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Section has been revised with current information.

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Revised to include the purchase of a funeral arrangement for "dependent children" of an employee, adjunct faculty member, retired employee or major donor.

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Various moving companies provide discounts to the University. For more information, contact the MSU Purchasing Department (www.purchasing.msu.edu).

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- Updates to Cluster Travel Agencies (I.F.)
- Item II.B and IV.B. reference to "Certification for International Visitors Entering the U.S. with B1/WB1 or B2/WB2 Visa Status" (Exhibit 77-D).
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- If travel reimbursement voucher is prepared on a computer, please submit: (1) original voucher and one copy (plus one additional copy if the travel is out of state) (V.B.l.)
- Throughout the section, language for travel approval reads "someone administratively senior to the traveler must sign..."
- For mileage incurred on or after January 1, 2002, the University's mileage allowance increased to 36 cents per mile.

SECTION 74: INVOICE PROCESSING SYSTEM

This section has been updated consistent with the new procurement system.

SECTION 75: VOUCHERS

A special memo, dated September 20, 2001, was mailed to MAU Budget Personnel concerning the following disbursement voucher processing issues.

A. Payee Signatures:
The signatures of payees and approvers serve an important internal control function supporting the payment of disbursement vouchers. To meet accountability documentation standards (to satisfy the signature requirement on vouchers):

- Original signature is required on original voucher
- In unusual circumstances, a fax of the voucher with the payee signature will be accepted, or
- An E-mail of payee authorization, or

- The signature of someone administratively senior to the payee with notation "signing for payee". This option certifies that the signer received verbal authorization to file the claim on behalf of the payee.
- For non-MSU payees only, may note "Non-MSU" in payee signature field.

B. Departmental Approval Signatures:

All vouchers require an original signature of an authorized signer for the account(s) charged.

C. Copies required when vouchers are submitted:

Please note that processing may be delayed when vouchers are received without sufficient copies. Vouchers may also be returned to the submitting department if vouchers are submitted without sufficient copies on an ongoing basis.

- Only an original and one copy now required for all vouchers (except for out of state travel which will require an original and two copies)
- Direct Payment Vouchers – one original and one copy
- Multiple Check vouchers – one original and one copy
- Reimbursement Vouchers – one original and one copy
- Travel Reimbursement Vouchers – one original and one copy (plus one additional copy if for out-of-state travel)

In April, the Controller's Office announced the availability of direct deposit for MSU employee reimbursements submitted for payment on either a Reimbursement Voucher or on a Travel Reimbursement Voucher. Direct deposit of employee reimbursements is optional at the discretion of the individual being reimbursed. If the employee has not elected direct deposit for payroll transactions, direct deposit of employee expense reimbursements is not available. Employees may obtain direct deposit authorization cards from the Payroll Department.

SECTION 76: INDEPENDENT CONTRACTORS

Departments are required to designate if the company is owned (51% or more) by a woman or minority (see item III, D, 5). When a contract has this designation, departments are required to send a copy to Purchasing if contracts are less than or equal to $10,000. The PSC form has been revised to include this designation. Also, effective April 1, 2001, the PSC forms will be available only from the Controller's Office web site.

Please refer to new SECTION 77 for information on Nonresident Alien Independent Contractors.

SECTION 77: NONRESIDENT ALIEN (NRA) INDEPENDENT CONTRACTORS AND NRA RECIPIENTS OF HONORARIUM, RENTS, ROYALTIES AND AWARDS

New section added to clarify issues relating to compensating certain nonresident aliens including Immigration and Naturalization Service and Internal Revenue Service regulations relating to issuing payments to nonresident aliens. A memo dated April 29, 2002, was mailed to MAU Budget Personnel on this update.

Sections 46, 70, 75 and 76 have also been revised with reference to Section 77 and forms.

VOLUME II

SECTION 220: UNIVERSITY STORES

Changes include:

- Addition of an online return form

- New counter hours are 7:30 a.m. to 5:00 p.m.
- A "printed" Stores catalog is no longer being offered

- New Open Order policies
- Open Order limit increased to $2,500

Budget Booster is now prepared by MSU Surplus Store (refer to Section 222).

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Item II,B,1,b. concerning Office Paper - Special pickup service *NOTE that some university documents are required to be kept for varying periods of time to comply with legal and fiscal requirements. Contact University Archives and Historical Collections, Sec. 335, or www.msu.edu/unit/msuarhc/; call 517-355-2330 for more information.

SECTION 222: MSU SURPLUS STORE

The new on-line Pick Up Request Form (PURF) is now available (III.A.2). It is quick and easy, MSU Surplus Store is immediately notified that you have something for them to pick up. This form can only be used for non-inventoried items for no credit.

The Budget Booster (IV.) is now paperless. It is a list-serv that is accessible to all. You may sign up for the list-serv by emailing MSU Surplus Store at surpluss@msu.edu.

SECTION 224: INVENTORY DEPARTMENT

Equipment Criteria (III) – definitions added and the Criteria has been updated.
Information on Equipment Taken Off Campus (V) has been updated.
Hyperlinks (to web sites and forms) added throughout Section 224.

SECTION 255: OFFICE SERVICES DEPARTMENT

Condensed and renamed the "Word Processing Services" section to "Tape Transcription Services;" facsimile services have been discontinued.

SECTION 270: PURCHASING

Entire section has been updated. Please be sure to note the following.

