Travel Reimbursements & Living Expense Payments to International Non-Employees

Prior to inviting a foreign visitor to CU, use this tool for general guidance related to substantiated and unsubstantiated travel payments to international non-employees. Detailed guidance and required documentation is available at: https://www.cu.edu/docs/international-ap-payments. Please direct inquiries to intltax@cu.edu.

Important:
- Travel payments, including reimbursements, to foreign nationals are SUBJECT TO RESTRICTION based on the visitor’s immigration status and the activity associated with the travel.
- Foreign nationals who are nonresident alien (NRA) taxpayers in the U.S. are subject to different tax rules than those that govern taxation of payments to resident alien (RA) taxpayers, lawful permanent residents and U.S. persons. The default rate of withholding on payments to NRAs is 30% unless another section of the tax code or a treaty can be applied to reduce or eliminate the required withholding.
- The International Tax Office will make the final determination of a payments primary purpose, permissibility and taxation based on details provided by requestor.
- Immigration related documentation is required for approval of payments to foreign visitors.

![Travel Reimbursements & Living Expense Payments to International Non-Employees Diagram](https://www.cu.edu/docs/forms)

1. **Is non-employee payee a U.S. citizen or green card holder?**
   - Yes: International Tax Office involvement is REQUIRED
   - No: Proceed to next step

2. **Did any portion of the travel take place WITHIN THE U.S.?**
   - Yes: Generally not-taxable (for reimbursement), submit completed W-8BEN with NRA, F-1A or SEP form to intltax@cu.edu
   - No: Proceed to next step

3. **What is the PRIMARY PURPOSE of the payment?**
   - Entertainment: Proceed to next step
   - Educational or Research: Proceed to next step
   - Other: Proceed to next step

4. **To REIMBURSE out of pocket costs of a visitor who is providing a SERVICE to CU**
   - Common recipients: Guest speakers, job recruits, CU Research Collaborators, poster presenters, independent contractors or performers
   - Internal Revenue Code allows this type of payment tax-free under CU’s Accountable Plan rules. Appropriate immigration status must be documented. Valid business purpose and substantiation (receipts) are required.
   - For required documentation based on your visitor’s visa type see AP PAYMENT MATRIX, Payment Type: Travel Expense Reimbursement
   - Submit request to intltax@cu.edu using International Non-employee Reimbursement Form (NRF) with required backup documentation

5. **To provide FINANCIAL SUPPORT for activity primarily furthering the visitor’s EDUCATION or RESEARCH, even when there is mutual benefit**
   - Common recipients: Student recruits, conference attendees, summer research experience participants, independent research
   - Internal Revenue Code defines this type of payment as nonqualified scholarship or fellowship. Payments are generally taxable to NRAs at 30%. Reduction to 14% tax is allowable for documented F and J visa holders.
   - For required documentation based on your visitor’s visa type see AP PAYMENT MATRIX, Payment Type: Participant Stipend/Travel Grant/Unsubstantiated Allowances
   - Email description including purpose and length of travel, expected immigration status of the visitor and estimated costs to intltax@cu.edu for review and guidance from an International Tax Specialist PRIOR TO direct purchase

6. **To REDUCE or ELIMINATE out-of-pocket costs for the visitor**
   - Common recipients: Human study subjects
   - Activities of human study subjects are viewed by the IRS as neither remuneration for services nor nonqualified scholarship or fellowship and are taxable to NRA’s at 30%.
   - For required documentation based on your visitor’s visa type see AP PAYMENT MATRIX, Payment Type: Study Subject

7. **To REIMBURSE out of pocket costs of a visiting STUDY SUBJECT**
   - Common recipients: Human study subjects
   - Activities of human study subjects are viewed by the IRS as neither remuneration for services nor nonqualified scholarship or fellowship and are taxable to NRA’s at 30%.
   - For required documentation based on your visitor’s visa type see AP PAYMENT MATRIX, Payment Type: Study Subject

8. **International Tax Office involvement is NOT REQUIRED**
   - Annotate form with payee’s U.S. citizen or green card holder status and submit to intltax@cu.edu
   - International Tax will submit approved forms to APInvoice@cu.edu with cc: to the requestor and department contact listed on the form

9. **Payment may or may not be taxable**
   - Direct payment to a third party on an NRA’s behalf does not alleviate CU’s withholding obligation thus gross-up and payment of tax by department, through journal entry, is required for taxable payments. This method of payment should be used as the exception and not the rule.

10. **Is the payment address a U.S. address?**
    - Yes: Proceed to next step
    - No: Proceed to next step

11. **International Tax Office involvement is RECOMMENDED to prevent delays in payment processing**
    - Submit request to Intltax@cu.edu using Travel Authorization Form (TAF) with required backup documentation

12. **Detailed guidance and required documentation is available at: https://www.cu.edu/docs/international**

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For more information, please visit: [https://www.cu.edu/docs/international-ap-payments](https://www.cu.edu/docs/international-ap-payments)