

 VILLANOVA UNIVERSITY	Policy: Payments to Non-Resident Aliens
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Office of Financial Affairs Procurement Department Policies and Procedures	Approved:

Policy

In order for Villanova University to be compliant with IRS regulations, this policy provides general instructions on how payments will be made to foreign individuals (non-resident aliens).

Villanova University requires that proper forms be completed when paying for services to non-resident aliens. Villanova University is required to deduct 30% withholding from certain payments to individuals who qualify as a non-resident alien and providing a service. Exemption from withholding (either 100% or partial) occurs if the payee's resident country has a treaty with the United States. The University will not issue payment without withholding to any individual until the forms are completed in their entirety and the Procurement Department is satisfied that it is compliant with IRS regulations.

Definitions:

Alien: a non US resident – An individual who is a US citizen, green card holder or meets the substantial presence test ([see IRS Publication 519](#)).

Non-Resident Alien: a non US citizen or someone who does not have a green card or has not met the substantial presence test for a calendar year.

Forms:

[W-8BEN](#) – This form is completed for nonresident aliens whose country does not have a tax treaty with the US and 30% withholding will be taken. Complete instructions regarding this form can be found at [W-8BEN](#).

[Forms 8233](#) – for a nonresident alien whose country has a tax treaty with the United States – please note that the individual needs to have an individual taxpayer identification number (ITIN) in order to complete this form. Complete instructions regarding this form can be found at [Form 8233](#)

[Individual Taxpayer Identification Number \(ITIN\)](#) - An ITIN is a tax processing number issued by the Internal Revenue Service. IRS issues ITINs to individuals who are required to have a U.S. taxpayer identification number, but who do not have and are not eligible to obtain a Social Security Number (SSN) from the Social Security Administration (SSA). ITINs are issued regardless of immigration status because both resident and non-resident aliens may have U.S. tax return and payment responsibilities under the Internal Revenue Code. It may take as long as 6 weeks to obtain this number from then IRS. Complete instructions regarding this form can be found at [ITIN](#).

Procedure

Due to the length of time it may take for the correct forms/paperwork to be completed, it is important for the Department to contact the Procurement Department as soon as they are aware they would like a non-resident alien to perform the service/honorarium/stipend.

The Department must first contact the Assistant Director of Procurement to see if the individual's county has a tax treaty with the United States.

Non Treaty Countries:

The Department will send the payee a W-8 form to be completed and returned to the Department. It is suggested that the Department inform the payee that the deduction will be made.

Once the W-8 has been received, a Request for Payment can be completed and sent to the Procurement Department for processing. The Procurement Department will withhold 30% of the total determined taxable amount. This amount will be sent to the IRS.

Please note that payments will NOT be made without a W-8 form that has been completed and approved by the Procurement Department.

Treaty Countries:

The Department will send the payee an 8233 form. Please note that the payee needs to have an individual taxpayer identification number (ITIN) in order to complete this form. If the individual does not have a SSN or ITIN they will be treated as a non treaty country. Please note that the payee must send a copy of their passport.

Once the 8233, and copy of their passport has been received, a Request for Payment can be completed. All paperwork can then be sent to the Procurement Department for processing. If the 8233 is not completed or is not accepted by Procurement, it will be returned to the Department. If the individual can not or will not complete the 8233 form, they will be asked to complete the W-8 form and 30% withholding will be made

Please note that payment without the 30% withholding will NOT be made without an 8233.

Checks for non-resident aliens who already have an ITIN number may take up to 7 – 15 business days to process. Those without an ITIN number may take as long as 6 – 10 weeks.

The Procurement Department will be here to assist departments and individuals in completing these forms, or the individuals may contact the IRS directly at 1.800.829.1040.

Payments made to organizations rather than to non-resident alien individuals are not subject to 30% withholding and the submission of the forms listed above. Please contact the Procurement Department for additional information, or with any questions.