



Payments to Foreign Entities and Foreign Individuals

November 16, 2022

Welcome

Introductions:

- Karen Kittredge, Manager, Policy and Business Process
- Natasha Rivera, Nonresident Alien Compliance Manager

Learning Objectives

After completing this information session, you should be able to:

- Identify foreign nationals or suppliers
- Identify payment types and processes and why it is important
- Utilize the steps and tips and tricks for employees or suppliers
- Leverage Buy-to-Pay (B2P), Financial Policy, and Nonresident Alien Tax resources.

Foreign National Considerations

What is a Foreign National or Foreign Supplier

Foreign National (aka, nonresident alien, NRA, 1042s vendor/supplier)

- An individual who is not considered a U.S. citizen or permanent resident.
- Based on an individual's visa/ immigration status, location of work, and type of work, they may be subject to certain tax withholding and reporting requirements. Federal tax and immigration laws require Harvard to collect certain documentation certifying their foreign status, eligibility to receive payment, as well as determining correct tax withholding or exemption, which is facilitated by [GLACIER](#).

Foreign Entity (aka Non-US based Entity vendor/supplier)

- A company, corporation, business association, partnership, trust, society, international organization, foreign government, or other entity or group that is not incorporated or organized in the United States.
- Based on a foreign entity's status, location of work, and type of work they may be subject to certain tax withholding and reporting requirements deemed [U.S. sourced income](#). Federal tax laws require Harvard to collect certain documentation (such as IRS Form W-8) certifying their foreign status which informs correct tax withholding or exemption requirements.

Why We Need to Be Accurate

The IRS has active large business and international active campaigns regarding foreign individuals and entities receiving payment from a U.S. entity (Harvard).

Failure to comply with these regulations can have risks to Harvard as well as the individual receiving the funds.

- Foreign individuals performing services in the United States may have restrictions on what is allowable under immigration law based on visa/ immigration and payment type (including honoraria payments).
- Prior to having individuals perform services for Harvard, departments and faculty must ensure if a payee's immigration status allows a foreign individual to legally be paid **by Harvard**. For instance, H-1B visa holders sponsored by another university cannot be paid income (e.g., speaker fee or honoraria) by Harvard.
- Please review relevant policies that have been informed by Office of General Counsel and federal laws [Most Commonly Seen Visa Types of Foreign National Guest Speakers](#) on the [Honoraria and Reimbursements for Foreign Nationals Policy page](#).



IRS Announces the Identification and Selection of Six Large Business and International Compliance Campaigns

May 21, 2018 IRS Announces the Identification and Selection of Six Large Business and International Compliance Campaigns

The IRS Large Business and International division (LB&I) has announced the approval of six additional compliance campaigns. LB&I announced on January 31, 2017, the rollout of its first 13 campaigns, followed by an additional 11 on November 3, 2017, and five more on March 13 of this year.

• Forms 1042/1042-S Compliance

Practice Area: Withholding & International Individual Compliance

Taxpayers who make payments of certain U.S.-source income to foreign persons must comply with the related withholding, deposit, and reporting requirements. This campaign addresses Withholding Agents who make such payments but do not meet all their compliance duties. **The Internal Revenue Service will address noncompliance and errors through a variety of treatment streams, including examination.**

• Nonresident Alien Tax Treaty Exemptions

Practice Area: Withholding & International Individual Compliance

This campaign is intended to increase compliance in nonresident alien (NRA) individual tax treaty exemption claims related to both effectively connected income and Fixed, Determinable, Annual Periodical income. Some NRA taxpayers may either misunderstand or misinterpret applicable treaty articles, provide incorrect or incomplete forms to the withholding agents or rely on incorrect information returns provided by U.S. payors to improperly claim treaty benefits and exempt U.S. source income from taxation. **This campaign will address noncompliance through a variety of treatment streams including outreach/education and traditional examinations.**

• Nonresident Alien Schedule A and Other Deductions

Practice Area: Withholding & International Individual Compliance

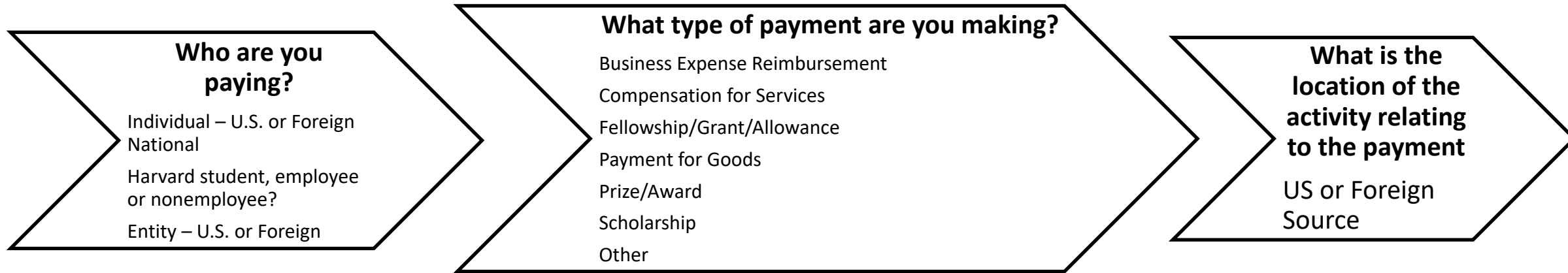
This campaign is intended to increase compliance in the proper deduction of eligible expenses by nonresident alien (NRA) individuals on Form 1040NR Schedule A. NRA taxpayers may either misunderstand or misinterpret the rules for allowable deductions under the previous and new Internal Revenue Code provisions, do not meet all the qualifications for claiming the deduction and/or do not maintain proper records to substantiate the expenses claimed. **The campaign will address noncompliance through a variety of treatment streams including outreach/education and traditional examinations.**

• NRA Tax Credits

Practice Area: Withholding & International Individual Compliance

This campaign is intended to increase compliance in nonresident alien individual (NRA) tax credits. NRAs who either have no qualifying earned income, do not provide substantiation/proper documentation, or do not have qualifying dependents may erroneously claim certain dependent related tax credits. In addition, some NRA taxpayers may also claim education credits (which are only available to U.S. persons) by improperly filing Form 1040 tax returns. **This campaign will address noncompliance through a variety of treatment streams including outreach/education and traditional examinations.**

Incurring Expenses and Processing Payments



Are you paying an entity/business or an individual?

- Is it a U.S. or foreign entity?
- Is individual a U.S. Citizen/Permanent Resident or a Foreign National/Nonresident Alien
- What is their tax residency and visa status? Is the individual entering the U.S.?

What type of payment are you making?

- The type of payment will help determine what policies need to be followed and if the payment is reportable or taxable. Both individuals and entities may be subject to taxes.
- If payment to an individual, are they classified correctly and are they allowed to receive payment based on their visa status?

Where is the payment being used (inside U.S. or outside U.S.)?

- Are the goods or services being performed in the U.S.?
- Location of the activity drives the foreign source determination
- Does the individual have a PeopleSoft appointment? The appointment type may help in classifying the type of payment (service vs fellowship).

Foreign Nationals Paid Through PeopleSoft

Foreign National Employees Remote Work Visa Restrictions

Harvard recognizes the occasional need with appropriate approval, to allow an employee to perform their work remotely. Please see [Interim Payroll Policy](#) and [Harvard Registered Payroll States](#).

- Hiring for U.S. nationals, legal permanent residents (“green card” holders), and other foreign nationals with broad-ranging work authorizations (*e.g.*, persons with J-2 visas and DACA participants who have applied for and received work permits) is relatively straightforward. In Harvard Registered Payroll States, Harvard is the employer, and in non-Registered States, individual must be hired through a third-party payroll provider such as DZConneX/ AllSource as the employer of record.
- Other categories of foreign nationals have more limited work authorization and may not be able to work for Harvard from other states, because of restrictions in the immigration regulations that apply to their visa status.

If a job is determined to be appropriate for remote work in a [Harvard Registered Payroll State](#), the hiring department must confirm foreign national’s visa eligibility to work off campus or outside of Massachusetts. Materials are currently being developed regarding this and will be posted on the [Interim Payroll Policy](#) website. See [Work Authorization Chart](#)

If a job is determined to be appropriate for remote work outside a [Harvard Registered Payroll State](#), the hiring department must confirm foreign national’s visa eligibility to work off campus or outside of Massachusetts. Materials are currently being developed regarding this and will be posted on the [Interim Payroll Policy](#) website. See [Work Authorization Chart](#)

Individuals working outside of the United States must be hired in a manner that complies with local laws. Contact your [Global Support Services](#) consultant for guidance.