I. General Policy
II. Purchase Requisition

   a. Form – Item 2 (on-line authorized user)
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VI. Purchasing Card – to be utilized for purchases totaling $2,500 or less

a. Purpose
b. Procedures - Purchasing Card Cardholder Application (Exhibit IV)

VII. Foreign Merchandise Acquisitions – New Item
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Equipment Transfer Notice (ETN) and instructions on how to use an ETN have been revised. Also revision clarifying the use of object codes with the ETN

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Updates to the item on Sponsored Research include:

- When human subjects or animals are involved in the proposed research, approval by the respective University committees is required before an account number can be assigned.
- Reference to approval by VP for Computing and Technology when proposals involve acquisition of major computers or use of TV equipment has been removed.
- The mailing of proposals is the responsibility of departments. Previous language stated that "the Office of the Vice President for Research and Graduate Studies will mail proposals."

Miscellaneous edits were made throughout Section 315 to clarify policy and procedure.

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MICHIGAN STATE
UNIVERSITY

April 8, 2002

TO: MAU Budget Administrators

FROM: David Brower, CFO and Controller

SUBJECT: **DIRECT DEPOSIT OF EMPLOYEE REIMBURSEMENTS**

The Controller's Office is pleased to announce the availability of direct deposit for MSU employee reimbursements submitted for payment on either a Reimbursement Voucher or on a Travel Reimbursement Voucher. Direct deposit of MSU employee reimbursements is optional at the discretion of the individual being reimbursed. (Note that direct deposit of reimbursements is not available for repayments of travel advances or petty cash advances.) Making a direct deposit election for a particular payment is simply a matter of marking a new "Direct Deposit" check box at the top of the reimbursement or travel voucher and entering the employee's social security number in the space provided on the voucher form. Examples of the revised Reimbursement Voucher and the Travel Reimbursement Voucher are attached. These new forms are available to download from the Controller's Office forms library on the Internet at http://www.ctlr.msu.edu.

Payments requested for direct deposit will be processed in accord with the employee's direct deposit instructions and authorization on file in the Payroll Department. Credit to the employee's designated bank account will be effective on the second bank business day following the voucher being processed by the Accounting Department. For example, if Accounting processes the voucher on Wednesday, the employee's bank account will be credited on Friday. If the voucher is processed on the Friday before Memorial Day (a Monday banking holiday), the bank account will be credited on the next Wednesday.

If the employee has not elected direct deposit for payroll transactions, direct deposit of employee expense reimbursements is not available. Employees may obtain direct deposit authorization cards from the Payroll Department, 350 Administration Building (355-5010). Vouchers submitted requesting direct deposit of a reimbursement for which no matching direct deposit authorization record exists in the Payroll Department will be set aside and paid via a standard check mailed to the payee at the address provided on the voucher. (If an employee changes their banking relationship, it is important that they update the direct deposit authorization on file in the Payroll Department on a timely basis.)

A "Direct Deposit Notification" and the remittance advice copy of the voucher will be mailed to the employee at the address provided on the reimbursement voucher. An example of this notification form is attached. These direct deposit transactions will be reflected on the fund ledger using a transaction prefix of "DIR" (rather than "CHK") and will be numbered in the range of 100001 – 400000. (A note to anyone performing analysis on accounting transaction records for voucher disbursements may need to modify their logic to include this new prefix.)

We know this new service offering will be of interest and benefit to many MSU employees. This will be of particular interest to those who are frequently out of the office on travel assignments. Special thanks are due to Administrative Information Services for their assistance in making this new service possible.

If you have any questions about this new service, please feel free to contact Mary Lilly or Chris Twitchell from the Accounting Department at 355-5000.

Enclosures

OFFICE OF THE
CONTROLLER
Michigan State University
305 Administration Building
East Lansing, MI
48824-1046
517/355-5020
FAX: 517/432-5269

http://ctlr.msu.edu/

MSU is an affirmative-action, equal-opportunity institution.

June 2001 ✓ 5



SECTION 5: ACCOUNT NUMBERS AND ACCOUNT REQUESTS

I. PURPOSE OF PROCEDURE
II. COMPONENTS OF UNIVERSITY ACCOUNT NUMBERS
III. ACCOUNT REQUESTS
IV. EXHIBITS

SECTION 5: ACCOUNT NUMBERS AND ACCOUNT REQUESTS

I. PURPOSE OF PROCEDURE

A. To briefly explain the components of University account numbers.

B. To set forth procedures to be followed when requesting the establishment of a new account or amending an existing account.

II. COMPONENTS OF UNIVERSITY ACCOUNT NUMBERS

University account numbers have the following format: AA-BBBC. The components of an account number are as follows:

AA - The first two digits indicate the type of account.

11 = General fund accounts

21 = Auxiliary revolving, designated revolving and clearing and deposit accounts

31 = Agency, gift and grant, fellowship, scholarship, student aid, student note and student loan accounts

41 = Plant fund accounts

51 = General ledger accounts

61 = Sponsored research accounts

71 = Sponsored research, Michigan Agricultural Experiment Station and MSU Extension accounts

81 = Endowment principal and income accounts

91 = General fund Research Excellence Fund (REF) project accounts.

BBB - For general fund accounts (excluding the 91-series), these three digits represent the departmental account number. For all other accounts, these three digits have no special significance.

C - For general fund accounts (excluding the 91-series), this digit has four designations:

1 = Salary budget and expenditures

2 = Labor budget and expenditures

3 = Supplies, services and equipment budget and expenditures

5 = Special budgets (Contingency and Special Purpose accounts)

For all other accounts, this digit has no special significance.

