Nonresident Aliens.

The objectives of this Policy are as follows:

1. It identifies the only circumstances under which payment will be routinely allowed to Nonresident Aliens. Any request for payment not specifically allowed by this policy may be denied.
2. It also identifies certain unique Federal income tax consequences that directly affect Nonresident Aliens.

Additional information regarding this Policy can be obtained from the Office of Administrative Services website: <https://administrativeservices.louisiana.edu>.

III. Applicability

This Policy applies to all University payments made to Nonresident Aliens.

IV. Definitions

1. **Alien**: is any person not a citizen or national of the United States as the term “alien” is defined in section 101(a)(3) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(3)). This term may include a stateless person and is synonymous with “noncitizen” and “foreign national.”
2. **Employee**: is any University employee including faculty, staff, administrators, and student employees, including hourly, salary, part-time, and full-time employees.
3. **Nonresident Alien (“NRA”)**: is any individual who is not a U.S. citizen or U.S. national; an alien who has not passed the IRS’s “Green Card” test or the “Substantial Presence” test.
4. **Form I-94**: is the Department of Homeland Security (“DHS”) Arrival/Departure Record issued to aliens who are admitted to the United States.
5. **Form I-20**: is the DHS form that proves that a student is legally enrolled in a program of study in the United States.
6. **Form DS2019**: is the Department of State form that permits a prospective exchange visitor to seek an interview at a U.S. embassy or consulate in order to obtain a J visa to enter the United States. Form DS-2019 identifies the exchange visitor and their designated sponsor and provides a brief description of the exchange visitor’s program.
7. **Form W-8BEN**: is an IRS form used to collect correct NRA taxpayer information for individuals for reporting purposes and to document their status for tax reporting purposes.
8. **Form 8233**: is an IRS form used by NRA individuals to claim exemption from withholding on compensation for personal services via an income tax treaty or the personal exemption amount.

V. Policy Procedure

A. Eligibility to Receive Compensation or Expense Reimbursement

- a. Prior to processing a payment to a Nonresident Alien, Accounts Payable determines whether visa classification and/or other circumstances related to the foreign visitor allow for payment of any kind. If determined that the visa classification does not allow the Nonresident Alien to receive payment or reimbursement of expenses, the payment request will not be processed.
 - i. Expense reimbursement: U.S. income tax laws preclude the University from reimbursing travel and per diem expenses of Nonresident Aliens not in certain prescribed visa categories. Section V.F. herein describes specifics related to common visa categories.
 - ii. Compensation for services: If compensation to a Nonresident Alien for services performed in the U.S. is anticipated, the individual must be traveling on a visa type that allows the Nonresident Alien to receive compensation (usually B-1, F, or J). A copy of the visa and a copy of the certification of eligibility to work granted by the Department of State, in accordance with USCIS regulations, must be

received by Accounts Payable with the payment request. The certification by the Department of State is on Form DS2019, "Certificate of Eligibility for Exchange Visitor (J-1) Status" if the Nonresident Alien is on a J visa or Form I-20 "Certificate of Eligibility for Nonimmigrant (F1) Student" if the Nonresident Alien is on an F visa.

- b. Employees may not pay foreign visitors with personal funds and then request reimbursement from the University. The University will not reimburse an Employee who has paid an international visitor with personal funds.

B. Documentation Requirements

- a. Prior to the processing of payments to Nonresident Aliens, a completed Foreign National Data Form must be received by Accounts Payable with all applicable documents attached.
 - i. Documents required:
 - 1. Nonresident Alien visitors:
 - a. Copy of passport;
 - b. Copy of visa;
 - c. Copy of Form I-94 (with exception of certain Canadian visitors);
and
 - d. Form DS2019.
 - 2. Nonresident Alien students:
 - a. Copy of passport;
 - b. Copy of visa;
 - c. Copy of Form I-94 (with exception of certain Canadian visitors);
and
 - d. Form I-20.
 - 3. Additional documentation may be required depending on:
 - a. Visa classification;
 - b. Purpose of the payment;
 - c. Whether or not Nonresident Alien requests exemption from tax withholding; and
 - d. Institution sponsoring visitor (the University or another institution).

