**Lehigh University Controller’s Office**

**Guide to Paying Foreign Visitors**

This guide is intended to be a handy reference tool for departments that are planning to pay foreign visitors who are considered **nonresident aliens** **for services performed in the U.S. as independent contractors or for travel reimbursement**. Generally, visitors who are coming to speak at a short course or meeting will be paid honorarium as independent contractors, not compensated as employees. If you are not sure if your foreign visitor is a nonresident alien, contact the Payroll Office at extension 85525.

If your visitor is coming for an extended period of time to teach a full course, they would be considered **employees** and not subject to this guide. Contact the Payroll Office at extension 85525 for questions about paying foreign employees.

If you will be paying a **foreign corporation**, or making payments unrelated to honorarium, special rules may apply. Contact Accounts Payable at extension 83140 for information regarding payments to foreign corporations and other entities.

**The most important thing to remember is to PLAN EARLY!**

If proper arrangements are not made before your visitor arrives in the U.S. you may find that the University is legally barred from honoring commitments that you may have made. Use this guide to plan ahead. Payment of honorarium or travel reimbursement (whether directly to the visitor or to a third party) requires compliance with certain visa requirements**. *Before* *you make any arrangements*** with your visitor to pay honorarium, contact the Office of International Affairs at extension 84859 to determine immigration requirements.

Here are some brief answers to common concerns:

**WHAT ARE THE VISA REQUIREMENTS?**

To pay honorarium or travel reimbursement:

* visitors must hold a valid F-1, J-1, J-2 (with authorization from immigration authorities), B-1, WB, H-1B, or A-1 visa, keeping in mind that:
* F-1 and J-1 visas must be issued for Lehigh University or, if the visitor is in the U.S. under a F-1 or J-1 visa for another institution, you must obtain written permission from that institution for the services to be provided to Lehigh
* H-1B visa holders must be sponsored by Lehigh University
* B-1 and WB visa holders may not provide services for more than **9 days** and must not have accepted honorarium more than **5 times in the 6** months prior to their visit to Lehigh
* a letter of invitation is required for each visitor, see the Offer Letter Template for Foreign Short Term Visitors on the Accounts Payable website

**Contact the Office of International Affairs for specifics and information on what your visitor must do to obtain the proper visa.**

**Note that Lehigh cannot make any kind of payments to visitors with a TD, WT, B-2, F-2 or H-4 visas!**

If your visitor will be traveling with a WB or B-1 visa, it may help to send them “Lehigh University Information Sheet for Short Term Visitors with B-1 or WB Visa Types” on the Controller’s Office website.

Special rules for CANADIAN and MEXICAN visitors:

Although Canadian citizens and Mexican citizens are not required to obtain a visa to come to this country, they should request an I-94 card upon entry to the U.S. that indicates that they are here for business, not as a tourist. We cannot pay them unless they provide documentation that they declared a business purpose upon entry.

**WHAT ABOUT TAXES?**

In general, Lehigh must withhold **30% federal income tax** from all honorarium payments to nonresident alien independent contractors. Reimbursement of travel expense is generally not taxable if the visitor provides adequate receipts (same rules as Lehigh employees). Special rules apply to travel grants to foreign students, contact Accounts Payable at extension 83140 for additional information.

If your visitor’s country has a **tax treaty** with the U.S., and your visitor meets the terms of that treaty, they may apply for a tax waiver by submitting a Foreign National Information Form (on the Payroll Office website). The information on the form will be evaluated and, if the treaty terms are met, the Payroll Office will prepare an IRS Form 8233 Treaty Application for your visitor. A listing of countries that have tax treaties can be found on the Payroll Office website.

Note that the form 8233 cannot be submitted to the IRS until after your visitor’s arrival in the U.S. and your visitor must have a valid U.S. Social Security or ITIN (Individual Taxpayer Identification Number issued by the IRS to those who are not eligible to receive a social security number) in order to claim a treaty benefit.

The IRS has 10 days after we file the 8233 to disallow the treaty benefit (see “How do I Pay my Visitor” below).

Visitors receiving honorarium payments will receive a 1042-S form from the University at the end of the tax year and will be required to file a Form 1040NR tax return. If they are eligible, but do not apply for tax treaty benefits at time of payment, they may request a tax refund when they file their 1040NR.

**HOW DO I PAY MY VISITOR?**

To initiate payments, send to Accounts Payable the following documents:

**For honorarium payments:**

* Payment Approval Form that includes:
  + with correct home country mailing address
  + valid social security number or Individual Taxpayer Identification Number\*\*
  + for B-1 or W-B visa holders, certification that the activity at Lehigh did not last more than 9 days and that the visitor has not received academic honorarium or travel reimbursement from more than 5 institutions in the last 6 months
* Copies of the visitor’s visa, I-94 card (or ESTA paperwork when traveling under the visa waiver program) with clear notation of date of entry and visa type, passport page showing valid passport dates
* Copy of the offer letter to your visitor to substantiate the nature and duration of his or her activities at Lehigh (see Accounts Payable website for offer letter template)
* Copy of visitor’s work authorization if required by their visa (contact the Office of International Affairs for further information)
* Permission letter from sponsoring institution if F-1 or J-1 visa and Lehigh is not the sponsoring institution
* Foreign National Information Form ( see Payroll Office website) and IRS Form 8233 if applying for tax treaty benefits

**For travel reimbursement**:

* Payment Approval Form with correct home mailing address
* a copy of the visitor’s visa, I-94 card with clear notation of the visa type, and passport page showing valid passport dates
* original receipts as required by the University’s Business Expense and Travel Policy (see Controller’s Office website)

If your visitor is applying for tax treaty benefits, but you need to pay their honorarium before the IRS 10 day waiting period has been met, contact Accounts Payable at extension 83140 about your options.

Payments will be made by Lehigh University check in U.S. currency.

**\*\*** If your foreign visitor does not already have a social security or ITIN number, they should apply as soon as possible in order to avoid delays in processing their payment. Application must be made in person at the Controller’s Office while they are in the U.S. For additional information, please refer to the ITIN Information Sheet on the Payroll Office website.

Please remember that this guide is intended to be a general reference tool. Your particular circumstances may be unique. For that reason, it is critical that you always contact the Office of International Affairs or the Controller’s Office before you make any arrangements.