Foreign National Employees

Foreign Nationals working for compensation (payroll) in a Harvard Registered Payroll State must:

- Complete a Form I-9 and show documentation showing identity, eligibility to work in the U.S. as well as eligibility to work for Harvard.
 - Section 1 must be completed no later than the first day of work
 - Section 2 must be completed no later than the third day of work

Once a paid appointment is active, employee will receive an invitation to GLACIER (support@online_tax.net) employees should complete, and [upload](#) completed [GLACIER materials](#). See [GLACIER Quick Start Guide](#).

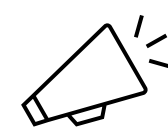
- Employees who do not complete and submit a completed GLACIER packet will have taxes withheld at the highest rate.
- Employees who do not have a government-issued social security number (SSN) should [apply for a number](#) as soon as possible in order to take advantage of possible tax treaties as well as possible tax withholding adjustments.
- Employees approved to work outside of Massachusetts must complete [appropriate state work location and distribution\(s\)](#) in PeopleSoft.
- If an employee is working in multiple Harvard Registered Payroll States, contact [NRA Tax Compliance](#) regarding completion of additional state tax forms.

Foreign National employees must update their GLACIER materials with any changes in circumstance. [See FAQ](#)

- Examples of required GLACIER updates may include: extensions to immigration status, being paid a different type of income, obtaining a new U.S. tax ID number, changes in country of residency or address, etc.

Foreign Nationals - Non-Students

Work Authorization Considerations



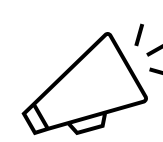
This information is currently being finalized and may change.
The final document will be posted to the [Interim Payroll Policy](#) page in the next few months.

See [Payroll Policy Website](#) for complete guidance.

Visa Types Harvard Sponsored (HS) Other Institution Sponsored (OS)	Harvard Employee in Harvard Registered States	Employee of Third-Party Payroll Provider (e.g., AllSource paid through FieldGlass/DZConneX	Additional Notes
E-3 (HS) H-1B (HS) O-1 (HS) TN (HS)	May work remotely in Registered States provided that their remote status is documented and reflected in their visa petitions/ TN letters.	May not work remotely from non-Registered States, because the payroll provider may not serve as their employer of record.	Hiring officers should disclose remote work conditions to the Harvard International Office.
J-1 Scholar Exchange Visitor (HS) OR J-1 graduated students using their “academic training” (HS OR OS))	May work remotely in Registered States and Massachusetts provided that they come to the Harvard campus to work at least one day per week.	May work remotely from non-Registered States, but the third-party payroll provider must be the employer of record AND the employee must work at least one-day per week on campus but expect this to be rare.	Hiring officers should disclose remote work conditions to the Harvard International Office
Graduated F-1 Students on OPT Work Allowances (HS or OS)	Graduated F-1 students using the OPT first-year work allowance may be hired directly by Harvard to work remotely in Registered States and Massachusetts.	First-year OPT employees may work from non-Registered States, provided that a third-party payroll provider is the employer of record. Once one year OPT has expires the 180 days acts as a STEM so cannot remain on DZX payrolls	Employees should disclose their remote work conditions to the Designated School Officials at their schools. (If they are Harvard graduates, the DSO is in the Harvard International Office.)
Graduated F-1 on STEM OPT Work Allowance (HS or OS) Individuals with STEM OPT must be e-verified by their employer	May work remotely from Registered States and Massachusetts, but only so long as the temporary COVID-19 remote work allowance given by the Student Exchange Visitor Program in Immigration and Customs Enforcement (ICE/ SEVP) remains in effect. The ICE/ SEVP COVID-19 allowance applies only to workers who were present in the United States on F-1 visas as of March 20, 2020.	May not work remotely from non-Registered States, because the payroll provider may not serve as their employer of record. Once one year OPT has expires the 180 days acts as a STEM so cannot remain on DZX payrolls	STEM OPT employees should disclose their remote work conditions to the DSOs at their schools, so that they can confirm that the ICE/ SEVP COVID-19 policy remains in effect

Foreign Nationals – Harvard Students

Work Authorization Considerations



This information is currently being finalized and may change. The final document will be posted to the [Interim Payroll Policy](#) page in the next few months.

See [Payroll Policy Website](#) for complete guidance.

Harvard Sponsored Student Visa Types	Harvard Employee in Harvard Registered States	Employee of Third-Party Payroll Provider (e.g., AllSource paid through FieldGlass/DZConneX)	Additional Notes
F-1	Work must be on-campus. May only work off-campus in a registered payroll state or Massachusetts only if : (1) the work is an integral part of the student's educational program, (2) the off-campus location is "educationally affiliated with the school" — <i>i.e.</i> , "associated with the school's established curriculum or related to contractually funded research projects at the post-graduate level," and (3) compensated employment does not exceed 20 hours per week.	May not work remotely from non-Registered States.	Harvard must be the Form I-9 employer of record.
J-1	May work remotely in Registered States and Massachusetts provided that they come to the Harvard campus to work at least one day per week. Hiring officers should disclose remote work conditions to the Harvard International Office	May not work remotely from non-Registered States.	Hiring officers should disclose remote work conditions to the Harvard International Office

Employment / Compensation vs Stipend / Fellowship

Employee fellowship payments are made in exchange for **services that are primarily for Harvard's benefit processed through PeopleSoft**. These payments represent compensation (i.e., salary or wages).

Nonemployee fellowship (nonservice fellowships) are payments as payments made to support an individual in the pursuit of their **professional development, scholarship or research**. Nonemployee fellowship payments are **not** payments in exchange for services, but rather are payments to allow someone to carry out their own research or educational activities under supervision or mentorship of a faculty member. Nonemployee fellowship payments often fund living, travel, or research expenses. See [Fellowships/Scholarships/Grants to Foreign National](#) Section.

Factors suggesting an employee fellow payment	Factors suggesting a nonemployee fellow payment
These individuals may be classified in PeopleSoft as Monthly Teaching Fellows (MTF) or Internal Post Docs (MIP).	Generally processed in B2P for one-time payments, or recurring U.S. income payments through PeopleSoft for external postdocs (MEP) or student stipend (MST)
<ul style="list-style-type: none">• Pay is based on percentage of effort.• Payment is tied to completion of one or more deliverables.• Harvard can immediately stop payments if the fellow interrupts the work.• The relationship between faculty member and fellow is more supervisor/worker than mentor/mentee.• The faculty member closely supervises the work.• The fellow is doing work previously done by an employee or is acting as a replacement or substitute for an employee fellow, such as a research assistant/associate. The faculty member or sponsor identified the research topic.	<ul style="list-style-type: none">• Payment is typically based on a flat amount.• Payment is for housing or other living expenses such as food, accommodation or health insurance.• Harvard cannot immediately stop payments if the fellow interrupts the work.• The relationship between faculty member and fellow is more mentor/mentee than supervisor/worker.• The faculty member has nominal supervision over the work.• The fellow identified the research topic (perhaps with advice from the faculty member).• The fellow applied for and obtained the funds from an outside sponsor (even if the sponsor required the funds to flow through Harvard).

Fellowships/Scholarship/Grants to Foreign Nationals

Harvard Business Expenses vs Fellowship/Grant

See [Fellowship Payments and Reimbursements for Students and Non-employee Postdocs/Fellows](#).

Business Expense

- Expenses that are in direct support of University research or scholarship such as travel on behalf of Harvard
- Expenses required to fulfill duties of the student worker (e.g., required training)
- Job-related materials, equipment and supplies

Fellowship/Grant

- May also be called a scholarship, award, allowance, travel grant, research grant, etc.
- Payment or other value (plane ticket or other expenses) to support an **individual in pursuit of their professional development, personal learning or scholarship**
- A fellowship may take the form of a living, travel, or research award or allowance. This is not related to performance of services on behalf of Harvard

Harvard Student on Stipend / Fellowship – Inside the U.S.

Current or incoming Harvard students receiving a nonemployment stipend or fellowship who are paid via PeopleSoft on the Monthly Stipend Process (MST) overseen by a School's Financial Aid Office. **Note that Harvard students receiving W-2 compensation for services (e.g., teaching or research on the Monthly Teaching Fellow Payroll) fall under the “employee” guidance for processing payroll payments .**

Enrolled Harvard Students – Monthly Stipend Process (MST)

Residing in the U.S. or using the funds for U.S. activities

- Appointments follow current set-up and tax reporting processes and requirements.
- **For NRAs, payments processed in PeopleSoft are considered U.S. sourced income and may be subject to U.S. taxation and reporting.**
- Payments may be direct deposited into a U.S. bank account.
- Individuals located in Iran, Syria, North Korea, Cuba, the Crimea Region of Ukraine, or any other comprehensively sanctioned country may not be able to receive stipends payments due to country sanctions. These payments may need to be deferred until the individual is outside the sanctioned country. Contact your School or Unit's [Export Control Council Member](#) for guidance. U.S. activities means are where the funds are being used (e.g., a fellowship used to purchase airfare to the U.S. or paying a down payment on an apartment in the U.S). If the source of income cannot be determined, the payment must be treated as U.S. sourced. See. [U.S. or Foreign-Source Income](#).