III. ACCOUNT REQUESTS

A. Revolving Accounts

1. Requests to establish new accounts or to amend existing accounts must be submitted to the Controller for approval on a completed "Revolving Account Request Form" (see exhibit 5-A). "Revolving Account Policies" (see exhibit 5-E) lists criteria used in establishing revolving accounts and reversion limits. Requests should be accompanied by a transmittal letter discussing the nature of the proposed new account or amendment to existing account. Please include the name and phone number of a contact person.

2. When completing the form, certain items deserve special attention as follows:

a. For revolving accounts, the indicated sources of income (item 5), and types of expenditures (item 7) must be related. Only those expenditures which are incurred to generate the indicated sources of income can be charged to the account.

b. Item 13 must be completed on both new and amended account requests. Accounts are not permitted to accumulate balances in excess of working capital needs.

c. The request must be signed by a Dean or Vice President.

d. All items on the reverse side will be completed by the Controller's Office or Internal Audit.

3. Internal Audit regularly audits accounts to determine that operations are in conformance with the information indicated on approved account request forms.

4. A listing of revenue and expense handling procedures specific to revolving account operations can be found at exhibit 5-F, "Revolving Account Financial Procedures".

5. Internal Service Billing Rates - Agency accounts which rendering services to Contract & Grant Accounts cannot include any profit or depreciation allocation (which is calculated by C & G separately). "Guidelines for Development and Documentation of Internal Service Billing Rate(s)" (see exhibit 5-G) details these procedures.

B. Clearing and Deposit Accounts - These accounts may be established when deposits must be held for disbursements to others (e.g., sales tax collections to be remitted to the State of Michigan). Requests to establish new accounts or to amend existing accounts must be submitted to the Controller for approval on a completed form "Clearing and Deposit Account Request Form" (see exhibit 5-B). Requests should be accompanied by a transmittal letter discussing the nature of the proposed new account or amendment to existing account. Please include the name and phone number of a contact person.

C. General Fund account requests must be approved by the Office of Planning and Budgets.

D. Trust account requests must be arranged through the Office of Investments and Trusts, telephone 355-5018.

E. Gift and Grant, Fellowship and Sponsored Research Accounts

1. Refer to Volume I, Section 23, concerning Fellowships; refer to Volume II, Section 315, concerning Gift and Grant or Sponsored Research accounts.

2. Any further questions concerning Fellowship accounts should be directed to the Office of Fees and Scholarships, 146 Administration Building; questions concerning Gift and Grant or Sponsored Research accounts should be directed to the Office of Contract and Grant Administration, 301 Administration Building.

F. Scholarship accounts must be arranged through the Office of Financial Aid.

G. Agency Accounts - Student Organizations

1. Use "Application for Agency Account - Student Organization" (see exhibit 5-C). Items 1-8 must be filled in. This form is available in the Accounting Department, Office of the Controller, 360 Administration Bldg., telephone 355-5000, and the Student Activities Office, Office of the Vice President for Student Affairs and Services, 101 Student Services Bldg, telephone 355-8286.

2. The form must be submitted to the Student Activities Office for verification of organization registration and approval of request.

3. After approval from the Student Activities Office, the form must be submitted in person to the Accounting Department, 360 Administration Building, for approval.

H. Agency Accounts - Non-Student Organization

1. Use "Agency Account - Non-Student Organization" (see exhibit 5-D). The date, items 1-5, administrative responsibility and the account name must be filled in and submitted to the Dean or Vice President for approval.

2. After approval by the Dean or Vice President, this form must be submitted to the Controller's Office for approval.

3. Forms are available in the Accounting Department, Office of the Controller.

I. Agency Accounts - Exemption from State Sales Tax

1. Agency accounts do not automatically qualify for exemption from State of Michigan sales tax.

2. Organizations requesting a tax exempt account number must present with their account application a letter from the State of Michigan, Treasury Department, indicating their tax exempt status. If exemption from State of Michigan sales tax is properly documented, the account will be established in the 31-4100 through 31-4199 range of accounts.

IV. EXHIBITS

Exhibit 5-A. Revolving Account Request Form

Exhibit 5-B. Clearing and Deposit Account Request Form

Exhibit 5-C. Application for Agency Account - Student Organization

Exhibit 5-D. Agency Account - Non-Student Organization Application Form

Exhibit 5-D (2). MSU Agency Account - Non-Student Organization Policies and Guidelines

Exhibit 5-D (3). MSU Agency Account - Non-Student Organization Signature Authorization Card (Sample Only)

Exhibit 5-E. Revolving Account Policies

Exhibit 5-F. Revolving Account Financial Procedures

Exhibit 5-G. Guidelines for Development and Documentation of Internal Service Billing Rate (s)



MICHIGAN STATE
UNIVERSITY

Office of the Controller
305 Administration Building

Date: _____

REVOLVING ACCOUNT REQUEST FORM

PDF

This is a request to: **Amend an existing account**

1. Name of Account: _____
2. Permanent Account **Temporary** Termination Date _____
   Purpose of Account: _____
   _____
4. Account Responsibility:
   a. Person _____ Phone _____
   b. College/MAU _____
   c. Department _____ d. Common Unit Code _____
5. Sources of Income for this Account:
   a. _____
   b. _____
   c. _____
   d. _____
6. Estimated Yearly Income: $_____
7. Expenditures from this Account will be for:
   e. _____
   f. _____
   g. _____
   h. _____
8. Estimated Yearly Expenditures: $_____
9. Is the activity in this account new? **Yes.** If not, where has it been accounted for in the past?
   _____
10. Estimated resale inventory at June 30: $_____
11. Estimated billings outstanding at June 30: $_____
12. Anticipated major equipment purchases from this account:
    a. _____ $_____
    b. _____ $_____
13. It is understood that any balance in this account in excess of $_____ will accrue to the supporting fund at **Feb 28/29** . THIS ITEM MUST BE COMPLETED. SEE REVOLVING ACCOUNT POLICIES, (MBP SECTION 5.III.A), FOR GUIDELINES.

