



FASOP: AS-04

NONRESIDENT ALIEN CONSULTANT, CONTRACTOR, SCHOLARSHIP AND FELLOWSHIP PAYMENTS

Scope: All campuses served by Louisiana State University (LSU) Office of Accounting Services

Effective: July 1, 2007. This FASOP supersedes and replaces BOP 2-1.

Purpose: To establish procedures for processing payments to nonresident aliens, including consultant/contractor payments, visiting scholar payments and expenses, and scholarship and fellowship payments to nonresident alien students to ensure compliance with federal law, Immigration and Naturalization Service (INS) laws and Internal Revenue Service (IRS) requirements. These procedures do not apply to payroll compensation of nonresident aliens appointed at LSU. A. Tc 0.005.Twts1[(R)T2.9(6)E2T(62)28000189)U5T2 0(377)(7070:0.D(307628)R(25

July 1, 2007

F. Withholding Rates

<u>Rate</u>	<u>Recipient</u>
14%	Applicable to full-time students who are degree candidates at an educational institution and are considered "temporarily present in the U.S. as a non-immigrant" under an F, J, M or Q visa.
30%	All other nonresident individuals, including teachers and researchers and students not on an F, J, M or Q visa, who are in U.S. on a visa type allowing them to earn money; also applies to international recipients of royalty income.

G. Exceptions to Withholding Requirements

~~Nonresident aliens~~ may be entitled to a reduced withholding rates or complete exemption from withholding under an applicable tax treaty between the U.S. and the nonresident alien's country of resid [(an)-12.3 (d)]TJij 0 Tc 0 Tw C .1 to (r)-6.4 esai

Taxes Withheld

- Taxes are not withheld for reimbursement of expenses
- Taxes at the rate of 30% will be withheld unless visitor claims tax treaty benefits

Tax reduction due to tax treaty: to request an exemption from or a reduction in tax withholding due to an income tax treaty, the international visitor must complete and submit IRS Form 8233 to the AP & Travel Office.

2. F-1 Visa (Student)

Payments Allowed

- Scholarships, awards, tuition

1 2T&C00edsan0.002 0 Twanans3002 0 Te0 Td (an (n)]TJ 0e0 Td (an1 (a*)] 0

5. H1-

Taxes Withheld

- Taxes are not withheld for reimbursement of expenses
- Taxes at the rate of 30% will be withheld from fees unless visitor claims tax treaty benefits

Tax reduction due to tax treaty: to request an exemption from or a reduction in tax withholding due to an income tax treaty, the international visitor must complete and submit IRS Form 8233 to the AP & Travel Office.

8. O-1 (Person of Extraordinary Ability) and O-2 (Accompanying Personnel) Visas

Payments Allowed

- Fees for services and/or expense reimbursement only by the petitioning agency through whom the visa status was obtained

Expense Reimbursement

- All expenses reimbursed must be in compliance with PM-13, University Travel Regulations; expenses may only be reimbursed if LSU is the sponsoring agency

Documentation Requirements

All non-employees must provide:

- Copy of I-94 stamped with O-1 or O-2 status
- Copy of passport
- Copy of INS Form I-797
- All receipts required by PM-13; a copy of the passenger coupon of the airline ticket will be accepted in lieu of the original airline coupon
- A SSN or ITIN is not required for O visitors receiving expense reimbursement only

Taxes Withheld

- Taxes are not withheld on reimbursement of expenses
- Taxes are withheld at the rate of 30%

Tax reduction due to tax [1u320 Td [e

12. TN Status Visa (Trade NAFTA for Citizens of Canada and Mexico) - Sponsored by a school other than LSU

Payments Allowed

No payment of any kind. INS allows employment and compensation only by the sponsoring employer through whom the status was obtained in an activity in accordance with the provisions of the treaty. Departments must make arrangements to pay the sponsoring university as TN and H1-B visitors are only allowed to receive payments from their sponsor.