Harvard Student on Stipend / Fellowship – Outside the U.S.

Current or incoming Harvard students receiving a nonemployment stipend or fellowship who are paid via PeopleSoft on the Monthly Stipend Process (MST) overseen by a School's Financial Aid Office. **Note that Harvard students receiving W-2 compensation for services (e.g., teaching or research on the Monthly Teaching Fellow Payroll) fall under the “employee” guidance for processing payroll payments .**

Enrolled Harvard Students – Monthly Stipend Process (MST)

Accounts Payable Stipend Payments
(Includes students not in the U.S, not expected to enter the U.S. or funds are not used for U.S. activities.)

- For foreign nationals who are not in the U.S. or the funds will not be used for U.S. activities other types of scholarship/ fellowships / grants (such as professional development grants) not processed through the Financial Aid Stipend Process may be paid using the Buy-to-Pay system .
- Departments should use an “In Lieu of Form,” selecting “fellowship/grant” with object code 6460 or 6461 and indicate the country of location for the activity which is required for correct for tax classification.
- Follow any special handling requirements as necessary (e.g., wire transfer requests)
- Individuals located in Iran, Syria, North Korea, Cuba, the Crimea Region of Ukraine, or any other comprehensively sanctioned country may not be able to receive stipends payments due to country sanctions. These payments may need to be deferred until the individual is outside the sanctioned country. Contact your School or Unit's [Export Control Council Member](#) for guidance.
- This process will enable the payments to be reviewed as foreign sourced income, without U.S. tax withholding, if all activities relating to these payments are conducted entirely outside of the U.S.
- Individuals may have additional filing requirements in that country.

External Post Doc / Research Scholar Fellowship (Nonstudent)

External Post Doc / Research Scholar (Non-Harvard Student)

External Post Doc / Research Scholar Fellows Located in the U.S. but Outside Massachusetts

- Process as normal through PeopleSoft (MEP).
- If individual is not sponsored by Harvard, contact [NRA Tax Team](#) for additional guidance.
- Appointments follow current set-up and tax reporting processes and requirements and will be considered U.S. sourced income.
- Payments may be direct deposited into a U.S. bank account.

External Post Doc / Research Scholar Fellows Located Outside of the U.S.

- Individuals located in Iran, Syria, North Korea, Cuba, the Crimea Region of Ukraine, or any other comprehensively sanctioned country may not be able to receive stipends payments due to country sanctions. Contact your School or Unit's [Export Control Council Member](#) for guidance.
- For individuals located in a country *not listed* above, follow the below steps.
 - Process a stipend / fellowship payment via Accounts Payable (B2P).
 - Individuals with a U.S. bank account and email address can choose [Zelle](#) ([HUECU members](#)) as their preferred payment method in their Supplier Portal profile.
 - If no U.S. bank account is available, confirm with the payee the best payment method. In many cases, a wire transfer request via special handling may be most appropriate.
 - For recurring payments, Schools may wish to set up a standing order with the total amount and “releasing” funds each month for payment; or departments may use an [in lieu of form](#), selecting “fellowship/grant” and using object code 6455 and noting country location of the activity.
 - This process will enable the payments to be reviewed as foreign sourced income, without tax withholding, if all activities relating to these payments are conducted entirely outside of the U.S.

Fellowship vs. Prizes Reporting and Tax Withholding Requirements in B2P*

Fellowship/ Grants 6460 – Students/6455 - Nonstudents Support payments (e.g., plane tickets, health insurance, or other travel expenses) paid to or on behalf of an individual to aid in their own personal research or scholarship.		Prize/ Awards 6462 – Students/8693 - Nonstudents Payments issued in recognition of a past accomplishments or achievements, such as those awarded for earning the highest GPA or winning a business plan competition.	
US Tax Residents	Nonresident Aliens	US Tax Residents	Nonresident Aliens
<ul style="list-style-type: none"> • Harvard is not required to report these payments to the IRS or to the recipient • No withholding is required at time of payment, but tax payments due at filing could be required • Recipient must self-report as gross income for any non-qualified fellowship received 	<ul style="list-style-type: none"> • Harvard is required to report payments to the IRS. The recipient will receive a Form 1042-S indicating “fellowship/ scholarship” for non-qualified payments • Withholding is required (at 14% or 30% depending on visa type) but can be reduced by tax treaties if determined eligible beforehand 	<ul style="list-style-type: none"> • Harvard must report to the IRS and issue prize recipients a Form 1099 if the recipient receives \$600 or more in prize money during a calendar year • 1099 MISC Box 3 • Only processed through B2P 	<ul style="list-style-type: none"> • Harvard is required to report these payments to the IRS and to the recipient on Form 1042-S as “other income” • 30% Withholding is required. Not eligible for tax treaty exemption • Only processed through B2P

*Certain Fellowships / Stipends may be processed in PeopleSoft, if appropriate (e.g., recurring and U.S. sourced income). Student stipends are processed through a school’s Financial Aid Office. Stipends for External Post Docs / Research Fellows are paid by the local department/unit.

Foreign Individual Supplier Types

Considerations

In order to process payments to individuals or entities offering goods or services, rents, royalties, or other activities to Harvard, a supplier must be set up in Harvard's Supplier Portal (Jaggaer/Buy-to-Pay/B2P).

Is the individual eligible to receive a payment from Harvard (speaking fee/honoraria/reimbursement)?

- Prior to any agreements being made, schools or units must confirm a supplier is legally allowed to be paid by Harvard. Refer to [Most Commonly Seen Visa Types of Foreign National Guest Speakers](#), [Independent Contractors Policy](#), [Debarment Certification](#)
- In rare instances, a Harvard employee may be paid for a service via B2P (e.g., services unrelated to their current job, though additional compensation is best practice).
- Nonemployees receiving reimbursements for a valid Harvard business expenses (qualified, non-taxable).
- Payment method: Do not assume the default payment for a paper check is acceptable when paying foreign payees. Many foreign banks no longer accept paper checks, and international mail also remains unreliable. Invoices may also provide payment method requirements.

Is the supplier type classified correctly?

- Accurate classification facilitates compliance with federal and state regulations
- Suppliers must submit required legal documentation (e.g., W-8, W-9, GLACIER, etc.)
- **NOTE-** Improper classification may result in under withholding and/ or reporting, which can result in taxes being charged back to department to remain compliant with IRS regulations.

Supplier Checklist – Foreign Individual


- ☐ Is supplier already in B2P? See [Supplier Search](#).
- ☐ Is supplier record active? See [Supplier Search](#) and [Supplier Inactivation Dates](#).
- ☐ Does supplier record need to be updated (Address add/change, [Paymode-X ACH](#), [Zelle](#))? See [Maintenance Request](#).
 - ☐ New GLACIER or W-8 materials may need to be uploaded for changes in circumstances. See FAQ.
 - ☐ Will the individual be entering the U.S. and/or do you know their visa type? Review [Supplier Types](#)
 - ☐ Confirm individual is legally allowed to receive payment from Harvard [Most Commonly Seen Visa Types](#).
 - ☐ If you know the individual **will be** entering the U.S., but do not know their visa type, select “**NA – Not Available**”. This will trigger a GLACIER email to the individual. The Supplier Onboarding Team (SOT) will update the visa type upon receipt of the GLACIER tax summary report and immigration documentation.
 - ☐ If you know the individual **will not** be entering the U.S. –select visa type “**NE – No Entry/No U.S. Presence**”. No GLACIER email will be sent to the individual since GLACIER is only required for U.S.-sourced income.
 - ☐ If you know the individual **will not** be entering the U.S. but is receiving royalty, copyright, or patent income, select “**NE-RC**” visa type.
 - ☐ Individuals being paid on **ADVTR** visa type will receive GLACIER to complete upon their arrival to the U.S. Their advanced travel grant will be taxed at 30%.
 - ☐ Departments paying individuals on BER supplier type must submit copies of [required documentation](#) with B2P payment request.
- ☐ How will the payment be made? Paper checks are not always the best process for foreign transactions, is Wire required, if so – USD or foreign currency? See [Treasury links here](#) for further information on the wire process.