It is further understood that the use of the account as described above and its financial stability is the primary responsibility of the Dean or Major Administrative Unit Administrator.

14. Signature _____ Approved _____
    Department Chairperson or Director — Dean or MAU Administrator
    Typed Name _____ Typed Name _____

In order to process your request in a timely manner, please provide a memo explaining your new account request or amendment to an existing account. Make sure to include a contact person and phone number. Thank you in advance for your cooperation.

MSU is an Affirmative Action / Equal Opportunity Institution

Revised 06/11/01

FOR CONTROLLER'S OFFICE USE ONLY

Account Name: _____(Fill in Below)_____

Account Number: _____(Fill in Below)_____

Fund:_____

Function: _____

Reversion Date: _____

Fund to Receive Reversion: _____

Approved:_____ Date:_____

FOR A18 DATA ENTRY ONLY
(Remaining data to be completed by Financial Analysis)

Account Number _ _ _ _ _ _ (3-8) Fund__ 10 Category__ 11

Type __ 12 Function__ __ (13 – 14) Line _ _ _ _ (15 – 18)

Name _ _ _ _ _ _

MICHIGAN STATE
UNIVERSITY

Office of the Controller
305 Administration Building

Date: June 12, 2001

REVOLVING ACCOUNT REQUEST FORM

This is a request to: ☐ Establish a new account ☐ Amend an existing account

1. Name of Account: _____
2. Permanent Account ☐ Temporary Account ☐ Termination Date _____
   Purpose of Account: _____
   _____
4. Account Responsibility:
   a. Person _____ Phone _____
   b. College/MAU _____
   c. Department _____ d. Common Unit Code _____
5. Sources of Income for this Account:
   a. _____
   b. _____
   c. _____
   d. _____
6. Estimated Yearly Income: $_____
7. Expenditures from this Account will be for:
   e. _____
   f. _____
   g. _____
   h. _____
8. Estimated Yearly Expenditures: $_____
9. Is the activity in this account new? _____ If not, where has it been accounted for in the past?
   _____
10. Estimated resale inventory at June 30: $_____
11. Estimated billings outstanding at June 30: $_____
12. Anticipated major equipment purchases from this account:
    a. _____ $_____
    b. _____ $_____
13. It is understood that any balance in this account in excess of $_____ will accrue to the supporting fund at _____. THIS ITEM MUST BE COMPLETED. SEE REVOLVING ACCOUNT POLICIES, (MBP SECTION 5.III.A), FOR GUIDELINES.

It is further understood that the use of the account as described above and its financial stability is the primary responsibility of the Dean or Major Administrative Unit Administrator.

14. Signature _____ Approved _____
    Department Chairperson or Director — Dean or MAU Administrator
    Typed Name _____ Typed Name _____

In order to process your request in a timely manner, please provide a memo explaining your new account request or amendment to an existing account. Make sure to include a contact person and phone number. Thank you in advance for your cooperation.

Account Number _____ - _____

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Revised 06/11/01

FOR CONTROLLER'S OFFICE USE ONLY

Account Name: _____(Fill in Below)_____

Account Number: _____(Fill in Below)_____

Fund:_____

Function: _____

Reversion Date: _____

Fund to Receive Reversion: _____

Approved:_____ Date:_____

FOR A18 DATA ENTRY ONLY
(Remaining data to be completed by Financial Analysis)

Account Number _ _ _ _ _ _ (3-8) Fund__ 10 Category__ 11

Type __ 12 Function__ __ (13 – 14) Line _ _ _ _ (15 – 18)

Name _ _ _ _ _ _

MICHIGAN STATE
UNIVERSITY

Account No: _____

Date: _____

Office of the Controller
305 Administration Building

CLEARING AND DEPOSIT ACCOUNT REQUEST FORM

This is a request to: **Amend an existing account**

1. Name of Account: _____
2. Account Type: **Permanent** Termination Date _____
3. Purpose of Account: _____

_____

4. Account Responsibility:
   a. Person _____ Phone # _____
   b. College/MAU _____
   c. Department _____ Common Unit Code: _____

5. Sources of Income for the Account:
   a. _____
   b. _____
   c. _____
   d. _____

7. Expenditures from this Account will be for:
   a. _____
   b. _____
   c. _____
   d. _____

6. Estimated Yearly Income: $ _____

8. Estimated Yearly Expenditures: $ _____

9. Is the activity in this account new? **No** If not, where has it been accounted for in the past? _____

_____

10. Will this account balance be zero at June 30, **No** If not, please explain _____

_____

It is further understood that the use of the account as described above and its monthly reconciliation is the primary responsibility of the Department Chairperson or Director.

11. Signature _____ Approved _____
    Department Chairperson or Director — Dean or MAU Administrator

Typed Name _____ Typed Name _____

In order to process your request in a timely manner, please provide a memo explaining your new account request or amendment to an existing account. Make sure to include a contact person and phone number. Thank you in advance for your cooperation.

MSU is an Affirmative Action/Equal Opportunity Institution

Revised 06/11/01

FOR CONTROLLER'S OFFICE USE ONLY

Account Name: ____(FILL IN BELOW)____

Account Number: ____(FILL IN BELOW)____

Fund:_____

Function:_____

Approved:_____ Date:_____

****

FOR A18 DATA ENTRY ONLY

(Remaining data to be completed by Financial Analysis.)

