NON-RESIDENT ALIEN PAYMENT AUDIT CHECKLIST

FOR PAYMENT OF SERVICES TO A FOREIGN COMPANY, GOVERNMENT, ORGANIZATION

Consulting agreements must be reviewed/signed by a GT or OSP Purchasing Contract Officer. Services performed 100% abroad do not require this form-note ‘FOREIGN SOURCE’ on invoice and process via standard process.

Submit Appropriate IRS W-8 Form (in lieu of the Vendor Profile Form)

☐ For a Company/Organization: Submit the IRS FORM W-8BEN.
Tax treaty benefits may be claimed, where applicable.

☐ For a Foreign Government/Tax Exempt Organization: Submit the W-8EXP (for tax exempt organization)
This form will also serve to claim the tax treaty exemption, when appropriate. The W-8EXP must be accompanied by a letter from a U.S. attorney or the IRS stating the entity is tax exempt under section 501c.

☐ If the Company has Effectively Connected Income in the US: Submit IRS FORM W-8ECI
A U.S. ITIN is required. Tax withholding is not required, but payment is IRS reportable on form 1042-s.

Submit Payment Request and Required Documentation to Accounts Payable

☐ Submit an approved vendor invoice and reference the BuzzMart PO# (if applicable)
If part of the services are performed in the US, and part are performed abroad, invoice separately where possible, to minimize tax withholding. If a wire transfer is required, submit a Wire Transfer Request Form.

☐ Determine payment amount
30% IRS tax will be withheld automatically unless the entity is eligible for and claims a valid tax treaty. Not all countries have a tax treaty. Refer to IRS Publication 901 for tax treaty & withholding rates. A valid U.S. ITIN is required to claim the tax treaty. If a treaty is not available, the department may "gross up" the payment amount, to pay full invoice amount. Calculate as Gross Payment = Net Payment/.7
Always request the full payment amount. AP will deduct the tax, where required.

Allow 10 business days for approval and payment processing.

Special note regarding royalty payments: Industrial royalties for use of copyrights, trademarks, patents, etc., are subject to 30% withholding and reporting if use is in the U.S., unless an exception applies. Royalties for software product or database results are generally subject to 30% tax withholding, if the software is used in the U.S. unless the location of the server is overseas or the software is sold as an "off-the-shelf" boxed product. Review IRS Publication 901 US Tax Treaties, Table 1 for tax rates associated with royalty payments.

AP Use Only

☐ Glacier Record Complete
☐ W/H Date: ___________________________ Amount: ___________________________
☐ W/H JE Request sent
☐ Confirmation #: ___________________________

AP Auditor: ____________________________