Quick Reference – Supplier Inactivation Dates*

Supplier Type	Inactivation Date
Business Expense Reimbursement – Foreign (BER)	90 days from activation date (see requirements)
1042-S Individual – Non-US Citizen (visa type is required; sample of special types and scenarios noted below)	
• ADVTR – Advance Travel Grant	90 days from activation date. Not able to reactivate without GLACIER
• NA – Not Applicable/Unknown	Should be updated to correct visa type by supplier or Supplier Onboarding Team once GLACIER and immigration documents are provided
• NE – No Entry (supplier is not entering the U.S. and has no U.S. presence)	90 days from activation date. See “NE-RC” if paying royalty, copyright, or patent income to an individual with no U.S. presence
• NE-RC – No Entry Royalty/Copyright (supplier is not entering the U.S., has no U.S. presence, but is receiving royalty, copyright, or patent income)	2 years from date of W-8BEN signature
• All other visa types	Auto inactivated based upon immigration documentation end dates
Individual: US Citizen / Legal Permanent Resident	N/A
Temporary Supplier	30 days from activation date
US Entity Sole Proprietorship, Partnership LLC, Corporation or Government Agency	N/A
Foreign Entity Corporation, Partnership, Trust, Tax-Exempt Organization, Private Foundation, Estate, Government / International Organization or Qualified Intermediary	Generally, 3 years from date of signature on W-8

**Suppliers with 18+ months of no activity are automatically inactivated)*

Onboarding Supplier Options

Registration Option	Description	Required Information Needed by B2P Portal User
Invite New Supplier	A Harvard requestor sends a link to an individual or company, inviting them to self-register on our B2P Supplier Portal (Note: not recommended for foreign payees. See Request Form description below.)	<ul style="list-style-type: none"> • Company or Individual • Legal Name* • Email Address
Request New Supplier	A Harvard requestor completes an online questionnaire to add a supplier in the B2P Supplier Portal (Temporary Vendors – Refund, BERS)	<ul style="list-style-type: none"> • Company or Individual • Legal Name* • Remit to Address • Email Address • Citizenship • Additional information may be required depending upon selection of Temporary or BER Vendor
Request Foreign Individual 	<p>A Harvard requestor completes an online questionnaire which will send an invitation as well as a GLACIER request to the individual early in the onboarding process.</p> <p>Note: Using “request a supplier” rather than “invite” will kick off the GLACIER request earlier in the onboarding process.</p>	<ul style="list-style-type: none"> • Company or Individual • Legal Name* • Email Address • Foreign Address Required • Citizenship • Visa Type (or NA if not known)
Proxy Request	<p>A Harvard requestor completes an online questionnaire on behalf of an individual who requires special assistance to register as a supplier. This is also known as “white glove registration.”</p> <p>Example: No internet access, VIP</p>	<p>ALL SUPPLIER INFORMATION AND DOCUMENTATION</p> <ul style="list-style-type: none"> • Company or Individual • Legal Name* • SSN/TIN • Visa Type • DOB • Remit to Address • ALL supporting documenting (including GLACIER and relevant tax documents)

*Legal Name is the name listed on the payment and tax reporting documents. It must match the name listed on the W-9 or W-8 form collected.

Onboarding an Individual – Non-US Citizen

Payment Terms - Immediate

Supplier Type	Visa Type	Legal Structure Tax Classification on Document	Required Document(s)	Inactivation Date	Typical Use Case
1042-S	<ul style="list-style-type: none"> Dept must confirm individual legally allowed to be paid by Harvard. See “Most Commonly Seen Visa Types” If visa type is unknown and the individual is entering the US, select "NA – Not Available" 	Foreign Individual	<ul style="list-style-type: none"> Completed GLACIER packet W-8BEN (generated by GLACIER or completed in B2P) Permanent foreign address (Fulfillment Address) 	Based on immigration status expiration date	Foreign Individuals receiving payments from Harvard: <ul style="list-style-type: none"> Goods and services Fellowships, Prizes, Awards Independent contractors Invited guest speakers Royalties, Copyrights, Patents Harvard Students Human subject payments Nonemployee reimbursement
	NE – No Entry	Foreign Individual	<ul style="list-style-type: none"> W-8BEN (completed in B2P) Permanent foreign address (Fulfillment Address) 	90 days from activation date	<ul style="list-style-type: none"> Payments to individuals who did not enter the U.S. or have no U.S. presence. NOT used to pay US-sourced income such as royalties, copyrights. See NE-RC.
	NE-RC – No Entry and Royalty/ Copyright Payment	Foreign Individual	<ul style="list-style-type: none"> Completed GLACIER packet W-8BEN (generated by GLACIER or completed in B2P) Permanent foreign address (Fulfillment Address) 	2 years from W-8 signature date	<ul style="list-style-type: none"> Royalty or copyright payment to individual with no U.S. presence (i.e., Office of Technology & Development and HU Press payments)

Onboarding an Individual – Non-US Citizen (continued)

Payment Terms - Immediate

Supplier Type	Visa Type	Legal Structure Tax Classification on Document	Required Document(s)	Inactivation Date	Typical Use Case
1042-S (continued)	ADVTR – Advanced Travel Grant	Foreign Individual	<ul style="list-style-type: none"> GLACIER invitation is triggered at supplier set-up but does not restrict ADVTR payment. After entry into the U.S. – Payee submits completed GLACIER packet with immigration documents to Supplier Onboarding Permanent foreign address (Fulfillment Address) 	90 days from activation date	<ul style="list-style-type: none"> ONLY for grants to new scholars arranging travel to the US. Travel grants will incur a 30% tax withholding until GLACIER is later submitted. See FAQ ADVTR. Not for service-related income (i.e., honorarium)
Temporary	Correct visa type	N/A	Legal Name, Address	30 days from activation date	<ul style="list-style-type: none"> Refund for registration fees or Crimson Cash NOT used for business expense reimbursements or income payments
<u>Business Expense Reimbursement (BER)</u>	<ul style="list-style-type: none"> Correct visa type Dept must confirm individual legally allowed to be paid by Harvard. See Most Commonly Seen Visa Types and BER Process 	Foreign Individual	<ul style="list-style-type: none"> Paying dept must collect and submit required documents with requisition at time of payment. See BER supplier process. Permanent foreign address (Fulfillment Address) Must follow Accountable Plan Rules and Travel Policies 	90 days from activation date. Cannot reactivate 1042-S Supplier as a BER Supplier	<ul style="list-style-type: none"> Invited speaker only receiving reimbursement for travel and has never previously received income from Harvard. A candidate for a faculty position who incurred out-of-pocket expenses to travel to Harvard for an interview as a one-time reimbursement. NOT used to process any income payments

GLACIER

Why GLACIER

If an Individual – Foreign National is entering the U.S. or earning income that is considered U.S. income, Harvard uses a third-party system, called GLACIER Online Tax Compliance System, to calculate the tax withholding. Tax withholding rates may range between 14-30% based on an individual's visa and income type.

- Individuals must complete GLACIER before they will be activated as a supplier.
- It is the best interest of the individual to complete and update their GLACIER record when they have changes to their visa or earnings type since they may qualify for tax treaties and have less taxes withheld.
- Liability and rates for tax withholding is based on:
 - Tax Residency Status (determined by GLACIER and can include eligibility for tax treaty benefits)
 - Whether the income is considered U.S. or Foreign-Source Income
 - Income type:
 - Salary/Wage
 - Stipend/Scholarship/Fellowship/Grant
 - Honorarium, Royalty, Prize, or other Payment
 - Harvard Business Expense

GLACIER Highlights – Non-U.S. Citizens

Guidance and reference materials on GLACIER can be found on the Nonresident Alien Tax Compliance website <https://nratax.oc.finance.harvard.edu/Glacier> . Guidance and the NRA website link is also included in the Harvard auto-generated GLACIER email sent to each new foreign payment recipient.

Sample GLACIER Fields

Relationship with Individual (Select as many categories as applicable, but make only one choice per category)	Income Type (If applicable, select one choice per category)
<input type="checkbox"/> Employee/Faculty/ Staff <input type="checkbox"/> Student Worker/ Graduate Teaching/ Research Assist	<input type="checkbox"/> Compensation/Salary/Wages
<input type="checkbox"/> Stipend / Scholarship/ Fellowship/ Grant Recipient	<input type="checkbox"/> Scholarship or Fellowship Income (Non-Service) <input type="checkbox"/> Grant Income
<input type="checkbox"/> Honoraria Recipient / Invited Guest/ Guest Speaker <input type="checkbox"/> Consultant/ Independent Contractor	<input type="checkbox"/> Honoraria or Guest Speaker Fee <input type="checkbox"/> Consulting Fee/ Independent Services Payment
<input type="checkbox"/> Artist/ Performer	<input type="checkbox"/> Service Payments to Artist/Performers
<input type="checkbox"/> Industrial Royalty Recipient	<input type="checkbox"/> Industrial Royalty or Patent
<input type="checkbox"/> Copyright or Royalty Recipient	<input type="checkbox"/> Copyright or Royalty Income
<input type="checkbox"/> Other	<input type="checkbox"/> Prize/ Award/ Loan Forgiveness/ Other <input type="checkbox"/> Travel Reimbursements
	<input type="checkbox"/> No Payments

VISA Information

Entering all prior visits to the U.S. related to any sponsored immigration status is required due to IRS regulations that impact accurate tax calculations. F-1 or J-1 nonresident alien visa holders may be eligible for a FICA tax exemption, be sure to complete GLACIER in order not to have these taxes withheld from your paycheck!