4. Social Security Number (SSN) or Individual Tax Identification Number (ITIN) is required in order to grant treaty benefits via Form W-8BEN or Form 8233.

C. Taxes

a. Nonresident Alien Visitors:

- i. Payments from U.S. income sources to Nonresident Alien visitors providing services in another country are not subject to IRS tax withholding requirements.
- ii. Travel expenses reimbursed to Nonresident Alien visitors for the purpose of providing a service are not subject to IRS tax withholding and reporting, based on the extension by the IRS of the “accountable plan” to Nonresident Alien visitors.
- iii. Honoraria and other payments from U.S. income sources to Nonresident Alien visitors providing services in the U.S. are subject to federal income tax withholding at the rate of thirty percent (30%) unless a reduced withholding or an exemption from withholding is provided by a tax treaty and the tax treaty benefits are claimed by the Nonresident Alien visitor prior to payment.

1. Honoraria payment recipients are limited to a maximum nine (9) day stay. The nine (9) day stay starts on the day that the Nonresident Alien arrives at the University and is being paid for the services, not when they arrive in the U.S.

2. Nonresident Aliens may not accept honorarium payments from more than five (5) institutions in a six (6) month period.

- a. Tracking number of payments and length of stay is the Nonresident Alien visitor’s responsibility. Nonresident Alien visitors accepting honoraria payments are required to complete the Honoraria Eligibility Certification Form found at <https://administrativeservices.louisiana.edu> and return to Accounts Payable.

b. Nonresident Alien Students:

- i. The “qualified portion” of a scholarship, which includes all required tuition, fees, and related expenses, is exempt from IRS tax withholding.
- ii. The “nonqualified portion” of a scholarship which includes scholarships paying for anything other than required tuition, fees, and related expenses, along with stipends and travel expenses, are taxed at the rate of fourteen percent (14%) for Nonresident Alien students present in the U.S. on an F-1 or J-1 visa.

D. Exceptions to Tax Withholding Requirements

- a. Nonresident Aliens may be entitled to a reduced tax withholding rate or complete exemption from withholding under an applicable tax treaty between the U.S. and the Nonresident Alien’s country of residence.

- b. Nonresident Aliens must submit IRS Form W-8BEN to Administrative Services in order to claim reduced withholding or exemption from withholding on income received in the U.S., except for compensation received for independent personal services. The Nonresident Alien must include their SSN or ITIN on Form W-8BEN.
- c. Nonresident Aliens must submit IRS Form 8233 to claim reduced withholding or exemption from withholding on income received in the U.S. for providing independent personal services in the U.S. The Nonresident Alien must include their SSN or ITIN on Form 8233.

E. Refund of Withheld Taxes

- a. Federal taxes withheld from a payment to a Nonresident Alien visiting scholar cannot be refunded by the University. If, after the fact, the Nonresident Alien wishes to claim tax treaty benefits, they must apply for a refund through the IRS. No other method is available to reimburse taxes previously withheld from a Nonresident Alien visitor.

F. Summary of Payment Procedure by Various Common Visa Classifications

- a. B-1 (Visitor for Business), B-2 (Visitor for Tourism), W-B (Visa Waiver for Business) and W-T (Visa Waiver for Tourism) Visas:
 - i. Payments of fee for services allowed if:
 - 1. Nonresident Alien visitor is engaged in academic activities and payment qualifies as an honorarium;
 - 2. Visitor not present at the University for more than nine (9) days; and
 - 3. Visitor has not accepted a fee or expense reimbursement from more than five (5) institutions in the previous six (6) months.
 - ii. Expense reimbursement allowed.
- b. F-1 Visa (University Student):
 - i. Payment allowed for scholarships, awards, tuition and fee exemptions, and expense reimbursements.
 - 1. Expenses incurred on official business for the University are not subject to withholding or reporting as they are eligible for exemption under the “accountable plan”.
 - 2. Expenses reimbursed in conjunction with a scholarship are not exempt from withholding as the IRS has not extended the “accountable plan” to scholarships.
- c. F-1 Visa (Non-University Student):
 - i. Payments of fee for services allowed if:
 - 1. Services performed on campus of sponsor school; or