Account Number __ __ __ __ __ __ Fund __ Category __
3-8 10 11

Type __ Function __ __ Line __ __ __ __
12 13-14 15-18

Name __
__ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __
__ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __
19-78

Maintenance Code __
80

****

FOR INTERNAL AUDIT USE ONLY

RECORD OF AUDIT

"I have examined, through audit, clearing and deposit account number _____.
A copy of the audit report is on file in the Department of Internal Audit."

	Internal Auditor	Date	Period Audited
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____

MICHIGAN STATE
UNIVERSITY

Account No:_____

Date:_____

Office of the Controller
305 Administration Building

CLEARING AND DEPOSIT ACCOUNT REQUEST FORM

DOC

This is a request to: ☐ Amend an existing account ☐ establish a new account

1. Name of Account: _____
2. Account Type: Temporary Termination Date _____
3. Purpose of Account: _____

_____

4. Account Responsibility:
   a. Person _____ Phone # _____
   b. College/MAU _____
   c. Department _____ Common Unit Code: _____

5. Sources of Income for the Account:
   a. _____
   b. _____
   c. _____
   d. _____

7. Expenditures from this Account will be for:
   a. _____
   b. _____
   c. _____
   d. _____

6. Estimated Yearly Income: $_____

8. Estimated Yearly Expenditures: $ _____

9. Is the activity in this account new? Yes If not, where has it been accounted for in the past? _____

_____

10. Will this account balance be zero at June 30, _____ If not, please explain _____

_____

It is further understood that the use of the account as described above and its monthly reconciliation is the primary responsibility of the Department Chairperson or Director.

11. Signature _____ Approved _____
Department Chairperson or Director Dean or MAU Administrator

Typed Name _____ Typed Name _____

In order to process your request in a timely manner, please provide a memo explaining your new account request or amendment to an existing account. Make sure to include a contact person and phone number. Thank you in advance for your cooperation.

MSU is an Affirmative Action/Equal Opportunity Institution

Revised 06/11/01

FOR CONTROLLER'S OFFICE USE ONLY

Account Name: ____(FILL IN BELOW)_____

Account Number: _____(FILL IN BELOW)_____

Fund:_____

Function:_____

Approved:_____ Date:_____

****

FOR A18 DATA ENTRY ONLY

(Remaining data to be completed by Financial Analysis.)

Account Number __ __ __ __ __ __ Fund __ Category __
3-8 10 11

Type __ Function __ __ Line __ __ __ __
12 13-14 15-18

Name __
__ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __
__ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __ __
19-78

Maintenance Code __
80

****

FOR INTERNAL AUDIT USE ONLY

RECORD OF AUDIT

"I have examined, through audit, clearing and deposit account number _____.
A copy of the audit report is on file in the Department of Internal Audit."

	Internal Auditor	Date	Period Audited
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____
Signature	_____	_____	_____

Revised 06/11/01

From: Dave Brower
To: Schimizzi, Vince
Date: 6/4/01 11:05AM
Subject: Re: Fwd: Revolving Account Requests

A transmittal memo or E-mail noting why the form is being submitted seems reasonable. Also, a contact person and phone number should be provided if follow-up is needed. If nothing is provided, then in the past I called the person listed as the responsible person on the revolving account form. I assume that is what you are doing.

I try to avoid sending forms back. A phone call is often necessary to discuss details anyway. However, if information is incomplete, forms are not properly signed or you are not receiving cooperation in terms of timely call backs, then sending the form back may be necessary. This is a judgement call.

David Brower, Controller
Michigan State University
Phone - 517/355-5020
Fax - 517/432-5269
E-Mail - brower@pilot.msu.edu

>>> Vince Schimizzi 06/02/01 04:55PM >>>
Forwarded Mail received from: Evelyn Portee

Dave,
This is a constant problem and makes our service to campus customers inefficient and awkward when we have to make several phone calls to the departments and do not know who to ask for. With Evelyn's new system we now have a streamlined way to handle our administration of these accounts, now we just need to smooth out the contact with our customers.

I would suggest adding a note on the form that departments need to submit a transmittal memo discussing the nature of their request. Additionally, we can notify them of this minor procedural change via Marge's listserv and follow up with a change in the MPB.

Upon your review please let us know your thoughts on this.

Thanks
Vince

CC: Portee, Evelyn; Toomey, Marge

From: Vince Schimizzi
To: Marge Toomey
Date: 6/5/01 3:10PM
Subject: Change to MPB - Revolving Accounts

In following with our phone conversation this AM, I am pursuing minor procedural change for revolving accounts and clearing and deposit accounts. When departments submit an account form (either new or revised), they will need to include a transmittal letter discussing the new / amended account. My plan to implement this is as follows:

1) Evelyn is working with the systems group to update the account forms to include a note in the form instructing departments to include the transmittal letter.

2) I have attached an MS-Word Document (made from the MPB) with the proposed changes hi-lited in yellow.

3) After 1 and 2 (above) are complete, I would like this change to be announced to the campus business community via your listserv.

Let me know if you have any questions or issues.

