Determining & Processing Honoraria to Foreign Nationals

Documents Required for Foreign National Independent Contractor

- Foreign Vendor Creation Form
- Approved IC Determination Checklist
- Copy of VISA and Passport
- IRS Form W-BEN
- Wire Transfer Banking Information

Documents Required for Foreign National Reimbursement Only

- Foreign Vendor Creation Form
- Outside Party Individual Certification Form
- Copy of Passport
- IRS Form W-BEN
- Wire Transfer Banking Information

Approval Process

1. Send all completed documentation to Disbursement Services at IC_Review@unc.edu to have the Foreign National approved as an Independent Contractor
2. You will receive an e-mail stating “Approved” once Disbursement Services has approved this request
3. Forward this e-mail along with all documentation to the Vendor Coordinator at Vendor_Coordinator@unc.edu for vendor approval
4. Once approved, the IC is ready to begin the services and you are ready for payment entry!

Approval Process

1. Send all completed documentation to the Vendor Coordinator at Vendor_Coordinator@unc.edu to have the Foreign National approved as a Vendor.
2. Once approved, you are ready to process the reimbursement to the Foreign National!

Important!

If you are requesting a Foreign National to be an Independent Contractor, they may not be eligible for payment depending on their VISA type. Please refer to page 2 for Foreign National rules.
Honorarium Rules for Foreign Nationals and their VISAs:

- The Foreign National (FN) can be at UNC up to 9 days to be eligible for the Honorarium.
- The FN can only visit 5 organizations within a 6-month period.
- The FN is required to stay in the US on a B Visa (preferably B-1, not B-2) or as Visa Waiver National (Visa Waiver OR ESTA program).
- UNC Payroll or ISSS needs to be contacted if the FN is on any other type of Visa to see if they are eligible for an Honorarium.
- Honorarium payments may have up to 30% federal taxes withheld. If the payment exceeds $1,500, an additional 4% North Carolina State tax may be withheld.
- The visitor may qualify for a tax treaty if they have a Social Security Number or ITIN.
- You must have special permission from the host University to pay visitor’s on a F-1 or J-1 visa. This includes travel reimbursements.

<table>
<thead>
<tr>
<th>Visa Type</th>
<th>Visa Description</th>
<th>Can be Reimbursed for Expenses?</th>
<th>Can UNC Pay Honorarium?</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-1 &amp; B-2</td>
<td>Business Visitor &amp; Visitor for Pleasure</td>
<td>Yes, but the reimbursement may be taxable</td>
<td>Yes, provided with the proper documentation</td>
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<tr>
<td>F-1</td>
<td>Student Wishing to Study in US</td>
<td>May be eligible in certain conditions</td>
<td>Check with UNC Payroll or ISSS to see if FN is eligible. Will need special permission from host agency</td>
</tr>
<tr>
<td>H-1B</td>
<td>Allows US Company to Hire Foreign National</td>
<td>May be eligible in certain conditions</td>
<td>Visitor’s on an H-1B are only eligible to receive funding from their host agency</td>
</tr>
<tr>
<td>J-1</td>
<td>Work Authorized Professional Employee</td>
<td>May be eligible in certain conditions</td>
<td>Check with UNC Payroll or ISSS to see if FN is eligible. Will need special permission from host agency</td>
</tr>
<tr>
<td>WB or WT</td>
<td>VISA Waiver Program</td>
<td>Yes, but the reimbursement may be taxable</td>
<td>Yes, provided with the proper documentation</td>
</tr>
</tbody>
</table>

Reference: Michelle Anderson’s Payment & Taxation of Foreign Nationals Slide Show for UNC College of Arts & Sciences