To get a copy of their most recent I-94 or travel history, go <https://i94.cbp.dhs.gov/I94/#/home> and click “Get Most Recent I-94” or “View Travel History.”

Non Resident Alien VISA Type	History Required
B1, B2, Visa Waiver, ESTA	Prior 6 years of U.S. presence
F, J, M, Q, TN, O, H1B, A, G, E3, etc.	Back to 1986


GLACIER Tips and Tricks

The signed GLACIER Packet can be uploaded as one document in the supplier portal.

- Individuals must sign GLACIER Tax Summary Report as well as tax forms generated by GLACIER.
- Individuals must also upload required document copies noted on the GLACIER Tax Summary report.
- **Tax forms must be the most up to date IRS revision.**

Forms generated by GLACIER need to be signed and submitted.

HOLD 1



Tax Summary Report

Summary of Information Entered into GLACIER™:		
Name:	Karen Kittredge	2019 - 238 Days
SSN / ITIN:	AppliedForSSN	2018 - 359 Days
Email Address:	karen_kittredge@harvard.edu	2017 - 70 Days
Country of Tax Residence:	France	
Country of Citizenship:	France	
Current Immigration Status:	F1 Student	
Date of Entry to U.S.:	October 2, 2017	Changed Immigration Status? No
Immigration Status Expiration:	December 2, 2019	Immigration Status Change Date:
Original Immigration Status:		
Vendor Request or Harvard		Estimated Date of Departure: October 10, 2019

Tax Determinations and Results Based on the data entered, GLACIER has made the following determinations:	
Tax Residency Status:	Nonresident Alien for U.S. Tax Purposes
Residency Status Change Date:	July 3, 2022 to Resident Alien
Residency Status Start Date:	January 1, 2022 to Resident Alien
Residency Status Change Date 2 (if applicable):	
Residency Status Start Date 2 (if applicable):	
Compensation/Salary/Wages	
Applicable Tax Withholding Rate:	Single, 1(Monthly)
(If Tax Treaty Does Not Apply or Form Is Not Submitted)	
Tax Treaty Exemption Status:	Taxable
Tax Treaty Time Limit:	Not Applicable
Tax Treaty Exemption Period:	Not Applicable
Tax Treaty Dollar Limit:	Not Applicable

TAX

FICA Tax Status:	Exempt	FICA Tax Start/Change Date:	January 1, 2022
------------------	--------	-----------------------------	-----------------

Required Forms and Document Copies Attach the following Forms and Documents to the Tax Summary Report	
Required Forms: Please print, sign and submit with Tax Summary Report Form W-4 State Tax Form	Required Document Copies: Please copy and submit with Tax Summary Report Form I-20 Form I-94/I-94W Card Visa Sticker/Stamp (in Passport)

Certification
 I hereby declare that the information provided by me to Harvard University and/or entered into the GLACIER Online Tax Compliance System for purposes of making the tax determinations above is true and correct. If any of the information provided changes or if other relevant information becomes available, I will notify Harvard University as soon as possible so that this information and/or my U.S. tax status may be updated.

Signature:	Date:
------------	-------

The information contained on this statement was generated using GLACIER™ Online Tax Compliance System.
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Documents which need to be copied and submitted with GLACIER Packet.

Sign & date summary as well as other tax forms included with packed

Foreign Entities

Quick Reference – Supplier Inactivation Dates*

Supplier Type	Inactivation Date
Business Expense Reimbursement – Foreign (BER)	90 days from activation date (see requirements)
1042-S Individual – Non-US Citizen (visa type is required; sample of special types and scenarios noted below)	
• ADVTR – Advance Travel Grant	90 days from activation date. Not able to reactivate without GLACIER
• NA – Not Applicable/Unknown	Should be updated to correct visa type by supplier or Supplier Onboarding Team once GLACIER and immigration documents are provided
• NE – No Entry (supplier is not entering the U.S. and has no U.S. presence)	90 days from activation date. See “NE-RC” if paying royalty, copyright, or patent income to an individual with no U.S. presence
• NE-RC – No Entry Royalty/Copyright (supplier is not entering the U.S., has no U.S. presence, but is receiving royalty, copyright, or patent income)	2 years from date of W-8BEN signature
• All other visa types	Auto inactivated based upon immigration documentation end dates
Individual: US Citizen / Legal Permanent Resident	N/A
Temporary Supplier	30 days from activation date
US Entity Sole Proprietorship, Partnership LLC, Corporation or Government Agency	N/A
Foreign Entity Corporation, Partnership, Trust, Tax-Exempt Organization, Private Foundation, Estate, Government / International Organization or Qualified Intermediary	Generally, 3 years from date of signature on W-8

**Suppliers with 18+ months of no activity are automatically inactivated)*

Foreign Entities

- All payments processed to foreign entities require tax review.
 - A complete business description (who, what, where, when, why) will have in the classification process.
- Harvard University is required by the IRS to collect the appropriate W-8 form from any foreign entity to establish the entity's foreign status and possible claims of reduced tax withholding.
- Income paid to foreign entities, such as royalties, patents, copyrights, rents, and personal services, can trigger a statutory tax withholding of 30% when the income is considered U.S. sourced.
- Harvard is exploring creating a substitute W-8BEN-E Form relating only to Chapter 3 payments (which are payments from nonfinancial institutions). See next slides for an example of those parts that are required in these instances.

Foreign Entities

- A valid W-8 can possibly reduce or exempt tax withholdings, if eligible, and the valid claim has been made with Harvard before payment has been processed.
- W-8 Forms generally have an expiration date (three years based on the date the W-8 form was signed). Foreign entities will switch to inactive in the Supplier Portal if an updated W-8 form is Not submitted based on the expiration date.

The screenshot displays the Oracle Supplier Portal interface for a supplier named "GLOBAL ARTISTS". The left sidebar contains navigation links: About, Summary, General (selected), Contacts and Addresses, Workflow and Review, and View History. The main content area is titled "General" and includes a "Company Information" section. Fields in this section include Supplier Name (GLOBAL ARTISTS), Doing Business As (DBA), Alternate Supplier Name, Country of Origin, Aliases, Supplier Number (604951), Oracle ID (5013383), JAGGAER Supplier ID (1002806884), and a question about being an Organizational Node (No). Below these are fields for Contract Party Types (Supplier), Active for Shopping (checked), Business Unit Vendor Id(s) (No Values Assigned), and a field for backup withholding (Are you exempt from backup withholding?) with a file upload button. The bottom section contains fields for Web Site URL, RSS Feed URL, Profile Update Review Needed, Vendor Type (VENDOR), Income Tax Type, Inactivation Date (8/16/2022, circled in blue), Foreign Entity Type (Corporation), and Duplicate Oracle IDs.

GLOBAL ARTISTS	
Supplier Number	604951
Registration Status	Approved
Registration Type	Company

General	
Company Information	
Supplier Name	GLOBAL ARTISTS
Doing Business As (DBA)	
Alternate Supplier Name	
Country of Origin	
Aliases	
Supplier Number	604951
Oracle ID (DO NOT EDIT)	5013383
JAGGAER Supplier ID	1002806884
Is this Supplier instance an Organizational Node?	No
Contract Party Types	Supplier
Active for Shopping	✓
Business Unit Vendor Id(s)	No Values Assigned.
Are you exempt from backup withholding?	-
Backup Withholding Attachment	Select file Drop file to attach, or browse.
Web Site URL	
RSS Feed URL	-
Profile Update Review Needed (Not visible to Supplier)	-
VENDOR TYPE (Not visible to Supplier)	VENDOR
INCOME TAX TYPE (Not visible to Supplier)	
INACTIVATION DATE (Not visible to Supplier)	8/16/2022
Foreign Entity Type	Corporation
Duplicate Oracle IDs (Not visible to Supplier)	

Onboarding a New Company - Non-US Company/ Foreign Entity

Payment Terms – Standard Net 30 (unless otherwise specified on a contract)

Supplier Type	Legal Structure Tax Classification on W-8	Required Document(s)	Inactivation Date	Typical Use Case
Foreign Entity Supplier	Foreign Corporation Foreign Partnership Foreign Trust Foreign Tax-Exempt Organization Foreign Private Foundation Foreign Estate Foreign Government or International Organization Foreign Qualified Intermediary	Completed W-8BEN-E , W-8ECI , or W-8EXP See Foreign Entities and W-8 Forms Permanent foreign address (fulfillment address)	Generally, 3 years from date of signature on W-8	Payments to foreign entities (goods, services, royalties, rents, etc.).