Thanks
Vince

Marge
Done
6/12/01
B

==========

Vincent Schimizzi
Manager, Office of Financial Analysis
Michigan State University
394 Hannah Administration Building
East Lansing, MI 48824

Phone: (517) 355-5029 ext 3
Fax (517) 353-1706

e-mail: schimiz2@ctlr.msu.edu

==========

CC: Evelyn Portee

Section 5 from the MPB

III. ACCOUNT REQUESTS

A. Revolving Accounts

1. Requests to establish new accounts or to amend existing accounts must be submitted to the Controller for approval on a completed "Revolving Account Request Form" (see exhibit 5-A). "Revolving Account Policies" (see exhibit 5-E) lists criteria used in establishing revolving accounts and reversion limits. ~~Any~~ requests should be accompanied by a transmittal letter discussing the nature of the proposed new account or amendment to existing account. Please include the name and phone number of a contact person ~~to discuss any issues.~~

B. Clearing and Deposit Accounts - These accounts may be established when deposits must be held for disbursements to others (e.g., sales tax collections to be remitted to the State of Michigan). Requests to establish new accounts or to amend existing accounts must be submitted to the Controller for approval on a completed form "Clearing and Deposit Account Request Form" (see exhibit 5-B). ~~Any~~ requests should be accompanied by a transmittal letter discussing the nature of the proposed new account or amendment to existing account. Please include the name and phone number of a contact person ~~to discuss any issues.~~

Marge,

The text hi-lited in yellow are the proposed additions to the MBP. I would also like to communicate this to the campus business community via the listserv as well. Let me know if you have any questions or issues.

Thanks
Vince

change was also made on exhibit 5b

MICHIGAN STATE UNIVERSITY

Exhibit 5a

Office of the Controller
305 Administration Building

Date: _____

REVOLVING ACCOUNT REQUEST FORM

This is a request to **Amend an existing account**

1. Name of Account: _____
2. Type of Account **Temporary** Termination Date _____
   Purpose of Account: _____
   _____
4. Account Responsibility: a. Person _____ #Phone #
   b. College/MAU _____
   c. Department _____ d. Common Unit Code _____
5. Sources of Income for this Account:
   a. _____
   b. _____
   c. _____
   d. _____
6. Estimated Yearly Income: $_____
7. Expenditures from this Account will be for:
   a. _____
   b. _____
   c. _____
   d. _____
8. Estimated Yearly Expenditures: $ _____
9. Is the activity in this account new? **Yes.** If not, where has it been accounted for in the past?
   _____
10. Estimated resale inventory at June 30: $ _____
11. Estimated billings outstanding at June 30: $ _____
12. Anticipated major equipment purchases from this account:
    a. _____ $_____
    b. _____ $_____
13. It is understood that any balance in this account in excess of $ _____ will accrue to the supporting fund at **Dec 31** THIS ITEM MUST BE COMPLETED. SEE REVOLVING ACCOUNT POLICIES, (MBP SECTION 5.III.A), FOR GUIDELINES.

It is further understood that the use of the account as described above and its financial stability is the primary responsibility of the Dean or Major Administrative Unit Administrator.

14. Signature _____ Approved _____
    Department Chairperson or Director Dean or MAU Administrator
    Typed Name _____ Typed Name _____

Account Number _____

In Red * Not Printable "In order to process your request in a timely manner, please provide a brief explanation regarding your new account request/amendment to existing account request. Also, be sure to ~~provide~~ include in the memo a contact person and phone number. Thank you in advance for your cooperation."

FOR CONTROLLER'S OFFICE USE ONLY

Account Name: _____(Fill in Below)_____

Account Number: _____(Fill in Below)_____

Fund:_____

Function: _____

Reversion Date: _____

Fund to Receive Reversion: _____

Approved:_____ Date:_____

FOR A18 DATA ENTRY ONLY
(Remaining data to be completed by Financial Analysis)

Account Number _ _ _ _ _ _ (3-8) Fund_ 10 Category_ 11

Type _ 12 Function_ _ (13 – 14) Line _ _ _ _ (15 – 18)

Name _ _ _ _ _ _

Add to MBP

Section 15: CASH HANDLING

Note: this is a new item XI. (item XI. Wire Transfers will become XII and XIII Exhibits)

XI. Unidentified Checks

Upon receipt of any payment, departments should put forth a reasonable effort to verify whether or not the payment relates to their operations. If a payment cannot be identified as belonging to the department, the unidentified payment is to be sent to the Controller's Office, Room 305 Administration Building, for handling and disposition. Departments should forward an unidentified payment, and any related correspondence, to the Controller's Office within 10 business days of receipt of the payment if possible.

Upon receipt of an unidentified payment, the Controller's Office will follow a set of procedures in a further attempt to identify the payee, including contacting the payor. If attempts to identify the payee are unsuccessful, the Controller's Office will deposit the payments into the "Unidentified Checks" clearing account (21-3254). Once a payee is identified, the Controller's Office will contact the respective department and will process the appropriate paperwork to transfer the payment to the correct account (i.e. JVE if the payment was deposited).

Payments will be held in the Unidentified Checks clearing account and, if not identified after one year, will be transferred into a General Fund miscellaneous revenue account (11-0739).

New Section

Unidentified Checks

From: Susan Waltersdorf
To: Brown, Jean McManus
Date: 4/27/01 11:36AM
Subject: Re: escheat property

Jean,

There isn't anything in the MBP regarding handling unidentified checks, although it is a good idea. We will pursue writing something up for inclusion.

The unadvertised procedure is: The Controller's Office (305 Ad Bldg) maintains an Unidentified Checks Clearing Account, 21-3254. Checks are deposited into this account and research is done to try to determine where the funds belong. Most of the checks that are referred to our office come from other CO departments, but on occasion we'll get a check from the Library, Clinical Center, etc. apparently when they determine that the check does not belong to them. Upon learning where the funds belong, we prepare a JVE transferring the money, otherwise the funds are held 1-2 years and then "written off" to All Others 11-0739 (General Fund Misc revenue account).

