

Policies of the University of North Texas	Chapter 10
10.023 IRS Regulations – Payment on Purchase Orders (or Check Requests)	Fiscal Management

Policy Statement. Payments to employees for items other than reimbursements for tangible items or travel expenses must be processed through the Payroll Office, unless specifically exempted under separate University policy. Appropriate deductions will be made in accordance with IRS regulations, and the payments will be included on the employee's Form W-2.

Application of Policy. All University

Definitions. None

Procedures and Responsibilities.

Payments to employees for items other than reimbursements for tangible items or travel expenses must be processed through the Payroll Office, unless specifically exempted under separate University policy. Appropriate deductions will be made in accordance with IRS regulations, and the payments will be included on the employee's Form W-2. Mileage reimbursements exceeding the Internal Revenue Service limits, personal use of University vehicles, moving expense reimbursements, partial per diem reimbursements and other taxable items specified by the Internal Revenue Service (IRS) which are paid on behalf of or directly to an employee will be included on the W-2.

Payments for services to non-incorporated businesses, individuals not employed by the University of North Texas, and other entities required under IRS guidelines will be reported as required to the Internal Revenue Service on Form 1099. Requisitions (if it requires a new vendor to be established) and check requests must include a complete mailing address. A social security number or Individual Taxpayer Identification Number (ITIN) is required when payment is made to an individual in order to assign a State of Texas vendor identification number. In the case of a payment for services to a foreign national, the IRS requires a social security number or ITIN before payment is made.

Qualified payments to or expenses on behalf of foreign national independent contractors for IRS-reportable services will not be made until an IRS Form W-8BEN and other documentation described in the paragraph below is submitted.

The Tax Accountant in the University Payroll Office must approve all payments to or on behalf of non-resident aliens for independent contractor services before presentation of requisitions to Purchasing and Payment Services Department. A Foreign National Information (FNI) form and copies of required immigration documents must be submitted to the Tax Accountant in the Payroll Office prior to payment approval.

Payments to foreign companies for reportable services will not be issued until the appropriate Form W-8 is received in Purchasing and Payment Services Department. Contact the Tax Accountant in the Payroll Office to determine which Internal Revenue Service Form W-8 is needed for a particular type of payment.

Responsible Party: Payroll Department; Purchasing and Payment Services

References and Cross-references.

None

Approved: 1/1/1990

Effective:

Revised: 8/93; 8/95; 8/97; 8/98; 8/99; 5/01; 11/05; 5/08;

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