Foreign Entity W-8 Forms

Harvard University is required by the IRS to collect the appropriate W-8 form from any foreign entity to establish the entity's foreign status and possible claims of reduced tax withholding. Harvard is unable to advise on what form a supplier should use since it is based on their legal structure, suppliers should refer to the instructions for each Form W-8 on the IRS website, to determine which is most appropriate form to complete. See [Nonresident Alien Tax Compliance](#) for additional details or questions.

Form W-8 BEN-E is generally used by foreign entities to document their status for purposes of chapter 3 and chapter 4 reporting, as well as other code provisions. See <https://www.irs.gov/forms-pubs/about-form-w-8-ben-e>

Form W-8 EXP is generally used by foreign entities to claim a reduced rate of, or exemption from, withholding as a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession. See <https://www.irs.gov/forms-pubs/about-form-w-8-exp>

Form W-8 ECI is generally used by foreign entities claiming they are the beneficial owner of U.S. source income that is effectively connected with the conduct of a trade or business within the United States. See <https://www.irs.gov/forms-pubs/about-form-w-8-eci>

W-8BEN-E – Foreign Entities (Not Individuals)

The W-8BEN-E is the most commonly used W-8 form completed by foreign entities.

- The form contains approximately 30 parts. Since Harvard University is not a financial institution, only a few parts are required to be completed before Harvard University is able to issue payments to a foreign entity.
 - **At a minimum for Harvard University, foreign entities must complete Parts I, III (if the benefit of an eligible tax treaty is being claimed), and XXX. Additional sections may be required based on the organization status selected on question 5. If any required field is not completed, the W-8BEN-E is considered invalid and will be rejected.**
- See the [General guidance for the W-8BEN-E](#)
- Please note, other parts of the W-8BEN-E might be necessary when conducting business with other withholding agents. As such, a foreign entity may wish to seek legal guidance from a tax professional outside of Harvard University with specific business use inquiries. Form W-8BEN-E is valid three years from when it has been signed, unless a change in circumstances makes the information provided on the form W-8BEN-E inaccurate. [Form W-8BEN-E and Instructions](#).
- Harvard is exploring creating a substitute W-8BEN-E Form relating only to Chapter 3 payments (which are payments from nonfinancial institutions). See next slides for an example of those parts that are required in these instances.

W-8BEN-E – Part I – Lines 1-4

Part I Identification of Beneficial Owner	
1 Name of organization that is the beneficial owner ABC Company	2 Country of incorporation or organization Cayman Islands
3 Name of disregarded entity receiving the payment (if applicable, see instructions)	
4 Chapter 3 Status (entity type) (Must check one box only): <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Disregarded entity <input type="checkbox"/> Partnership <input type="checkbox"/> Simple trust <input type="checkbox"/> Grantor trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Estate <input type="checkbox"/> Government <input type="checkbox"/> Central Bank of Issue <input type="checkbox"/> Tax-exempt organization <input type="checkbox"/> Private foundation <input type="checkbox"/> International organization If you entered disregarded entity, partnership, simple trust, or grantor trust above, is the entity a hybrid making a treaty claim? If "Yes" complete Part III. <input type="checkbox"/> Yes <input type="checkbox"/> No	

Part I – Identification of Beneficial Owner, requires the foreign entity to identify the beneficial owner of the payment, including: name, address, entity type, FATCA status, and US and/or Foreign Taxpayer Identification Number (TIN):

Line 1: Organization name

Line 2: Country where the organization was incorporated (corporations) or located (other entities)

Line 4: Organization status (Chapter 3): select the appropriate status

Foreign Entities should consult with a tax professional outside of Harvard University regarding the proper completion of Form W-8BEN-E. The materials contained herein does not constitute tax, legal, or accounting advice.

W-8BEN-E – Part I – Line 5

Line 5: Organization status (Chapter 4): select the appropriate status.

Note: The status selected will determine the appropriate Part IV-XXVII to be completed.

While Harvard University cannot provide tax advice to its suppliers, and each foreign entity must accurately determine the appropriate Chapter 4 Status to be reported in Part I- Line 5, the following foreign entity statuses are most heavily represented suppliers at Harvard :

- Foreign government, government of a U.S. possession, or foreign central bank of issue. Complete Part XIII.
- International organization. Complete Part XIV.
- 501(c) organization. Complete Part XXI.
- Nonprofit organization. Complete Part XXII.
- Publicly traded NFFE (Non-Financial Foreign Entity) or NFFE affiliate of a publicly traded corporation. Complete Part XXIII.
- Active NFFE. Complete Part XXV.

5 Chapter 4 Status (FATCA status) (See instructions for details and complete the certification below for the entity's applicable status.)	
<input type="checkbox"/> Nonparticipating FFI (including an FFI related to a Reporting IGA FFI other than a deemed-compliant FFI, participating FFI, or exempt beneficial owner).	<input type="checkbox"/> Nonreporting IGA FFI. Complete Part XII.
<input type="checkbox"/> Participating FFI.	<input type="checkbox"/> Foreign government, government of a U.S. possession, or foreign central bank of issue. Complete Part XIII.
<input type="checkbox"/> Reporting Model 1 FFI.	<input type="checkbox"/> International organization. Complete Part XIV.
<input type="checkbox"/> Reporting Model 2 FFI.	<input type="checkbox"/> Exempt retirement plans. Complete Part XV.
<input type="checkbox"/> Registered deemed-compliant FFI (other than a reporting Model 1 FFI, sponsored FFI, or nonreporting IGA FFI covered in Part XII). See instructions.	<input type="checkbox"/> Entity wholly owned by exempt beneficial owners. Complete Part XVI.
<input type="checkbox"/> Sponsored FFI. Complete Part IV.	<input type="checkbox"/> Territory financial institution. Complete Part XVII.
<input type="checkbox"/> Certified deemed-compliant nonregistering local bank. Complete Part V.	<input type="checkbox"/> Excepted nonfinancial group entity. Complete Part XVIII.
<input type="checkbox"/> Certified deemed-compliant FFI with only low-value accounts. Complete Part VI.	<input type="checkbox"/> Excepted nonfinancial start-up company. Complete Part XIX.
<input type="checkbox"/> Certified deemed-compliant sponsored, closely held investment vehicle. Complete Part VII.	<input type="checkbox"/> Excepted nonfinancial entity in liquidation or bankruptcy. Complete Part XX.
<input type="checkbox"/> Certified deemed-compliant limited life debt investment entity. Complete Part VIII.	<input type="checkbox"/> 501(c) organization. Complete Part XXI.
<input type="checkbox"/> Certain investment entities that do not maintain financial accounts. Complete Part IX.	<input type="checkbox"/> Nonprofit organization. Complete Part XXII.
<input type="checkbox"/> Owner-documented FFI. Complete Part X.	<input type="checkbox"/> Publicly traded NFFE or NFFE affiliate of a publicly traded corporation. Complete Part XXIII.
<input type="checkbox"/> Restricted distributor. Complete Part XI.	<input type="checkbox"/> Excepted territory NFFE. Complete Part XXIV.
	<input type="checkbox"/> Active NFFE. Complete Part XXV.
	<input type="checkbox"/> Passive NFFE. Complete Part XXVI.
	<input type="checkbox"/> Excepted inter-affiliate FFI. Complete Part XXVII.
	<input type="checkbox"/> Direct reporting NFFE.
	<input type="checkbox"/> Sponsored direct reporting NFFE. Complete Part XXVIII.
	<input type="checkbox"/> Account that is not a financial account.

Foreign Entities should consult with a tax professional outside of Harvard University regarding the proper completion of Form W-8BEN-E. The materials contained herein does not constitute tax, legal, or accounting advice.

W-8BEN-E – Part III – Lines 14-15

Line 14: Claim of Tax Treaty Benefits

a: Name of country where foreign entity is a tax resident (if tax treaty exists between US and that country)

b: **The first box (the box immediately after "b." and preceding the text)** must be marked if claiming tax treaty benefits on payments issued by Harvard University. If the tax treaty benefit claimed is subject to a Limitation of Benefits (LOB) provision, that appropriate box must be checked

Note: The IRS has published a list of LOB articles within [Tax Treaty Table 4](#).

Line 15: If claiming a [tax treaty benefit](#), there are three additional lines that must be completed:

1. The Article and Paragraph number of the Tax Treaty between the US and the country listed on Line 14a under which the benefit is claimed;
2. The reduced rate of withholding under the tax treaty;
3. The type of income expected to be paid by Harvard University

Note: if the tax treaty includes additional conditions which must also be met in order to claim the reduced rate of withholding, the foreign entity must indicate how it has met such additional conditions in the space provided .