I discussed with Dave Brower the need for other University departments to submit unidentified payments to the Controller's Office for handling and disposition. We are agreed that if the department receiving the funds maintains a "receivable system" and they could validly believe that the payment was meant to meet one of their obligations, they should be able to maintain it as a miscellaneous payment (credit balance), after a wait of a year (or so), and the payment is remains unidentified, they could recognize it as miscellaneous revenue. Documentation should be maintained in case an inquiry should be made. If the unidentified payment could not reasonably be assumed to belong to the department, the check should be forwarded to the Controller's Office.

- the dept should put in effort to ~~determine~~ verify the payment is theirs

I checked with Glen Klein and Val Aguila from Financial Analysis regarding whether escheat regulations covered unidentified payments. Glen recollected doing research on unidentified deposits some years ago. His research indicated that since these payments were made as payments to MSU and there would be sufficient records available that would allow proper credit upon inquiry that do not fall under the escheat regulations. Unidentified payments should be deemed to be MSU property, not escheatable.

Let me know if you have further questions.

Sue.

Susan J. Waltersdorf
Associate Controller
Michigan State University
305 Administration Bldg.
East Lansing, MI 48824
PHONE: 517-353-9175
FAX: 517-432-5269
E-MAIL: walters8@ctlr.msu.edu

>>> Jean McManus Brown <brownje@pilot.msu.edu> 04/19/01 01:52PM >>>
Sue,
Are there any procedures in the Manual of Business Procedures relating to escheat property? I searched the Controllers web site and did not find a match. Specifically, how long can a department hold an unidentified payment they have received. Currently they are depositing the funds and posting the amount to their A/R system under a miscellaneous account. It's not much $ but some has been unidentified since 3/97 (the implementation of

their new A/R system).

Jean McManus Brown, CPA
Senior Auditor
MSU Internal Audit
Office-(517) 355-5030
Fax-(517) 432-1997
brownje@msu.edu

CC: Harmon, Kathy; Toomey, Marge

Changes are minor - don't include in yr-end letter.

Changes in red

TOC

SECTION 15: CASH HANDLING

done st 9/6/01

I. RESPONSIBILITY
II. CASH RECEIPT FORMS
III. DEPOSITS
IV. CASH HANDLING POLICY
V. OVERAGES AND SHORTAGES
VI. CASH CONTROL RECORDS
VII. RECEIPTS
VIII. SECURITY
IX. CHECKING ACCOUNTS
X. CHECKS REFUNDED OR CANCELLED
XI. WIRE TRANSFERS
XII. EXHIBITS

SECTION 15: CASH HANDLING

I. RESPONSIBILITY

A. Each department is responsible for cash and checks it receives for the University. Funds may be received from sales of items, tickets, meals, etc.

B. If funds are received and the department does not have a cash register to record sales, **prenumbered receipt forms must be used**. The only exception to this would be in the case where prenumbered tickets are sold.

C. Upon receipt, all checks for deposit must be restrictively endorsed by the department. At a minimum, the endorsement is to read "for deposit only, Michigan State University" and include the depositing department's name and account number on the back. This action is mandatory for funds to be covered by the University's Crime Insurance Policy.

D. If a check has a payee other than Michigan State University, it must be endorsed as drawn and then restrictively endorsed as indicated in item C above to be eligible for deposit. Federal Reserve Bank regulations limit our endorsement field to the first 1 1/2" from the trailing edge of the reverse side of the check. No other markings may be placed on the remainder of the reverse side.

E. Departments are responsible for the deposit of cash, checks and/or bankcards no less than once per week. When receipts are infrequent, deposits of a nominal amount ($50.00 or less) may be made less frequently, but in no case less than every two weeks. All funds received must be accumulated in a secure place until deposited. Checks which are held from deposit for more than two weeks, which are subsequently returned unpaid, may result in the department being held liable for the University's returned check service charge.

II. CASH RECEIPT FORMS

A. The following forms are to be used for receipting transactions involving cash or checks:

1. Uarco numbered receipt form for use in a Uarco machine. This form may be obtained from Stores, stock order #140-28140.

2. For temporary or infrequent use, booklets of prenumbered receipt forms can be obtained from Stores, stock order #140-24830.

III. DEPOSITS

A. Deposits of Revenue. Deposit Receipt Form, form number CO-ca-45c (see exhibit 15-A) is to be used by the department to deposit revenue (cash/checks) with the Cashier's Office, 110 Administration Building. This form may be obtained from Stores, stock order #140-24500. It should be prepared in the following manner:

Reasonable facsimiles created with various softwares such as Excel™ or Access™ are also acceptable.

1. Prepare the deposit form in duplicate.

2. The grid for "Description To Be Put On Ledger" should be completed with information to identify the deposit when it is reported on the fund ledger.

3. Account number(s) and appropriate revenue code(s) (see Section 65, Revenue Codes) must be indicated.

4. Print your name, office address and phone, date and sign the bottom of the deposit form.

5. Total for the top half of the form (account distribution) must be identical to the total for the bottom of the form (funds being tendered).

6. All checks being deposited must include the depositing department's name and account number (handwritten or by stamp) on the back.

7. For deposits consisting of four or more checks, an adding machine tape must accompany the checks. If no adding machine tape is available, a list of the check amounts and a total on a piece of paper is acceptable.

