



## Honoraria and Reimbursements for Foreign Nationals

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### Policy Statement

This policy outlines the circumstances in which the University can provide compensation to or pay for the travel expenses of guest speakers who are foreign nationals, and describes the associated tax implications. Harvard must make all payments to guest speakers who are foreign nationals in accordance with immigration law and IRS regulations.

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### Reason for Policy

Harvard is bound by U.S. immigration law and I.R.S. regulations when making payments to foreign individuals.

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### Who Must Comply

All Harvard University schools, tubs, local units, Affiliate Institutions, Allied Institutions and University-wide Initiatives must comply.

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### Procedures

1. **Understand restrictions on payments to certain foreign nationals.** Depending on an individual's visa type and work authorization status, he or she may be prohibited from receiving payments, from receiving reimbursements or from having payments made on his or her behalf by the University. Even payment of bona fide business expenses may be prohibited by immigration restrictions. **It is strongly encouraged that units understand these restrictions before offering honoraria or reimbursement of travel expenses to invited guests.** See the Appendix for a matrix of visa types and associated restrictions.
2. **Determine a prospective speaker's visa and work authorization status before services are rendered.** In many cases, Harvard can make alternative payment arrangements, such as paying the speaker's sponsoring agency, which in turn can pay the speaker – but only if these arrangements are made BEFORE the speaker performs services.
3. **Pay honorarium in accordance with immigration and IRS requirements.**
  - A. An honorarium paid to a foreign speaker will be treated as compensation for services and will be subject to income tax withholding and reporting.
  - B. The University is generally required to withhold on the compensation payment at a 30% rate, although this rate may be reduced or eliminated if there is an income tax treaty between the United States and the foreign individual's country of residence. Massachusetts performers' tax withholding of 5.25% may also apply if the speaker receives over \$5,000 in speaking fees from Harvard in the calendar year.
    - a. To claim benefits under an existing tax treaty, an eligible nonresident individual must file a form with the University (Form 8233) which requires the foreign individual to provide a taxpayer identification number and identify the treaty article providing the exemption. Tax treaty benefits are NOT automatic.
    - b. This process may be too cumbersome if relatively minor amounts are involved.
    - c. Consult University Financial Services regarding treaty exemptions.
  - C. Honorarium payments MUST be made through HCOM Payment Request using object code 8690.



## 4. Reimburse or direct pay travel expenses in accordance with immigration and IRS requirements.

- A. An expense payment made to a foreign speaker will not be considered to be income and will not require withholding or be reportable, provided that the speaker:
  - a. Performs a service for the University (i.e., delivers a speech, lecture, etc.)
  - b. Substantiates any expenses, and
  - c. Returns any excess payments.
- B. Expense payments that meet the above criteria can be made by:
  - a. HCOM Payment Request – Non-Employee Reimbursement
  - b. Harvard University Corporate Card.
  - c. BCD Travel direct bill to Harvard.

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## Responsibilities and Contacts

**Financial deans or equivalent tub financial officers** are responsible for ensuring that local units are aware of and abide by this policy and the accompanying procedures.

**University Financial Services** provides information on income tax treaties. **Contact: (617) 495-8500 and choose “Non-resident alien tax” from the menu.**

**Office of the General Counsel** provides guidance regarding compliance in complex or unusual immigration situations. **Contact: (617) 495-1280 or <http://www.ogc.harvard.edu/>**

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## Definitions

**Foreign national:** an individual who is a citizen or permanent resident of a country outside the U.S.

**Honorarium:** a payment made without legal obligation on the payor’s part, made to a person for their services in a volunteer capacity or for services for which fees are not traditionally required.

**Tax treaty:** an agreement between two countries to mitigate double taxation.

**Work Authorization** a US Citizenship and Immigration Services (USCIS) document proving the holder is authorized to work in the United States.

**Visa:** a certificate or other endorsement from the immigration authorities of a country indicating that the holder is allowed to enter, leave, or stay for a specified period of time in a country

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## Related Resources

Independent Contractor Classification: [http://vpf-web.harvard.edu/ofs/policies/documents/indep\\_contr\\_class.pdf](http://vpf-web.harvard.edu/ofs/policies/documents/indep_contr_class.pdf)

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## Revision History

6/1/2013: updated format, added appendix

1/1/2015: updated appendix, allowing reimbursement of expenses for H1-B visa holders with written approval from sponsoring organization

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## Appendix

Most Commonly Seen Visa Types of Foreign National Guest Speakers

## Appendix: Common Visa Types of Foreign National Guest Speakers

Visa Type (1)	Visa Description	Honoraria (Service Payments) Allowed?	Expense Reimbursement/ Direct Payment of Expenses Allowed?	Note
A-1 (Diplomatic)	Foreign Diplomatic Personnel	No	No	
All B visa statuses, if following criteria are met: <ul style="list-style-type: none"> <li>• Payment is for “usual academic activity or activities” lasting no longer than 9 days <b>AND</b></li> <li>• Individual hasn't received similar payments from more than 5 other institutions during the previous 6 months.</li> </ul>	Visitors (of various types)	Yes	Yes	
B-1 (or WB) if above criteria are NOT met	Visitor for Business	No	Yes	
B-2 (or WT) status if above criteria are NOT met	Tourist or Prospective Scholar/Student	No	No	
H-1B	Temporary Worker in a Specialty Occupation	No	Yes, provided that the written permission of the H-1B sponsor (if other than Harvard) has been obtained	Alternately, Harvard may reimburse expenses via the speaker's sponsoring agency
G-1	Representative of International Organization	No	No	See note (2) below
J-1	Exchange Visitor (Short-term Scholar, Professor Researcher, or Specialist)	Yes, provided that the written permission of the J-1 sponsor (if other than Harvard) has been obtained	Yes	Payment must be for a lecture or other academic activity
O-1	Person of Extraordinary Ability	No	No	See note (2) below

**Notes:**

1. While these are the most commonly-seen visa types of foreign national guest speakers, some individuals may have visa types not listed above. Please contact University Financial Services (UFS) for more information before offering to pay an individual an honorarium or travel expenses.
2. Harvard is not permitted to pay an honorarium or reimbursement to these visa holders, who may only be engaged by the employer or agent sponsoring their visa. In limited circumstances, Harvard may make payment or reimbursement via the speaker's sponsoring agency; contact NRA Tax for details.