

**California State University, Sacramento**  
**Non-Resident Aliens -- Payments to Speakers/Performers/Artists**

**Purpose**

The Chancellor's Office requires CSU campuses to comply with the Internal Revenue Code, California Revenue and Taxation Code, and California State University policies and procedures regarding non-resident alien taxation issues. To comply with Federal (Internal Revenue Service and Treasury Division) and State (Franchise Tax Board) rules and regulations, each CSUS program center must comply with these procedures when making payments to non-resident aliens.

**Scope**

Those individuals who are non-resident aliens who come to campus as speakers, performers, artists, or for similar situations are covered by this document.

**Departments Involved with the Process**

Campus Program Center/Department Contracting with Non-Resident Alien  
Procurement and Contract Services  
Accounts Payable  
Accounting Services  
Bursar's  
Payroll Services

**Requirements**

**Tax Withholding**

Non-resident aliens require special attention, as tax treaties with their country and visa status can be considered to determine tax-withholding percentages.

1. If the non-resident alien has an Individual Taxpayer Identification Number (ITIN) or Social Security number (SSN), the University reviews for the availability of a tax treaty. If a tax treaty option exists, the University issues a check for the full amount of contracted services. The non-resident alien must complete an IRS Form 8233.
2. If there is not a tax treaty between the non-resident alien's country of tax residency and the United States, or the non-resident alien does NOT have an Individual Taxpayer Identification Number (ITIN) or Social Security number (SSN), the University must withhold and remit federal taxes at a rate of 30%. State tax of 7% must be withheld and remitted to the Franchise Tax Board (FTB) if the payment exceeds/or will exceed \$1,500 in a calendar year. The IRS requires the University to report income paid to or on behalf of non-resident aliens on form 1042-S on or before by March 15. The following forms are needed to determine the taxes to be withheld.
  - Copy of Visa.
    - Visiting foreign guest speakers must enter the United States under one of the following Visa types: B-1 (Business Visitor), B-2 (Visitor for Pleasure), WB (Visa waiver for business) or WT (Visa waiver for tourism). To verify that an individual entered the U.S. on the correct Visa type the University must receive a copy of the individual's passport

and the I-94 (Arrival Departure Record form).

- Copy of Passport
- I-94 number
  - As of April 1, 2013, the Supplier is required to go online to get their I-94 number. They will need to submit a copy of the confirmation page with the I-94 number on the top of the page. The confirmation page will officially confirm the Supplier's visa status. <https://i94.cbp.dhs.gov/i94>

Note: If the non-resident alien wants to request an Individual Taxpayer Identification Number (ITIN), it takes approximately two to four months to obtain. An IRS Form W-7 (Application for IRS Individual Taxpayer Identification Number) would be completed to request an ITIN. The University could be subject to \$100 fine imposed by the IRS for making a payment to an individual without a tax identification number or SSN.

### Vendor Data Record (204)

A [Vendor Data Record \(204 form\)](#) must be completed by the speaker or their agent before payment can be made. This form, mandatory for all vendors, requests the Vendor's Taxpayer Identification Number (TIN) or Social Security number, mailing address, and residency status. Completed W8-BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. The W8-BEN is only valid for 3 years.

### Procedures

The following steps will help you through the necessary paperwork needed to obtain timely payments when bringing speakers or performing artists to campus. Begin completion of the paperwork as soon as possible, a minimum of three weeks before the scheduled presentation.

1. Enter a requisition in CFS. If payment is needed at the time of the event this is considered a Payment In Advance (PIA). PIA must be requested in the notes on the requisition. Once the Procurement & Contract Services office authorizes the PIA, they will notify Accounts Payable to process the payment.

Note: Speakers, performing artists and their agents usually have their own contracts and ask that you sign and return them. **DO NOT SIGN** their contracts. You are not authorized to enter into a contractual agreement on behalf of the University. Only a University contracting officer is authorized to sign contracts.

2. Disbursement of check --

If proper documents are received by Accounts Payable within the requested time frame, a check will be ready for pickup in Bursar's office, Lassen Hall, prior to the engagement.

If the documents are not received by Accounts Payable within the requested time frame, a check will be mailed to the speaker or agent after the date of the presentation.