Part III Claim of Tax Treaty Benefits (if applicable). (For chapter 3 purposes only.)	
14	I certify that (check all that apply):
a	<input type="checkbox"/> The beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.
b	<input type="checkbox"/> The beneficial owner derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits. The following are types of limitation on benefits provisions that may be included in an applicable tax treaty (check only one; see instructions):
	<input type="checkbox"/> Government
	<input type="checkbox"/> Tax exempt pension trust or pension fund
	<input type="checkbox"/> Other tax exempt organization
	<input type="checkbox"/> Publicly traded corporation
	<input type="checkbox"/> Subsidiary of a publicly traded corporation
	<input type="checkbox"/> Company that meets the ownership and base erosion test
	<input type="checkbox"/> Company that meets the derivative benefits test
	<input type="checkbox"/> Company with an item of income that meets active trade or business test
	<input type="checkbox"/> Favorable discretionary determination by the U.S. competent authority received
	<input type="checkbox"/> Other (specify Article and paragraph): _____
c	<input type="checkbox"/> The beneficial owner is claiming treaty benefits for U.S. source dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation and meets qualified resident status (see instructions).
15	Special rates and conditions (if applicable — see instructions):
	The beneficial owner is claiming the provisions of Article and paragraph _____ of the treaty identified on line 14a above to claim a _____ % rate of withholding on (specify type of income): _____
	Explain the additional conditions in the Article the beneficial owner meets to be eligible for the rate of withholding: _____

Foreign Entities should consult with a tax professional outside of Harvard University regarding the proper completion of Form W-8BEN-E. The materials contained herein does not constitute tax, legal, or accounting advice.

W-8BEN-E – Part XXX

Part XXX – Certification, is stating that the signatory of the W-8BEN-E is empowered to sign on behalf of the foreign entity.

- **SIGN HERE:** A physical (non-electronic) signature is required by a person authorized to sign on behalf of the foreign organization.
 - Electronic signatures by a person authorized to do so are only acceptable if they also include a time/date stamp, and
 - An accompanying statement that indicates the form has been electronically signed.
 - Simply typing your name into the signature line is not an electronic signature, and is not considered valid.
- **PRINT NAME:** Printed name of the person who has signed the Form W-8BEN-E
- **DATE:** Date of signature in the required format of Month/Day/Year
- **The box under the signature line must also be checked by the signatory, further certifying to their legal capacity in signing**


Part XXX Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- The entity identified on line 1 of this form is the beneficial owner of all the income to which this form relates, is using this form to certify its status for chapter 4 purposes, or is a merchant submitting this form for purposes of section 6050W;
- The entity identified on line 1 of this form is not a U.S. person;
- The income to which this form relates is: (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income; **and**
- For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which the entity on line 1 is the beneficial owner or any withholding agent that can disburse or make payments of the income of which the entity on line 1 is the beneficial owner.

I agree that I will submit a new form within 30 days if any certification on this form becomes incorrect.

Sign Here 

Signature of individual authorized to sign for beneficial owner

Print Name

Date (MM-DD-YYYY)

☐ I certify that I have the capacity to sign for the entity identified on line 1 of this form.

W-8 Forms

Remind the Foreign Entity that they need to sign **AND** certify the applicable W-8 Form!

If W-8 Form submitted must be the most up-to-date [IRS Revision](#), which is generated from B2P or GLACIER.

Foreign Entities should consult with a tax professional outside of Harvard University regarding the proper completion of Form W-8BEN-E. The materials contained herein does not constitute tax, legal, or accounting advice.

Tax Treatment Foreign Individuals and Entities

Payment Analysis

Question	Foreign Individual	Foreign Entity
Is the payee legally allowed to receive payments from Harvard?	Some visa types may not permit payments for services or expenses incurred in the U.S.	N/A
What is the payee's U.S. Tax Residency Status	Determined by GLACIER	Determined by the W-8 Form Type
What type of payment is it?	Fellowship, Prizes, Honoraria, Services, Royalties, reimbursement, etc.	Fellowship, Prizes, Services, Royalties, reimbursement, etc.
What is the "Source" of the income	Location of activity drives tax determination. Royalties and copyrights are always U.S. sourced	Location of activity drives tax determination. Royalties and copyrights are always U.S. sourced
Is the payment subject to tax withholding?	Some payments are exempt from taxes under an IRC or tax treaty	Determined by payment circumstances and valid documentation claimed before payment is processed
What rate are taxes withheld?	Fellowship Income – reduced to 14% for F, J, M, or Q visa holders	Determined by payment circumstances and valid documentation claimed before payment is processed
Is the payment reportable?	Based on the payment type if may be reportable on a 1042-S or 1099-NEC (if resident alien)	Based on the payment type and foreign entity classification it may be reportable on a 1042-S

U.S. or Foreign-Source Income

- Harvard is required to indicate the “[location of activity](#)” and when paying income to foreign individuals and foreign entities to comply with IRS tax withholding and reporting regulations.
- The location of the activity will determine if the payment is subject to U.S. withholdings.
- Generally, the location of the activity would be where a service is being performed, property is being rented, or the location where fellowship income is expected to be utilized in support of one’s scholarship or research.
- Royalties, copyrights, and patents, such as those paid for the use of intellectual properties (i.e., industrial properties and software licenses), are always considered U.S.-sourced when utilized by Harvard due to our U.S. location. This income could be taxable up to 30% if a tax exemption or tax reduction claim has not been previously facilitated before the payment was issued.
- Generally, payments for tangible goods or products for international use are not subject to U.S. reporting or tax withholding. Indicate where the tangible items are to be used or shipped to for the location of the activity.
- Note: International laws are evolving, and some countries may start to charge taxes on services Harvard may provide outside of the United States (e.g., an executive education course taught in India may be liable for taxes paid to India). This is another reason the location of the activity is so important to list accurately.

Wire Transfers or Stop Payments

How to Avoid Stop and Reissue Payments – Accounts Payable

- Confirm accuracy of the supplier's address and payment delivery needs **PRIOR** to issuing payment. Many foreign countries no longer accept paper checks, where electronic payment might be necessary to avoid any payment delay.
- Schools and units should review the HART Cash Management – Escheat Due Diligence Report for any non-payroll checks that are still outstanding after 6 months and take action wherever necessary to make sure checks are cashed in a timely manner. See the [HART Wiki](#) for details on how to run the report.
- Review invoices details for any required payment delivery method (i.e., “must be processed by bank wire transfer”, etc.) **prior** to processing payment.
- Expect that international mail, especially now, remains unreliable in reaching many international locations.
- If the payee has a U.S. bank account, a Harvard issued check can be deposited into their account using their U.S. bank's “mobile check deposit” service, even if they are not physically in the U.S.
- The payment method of a check cannot be changed on a stop & reissue (i.e., originally issued as a check and now need to pay by wire/ Zelle/ Paymode) when taxes were withheld from the payment.
- If a payment has not been cashed and, upon discussion with the supplier, the original payment should be reissued using the most updated “[Check Inquiry Request Form](#)”.

Note Potential Tax Issues for Stop and Reissued Payments to Foreign Nationals

- If a supplier has not received payment in a timely manner (lost, stolen check), the department must submit a stop payment by completing the [Check Inquiry Request Form](#).
- If Harvard has already issued an annual tax document (i.e., 1099 or 1042S) to a payee, a redeposit request to cancel a check can render a tax document incorrect, requiring Harvard to send the payee an amended form- which can also be problematic if a payee has already filed their annual returns.
- Cancelling and redepositing checks **from a prior calendar year** for any foreign individual or foreign entity supplier have significant tax implications and requires additional review by NRA Tax Compliance. [See additional information and considerations](#).

Note:

- If you only need to submit a stop and reissue associated with the original payment request (PR/PO) and invoice (as opposed to a stop/ cancel and redeposit), a prior tax review is not required.
- Nonemployee reimbursements (NRs) **do not** require additional review since the payment is not considered taxable or reportable to the individual.

Reminders, Tips & Tricks

B2P Tips and Tricks

- All payments to foreign entities and individuals are placed in a queue for tax review. This includes payment requests or noncatalog orders/purchase orders.
- Process only one requisition per supplier (each supplier may have different tax situations).
- Be sure the invoice matches the supplier's name.
- Be sure the invoice description is the same as the requisition description (e.g., if the payment is a prize, the requisition description also notes prize).
- Use the object code that best describes the invoice and service provided. Object codes that are different than the description may delay processing (e.g., using prize object code for a fellowship).
- List as detailed a description as possible (who, what, where, when, why).
- Location, location, location – noting the location of activity in the description and on the invoice will help in tax review.
- For payment requests, do not select “Other” unless the payment does not match any of the other transaction type options. Selecting “Other” can delay the tax review process.

