

# UNIVERSITY OF ILLINOIS

Chicago • Springfield • Urbana-Champaign

## Tax Reporting and Withholding Checklist for Foreign National Reimbursements

Please complete this form for all reimbursement requests for foreign nationals who are students and/or non-employees. If it appears no tax reporting and/or withholding is required, attach the completed form to the reimbursement request.

**University Payroll will make the final determination regarding reporting, withholding, and/or taxability of the reimbursement.**

PAYEE'S NAME: \_\_\_\_\_ UNIVERSITY ID# (UIN), if applicable: \_\_\_\_\_

DEPT.: \_\_\_\_\_ DEPT. CONTACT: \_\_\_\_\_

DEPT. PHONE: \_\_\_\_\_ DATE(S) EXPENSE(S) INCURRED: \_\_\_\_\_

|  |   |            |
|--|---|------------|
| (1)  | Answer the questions in this Section <b>only if</b> the reimbursement is for a <b>nonresident alien (as defined in OBFS Manual 18.2)</b> :  | Circle one |
| (1a)   | Did the funds for the reimbursement (or advance) originate from a foreign source (such as research funds received from non-U.S. sources)? <a href="#">See example.</a>  | Yes No     |
| (1b)   | Was the service related to the reimbursement (or advance) performed entirely outside the U.S.?  | Yes No     |
| <i><b>If the answer to either question in Section 1 is "YES", the reimbursement is considered foreign source income. The reimbursement is not reportable or taxable. Do not complete the rest of the form. Attach this form to the reimbursement request.</b></i>  |   |            |
| (2)  | For <b>all</b> reimbursements that are not considered foreign source income, answer the questions in this Section:  | Circle one |
| (2a)   | Does adequate substantiation, such as a receipt or other documentary evidence, exist indicating the amount, date, place, and business purpose of the expense? (Receipts are not required for per diem requests; however substantiation of date, place, and business purpose is required.) | Yes No     |
| (2b)   | Is the expense reimbursement being submitted within 60 days after the expense was incurred or is a <a href="#">Reasonable Exception Request</a> attached?)  | Yes No     |
| (2c)   | If an advance was given, was any excess returned within 120 days after the expense was paid or incurred?  | Yes No N/A |
| (2d)   | Was the expense an ordinary and necessary expenditure for the individual's duties as a University representative, an independent contractor, or an individual providing a benefit to or on behalf of the University?  | Yes No     |
| (2e)   | Did the University extend an invitation to the individual (such as an invitation to attend a conference or visit for another University-business related event or purpose)?   | Yes No N/A |
| (2f)   | Did the primary purpose of the expense mostly benefit the University? (For examples, see <a href="#">Examples of Taxable and Non-Taxable Foreign National Reimbursements.</a> )   | Yes No     |
| <i><b>If all answers to the questions in Section 2 are "YES" or "N/A", it appears no tax reporting or withholding is required. Attach this form to the reimbursement request.</b></i>  |   |            |
| (3)  | For <b>student reimbursements</b> , also answer the questions in this Section:  | Circle one |
| (3a)   | Was the expense supported by the student's fellowship?  | Yes No N/A |
| (3b)   | Was the expense supported by the student's assistantship or by a sponsored project?   | Yes No N/A |
| (3c)   | Was the expense required for the student to receive credit for a course or degree?  | Yes No     |
| (3d)   | Did the travel, research, or other expense enhance the student's grade or meet the requirements of a degree?  | Yes No     |
| (3e)   | Was the primary purpose of the expense to further the education and training of the student in his or her individual capacity, rather than to benefit the University?   | Yes No     |
| (3f)   | Did the University obtain, at most, only an incidental benefit as a result of the expense?  | Yes No     |
| (3g)   | Was the student required to submit progress reports related to the expense?   | Yes No     |
| (3h)   | Did the student determine the activities required by the expense?   | Yes No N/A |
| (3i)   | Was the student selected for travel, research or another activity for which the expense was incurred primarily to further his/her education?  | Yes No     |
| <i><b>If all answers to the questions in Section 3 are "YES" or "N/A", it appears the reimbursement qualifies as scholarship or fellowship assistance. Process through the student's account (Student Accounts Receivable, Financial Aid, or DAWS). These reimbursements may be subject to tax reporting and/or withholding. If any answers are "NO", submit this form with the reimbursement request.</b></i> |   |            |