2. Student is approved by the DHS for Optional Practical Training (“OPT”); and
 3. Student has applied for and received an Employment Authorization Document (“EAD”) with a start date before the date of the services.
- ii. Expense reimbursements are allowed.
- d. F-2 Dependent of F-1 Visa:
 - i. No payment or expense reimbursement allowed.
- e. H1-B Visa – Sponsored by University:
 - i. Payments allowed:
 1. Expense reimbursement only for non-employees; and
 2. Expense reimbursement for Employee travel expenses incurred on official University business. Fees for service may be paid only as an Employee through Payroll.
- f. H1-B Visa – Sponsored by an institution other than the University:
 - i. No payment of any kind is allowed.
 - ii. Departments must make arrangements to pay the visa holder’s sponsor, as H1-B visitors are only allowed to receive payments from their sponsor.
- g. H-4 Dependent of H-1 Visa:
 - i. Payments for services or reimbursement of expenses are not allowed.
 - ii. Payment allowed for scholarships, awards, tuition and fee exemptions, and expense reimbursements in conjunction with a scholarships.
- h. J-1 Visa (Exchange Visitor, Short Term Scholar) – sponsored by the University:
 - i. Scholarships, awards, tuition and fee exemptions, and payments of fees for services and expense reimbursement allowed.
- i. J-1 Visa (Exchange Visitor, Short Term Scholar) – sponsored by an institution other than the University:
 - i. Scholarships, payments of fees for services and expense reimbursement allowed if letter received from the responsible officer as indicated on the Nonresident Alien’s Form DS2019 that the activity at the University is warranted and meets the criteria established by the USCIS.
- j. TN Status Visa (Trade NAFTA for Citizens of Canada and Mexico) – Sponsored by the University:
 - i. Payments for services may be paid only as an Employee through Payroll.

- ii. Expense reimbursements is allowed for non-employees, or for Employee travel expenses incurred on official University business.
- k. TN Status Visa (Trade NAFTA for Citizens of Canada and Mexico) – Sponsored by an institution other than the University:
 - i. No payment of any kind is allowed.

VI. Enforcement

The University's Office of Administrative Services is responsible for enforcement of this Policy. If this Policy is not properly followed, payment may be withheld.

Violations of this Policy will be addressed according to the Code of Conduct and Ethical Behavior Policy, which may include disciplinary action up to termination of employment.

VII. Policy Management

Upon adoption, the Vice President of Administration and Finance shall be the Responsible Executive for this Policy. The Director of Administrative Services shall be the Responsible Officer for this Policy. The Office of Administrative Services is the Responsible Office for this Policy.

VIII. Exclusions

This Policy does not apply to payroll compensation of Nonresident Aliens.

IX. Effective Date

This Policy shall be effective as of the date of adoption of this Policy.

X. Adoption

This Policy is hereby adopted on this 1/8/2025.

DocuSigned by:
Joseph Savoie
1405E1487C93461...

Dr. E. Joseph Savoie
President

XI. Appendices, References and Related Materials

- ✦ [Foreign National Data Form - Student](#)
- ✦ [Honoraria Eligibility Certification Form](#)
- ✦ [Visa Types as defined by US Code](#)
- ✦ [IRS Publication 515 \(Withholding of Tax on Nonresident Aliens and Foreign Entities\)](#)
- ✦ Code of Conduct and Ethical Behavior Policy

XII. Revision History

✦ Original adoption date: 1/8/2025.