B2P Tips and Tricks – Payment Request (PR)

- All payments to foreign entities and individuals are placed in a queue for tax review.
- Make sure the type of transaction matches the description and invoice details (e.g., don't select "Other" as type of transaction, but note "commencement guest speaker" in the description and attachment is an award letter for a prize).
- Attach an invoice, in lieu of form, agreement, email correspondence.

Select the help button
for additional
information.

Transaction Information

Type of Transaction (Suggested Object Code)

1

☐ Copyright/Royalty/Licensing Fees (8570)

☐ Donation (8450/8454)

☐ Fellowship/Grant (6460-Students/6455-NonStudents)

☒ Honoraria/Performer/Lecturer: Inside Mass (8690/8692/8694)

☐ Honoraria/Performer/Lecturer: Outside Mass (8691/8694)

☐ Prize/Award (6462-Students/8693-NonStudents)

☐ Refund

☐ Other (Not Identified Above)

More Information

Description

2

<https://oc.finance.harvard.edu/ap-forms>

254 characters remaining expand clear

Attachments

3

Add Attachments

Size

Date

Invoice Information

Supplier Inv #

If the supplier has provided an invoice number, enter the invoice number as it appears. Exclude: spaces, the word 'invoice'; and do not use # as a prefix.
If you do not have a supplier invoice number you must use the following format: SUPPLIERNAME+DD+MMM+YY (e.g. JOHNHARVARD03APR20) for an invoice from supplier John Harvard dated 4/30/20. Exclude lower case, special characters, dashes, and spaces

Invoice Date

mm/dd/yyyy

Invoice Amount

Location of activity

4

Please select...

For more information on Location of Activity [click here](#)

Section	Description
1 Type of Transaction	<ul style="list-style-type: none">• Select the most appropriate type of transaction.• Only select "Other" if the transaction does not match one of the options listed (e.g., loan forgiveness, human subject payment, consulting, etc.).• Selecting "Other" can delay review and processing since it goes into a larger queue for tax review.
2 Description	Put in a detailed business purpose/description (what, where, when, why). Note the location of the activity/service.
3 Internal Attachments	Attach an invoice or in lieu of form. This documentation shows what the payment is for and why the requestor is initiating the transaction. Documentation can be an invoice, in lieu of form, agreement, contract, or correspondence that documents the business purpose (who, what, where, when, why, how).
4 Location of Activity	Where is the service being performed, property being rented, or the location where fellowship income is expected to be utilized.

B2P Tips and Tricks – Noncatalog Order

- All payments to foreign entities and individuals are placed in a queue for tax review.
- Make sure the type of transaction matches the description and invoice details (e.g., if the invoice is for consulting in Spain, be sure to note consulting in Spain in the description).
- Select the location of activity to speed the tax review process.

The screenshot shows a requisition form with a sidebar on the left containing the following items: Requisitions, General, Ship to & Bill to, Accounting Codes, Internal Notes and Attachm..., External Notes and Attach..., Special Handling & AP, Ad Hoc Approver, Supplier Information, Final Review, Requisition Approvals, Comments, Attachment Overview, and PO Preview. The 'Ship to & Bill to' item is circled in red. The main content area displays 'Ship To' and 'Bill To' sections. The 'Ship To' section shows a shipping address for Karen Kittredge at 1033 Massachusetts Ave, Cambridge, MA 02138-0000, United States. The 'Bill To' section shows a billing address for Harvard University, Accounts Payable, at P.O. Box 381588, Cambridge, MA 02238, United States. A pop-up window titled 'Location of Activity' is open, showing a text input field with 'Great Britain (United Kingdom), Northern Ireland, England, Wales, Scotland' and a link 'Select from all values...'. At the bottom of the pop-up are 'Save' and 'Cancel' buttons.

Requisitions <

General ✓

Ship to & Bill to ✓

Accounting Codes ✓

Internal Notes and Attachm... ✓

External Notes and Attach... ✓

Special Handling & AP ✓

Ad Hoc Approver ✓

Supplier Information ✓

Final Review ✓

Requisition Approvals

Comments

Attachment Overview

PO Preview

Ship To edit

Shipping address

ATTN Name/Department Karen Kittredge
Building/Room 3rd Floor - Room 336
1033 Massachusetts Ave
Cambridge, MA 02138-0000
United States

Bill To edit

Billing address

Harvard University
Accounts Payable
Email invoices to AP_Invoices@harvard.edu
P.O. Box 381588
Cambridge, MA 02238
United States

Location of Activity ? X

Location of Activity

Great Britain (United Kingdom), Northern Ireland, England, Wales, Scotland
[Select from all values...](#)

Save Cancel

Supplier Maintenance Request – Tips and Tricks

When entering a Maintenance Request include the supplier's name in the form name on the details page. This helps identify the supplier without opening each request.

Details

Form Name ★	John Harvard Reactivation
Purpose	Generic Request
Template Title	Supplier Maintenance Request
Form Type	Supplier Maintenance Request

Select the Type of Maintenance Request ★

Supplier Reactivation

Support Attachment

No File Attached

Upload

Description of requested changes or comments to the Supplier Onboarding Team ⓘ

Add a site - inactivate the 10 Massachusetts Avenue address. This is the new tax reporting site OR
Reactivate to process a nonemployee reimbursement for expenses incurred prior to their visa end date OR
Supplier Name Change from TALX to Equifax - New W-9 Form is attached

1729 characters remaining

Enter complete a description as possible to avoid processing delays.

General Supplier Set Up Reminders

- Invitation registration defaults to “individual” which includes the ability to follow the GLACIER process if necessary.
- File size upload is 50MG and suggest PDF, JPEG or TIFF format.
- Maintenance requests: When adding or reactivating addresses, there can be tax reporting implications. Consider if any address should become inactive; is this a permanent site or only needed one-time?
- Address Types:


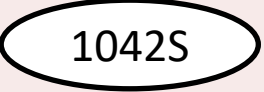



Fulfillment Address (Required)	A Fulfillment Address indicates where to send a purchase order or can be an order processing center. A Fulfillment address is also the tax reporting address. <i>Foreign companies and foreign individuals must supply a foreign address for a fulfillment address.</i>
Remittance Address (Required)	Address where the payment is sent. May be the same address as the fulfillment address.
Physical Address	DO NOT USE

- Visit the B2P website to review additional [B2P frequently asked questions \(FAQs\)](#).

Determining Supplier Type

Log in to B2P and search for the supplier. An icon after the supplier name will show if the supplier is listed as a 1099 or 1042S supplier or a foreign entity.

See [What are the icons listed after supplier names.](#)

Supplier Type Icon	Applies To
	Individuals – U.S. Citizens / Permanent Residents
	Individuals – Foreign Nationals (Nonresident Aliens)
	U.S. Entity/Company
	Foreign Entity (entity type can be seen if you hover over the icon)
	Individual – Generally Harvard Student

Support

Resources

The following table provides a list of resources that are available to support your questions about the Supplier Onboarding process

Resource	Department	Office Hours	What can I find here?
Website	Buy-to-Pay (B2P)	Accounts Payable and Supplier onboarding Support Live Buy-to-Pay support	Training, Quick Reference Guides and FAQs; Support resources (phone & email); Buy-to-Pay Blog
	Financial Policy Office		Financial Policies and other reference materials
	Nonresident Alien Tax Compliance	Schedule 1:1 Virtual Appointment	GLACIER, Payment and Tax Reporting information for Non-U.S. Citizens

Thank You and Questions?

What kind of support or materials do you need or would like to see?

What are your most common tax, process, or documentation questions?

Are there things you are struggling with in B2P System?



Appendices

Eligibility to Receive a Payment from Harvard

These are the most commonly-seen visa types of nonresident aliens, some individuals may have visa types not listed below. Contact NRA Tax Compliance Office for more information before offering to pay an individual an honorarium or travel expenses. Students on an F-1 immigration status have limitations on work they are allowed to perform. See the [Harvard International Office](#) website for more information before services are performed.

Visa Type	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"> • Payment is for "usual academic activity or activities" lasting no longer than 9 days AND • Individual hasn't received similar payments from more than 5 other institutions during the previous 6 months. 	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	No	See note (2) below
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

²Harvard 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 Compliance for details.

Business Expense Reimbursements

Employee Type	Pay Group	Common Object Codes	Reimbursement System
Weekly Trades	SPC, WPT, WRT	6080, 6090	Concur
Bi-Weekly Employees (OT Eligible and Exempt)	POU, PON, PFX	6050, 6070	Concur
Monthly Faculty	MFC	6010-6030	Concur
Internal Post Docs	MIP	6150, 6152	Concur
Weekly Temps (includes work-study)	WTM	6110, 6120	B2P
Monthly Teaching Fellow	MTF	6140	B2P
External Post Doc	MEP	6450, 6452	B2P
Student Stipend	MST	6440	B2P

Generally, this group is reimbursed via Concur.

This group must be set up as a supplier in the B2P system