8. Itemize checks, currency and coinage separately.

9. All currency should be banded by denomination and coinage rolled where possible and must bear the name of the department or in the case of coin, name and address of the individual from whom the roll is accepted. These supplies may be obtained from Stores.

10. Prior to the initial acceptance of bankcards as a form of payment, please contact the Office Supervisor, Cashier's Office, 355-5023, for specific information on how to deposit these items.

B. Deposits of Expense Abatements. Expense Abatement Deposit Receipt form (see exhibit 15-B) is to be used by the department to deposit funds with the Cashier's Office, 110 Administration Building when such funds are reimbursements of previous expense. **(Note: refunds related to University purchase orders must not be deposited using this form. See Section X. below.)** This form is not available from Stores, but may be downloaded from the Controller's Office web site at http://ctlr.msu.edu/download#Cashiers.

Expenses that do not relate to University operations should not normally be charged against University accounts. (If appropriate, such expenses may be charged against Agency accounts maintained within the University accounting structure.) However, occasionally, a non-University expense will be erroneously or unavoidably charged against a University account. When this occurs, it is essential that full and proper reimbursement be made to the University. Repayment of these non-University expenses by cash or check should be accounted for using the "Expense Abatement Deposit Receipt" form.

This process is not to be used to charge/reimburse personal or non-University expenses against MSU accounts on a routine or regular basis. Reimbursement of such expenses does not excuse the original transaction. It is also not to be used to account for revolving operations within a budgeted account.

The "Expense Abatement Deposit Receipt" form should be prepared in the following manner:

1. Prepare the deposit form in duplicate.

2. The grid for "Description To Be Put On Ledger" should be completed with information to identify the deposit when it is reported on the fund ledger.

3. Document the person reimbursing the University, the circumstances under which the expense was incurred, the reason it is being reimbursed, the date, description and reference number from the original transaction.

4. Account number(s) and the original expenditure code(s) (refer to original expense transaction) must be indicated. If the reimbursement is for an expense that is subject to Federal excise tax (ET), the tax amount (over and above the expense reimbursement) should be deposited to account 21-3233 "Excise Tax Clearing". If the expense is subject to State of Michigan sales tax (ST), the tax amount (over and above the expense reimbursement) should be deposited to account 21-3236 "Sales Tax Clearing" as provided on the form. If you have questions regarding taxability of reimbursements please refer to Section 50 and/or contact the Controller's Office at 3-9175.

5. Enter your name, office address, phone, and e-mail address, date and sign the bottom of the deposit form.

6. Total for the left side of the form (account distribution) must be identical to the total for the right side of the form (funds being tendered).

7. All checks being deposited must include the depositing department's name and account number (handwritten or by stamp) on the back.

8. For deposits consisting of four or more checks, an adding machine tape must accompany the checks. If no adding machine tape is available, a list of the check amounts and a total on a piece of paper is acceptable.

9. Enter total amount for currency and for coin and itemize and total checks.

10. All currency should be banded by denomination and coinage rolled where possible and must bear the name of the department or in the case of coin, name and address of the idividual from whom the roll is accepted. These supplies may be obtained from Stores.

C. Frequency of deposits generally should be based on cumulative receipts on hand as follows. These guidelines provide minimum standards, allowing departmental discretion for increased deposit frequency.

CUMULATIVE RECEIPTS	MINIMUM FREQUENCY OF DEPOSIT *
$40,000 or more	Next Business Day
$10,000 - $40,000	Within 3 business days or 2 times per week
$200 - $10,000	Within 5 business days or once per week
less than $200	Within 10 business days or once every 2 weeks

* If a large portion of cumulative receipts on hand is comprised of cash, deposits should be made more frequently than outlined above. Contact the Cashier's Office at 355-5023 for more information.

* If a single receipt for $200,000 or more is received, every effort should be made to deposit this on the same business day.

* If a department uses an armored car service for transport of deposits, the prearranged pick-up schedule may occasionally conflict with the above guidelines.

The funds must be accumulated in a secure, locked location prior to making the deposit.

The University has a contract with an armored car service that will make scheduled pick-ups of departmental deposits from a department on a per trip fee basis and deliver them to the Cashier's Office. For further information, contact the Manager of the Cashier's Office, 110 Administration Building, telephone 355-5023.

D. The Cashier's Office, 110 Administration Building, is open from 8:15 a.m. to 4:30 p.m., Monday through Friday. For deposits at other hours, a department may use the night depository located at the front of the Administration Building. Contact the Office Supervisor at 355-5023 for more information.

E. For all deposits, the Cashier's Office will validate the deposit and return the duplicate copy to the department for its records.

IV. CASH HANDLING POLICY

A. Checks should be made payable to **Michigan State University**. If checks are received by mail, the senders should be notified in advance to make their checks payable as indicated above and to mail them to the attention of the department involved. Checks which have been made payable to persons or departments must be endorsed by the payee prior to deposit. All **checks must be restrictively endorsed** "for deposit only, Michigan State University" at a minimum, in writing or with a stamp **when received by a department**.

B. Checks drawn outside the continental United States should be made payable to Michigan State University in U.S. funds payable through a U.S. bank. Any check drawn on a foreign bank not having a correspondent bank in the United States may be returned for compliance with this policy. Any fees associated with the depositing of these checks will be charged to the depositing account number. Further information regarding the acceptance of checks drawn outside the U.S. may be obtained from the Manager of the Cashier's Office, 110 Administration Building, 355-5023.

C. No personal check(s) in excess of the amount of the purchase should be accepted. Checks **CANNOT** be cashed at a department for the accommodation of the University faculty, staff or students. Persons responsible for handling University funds should, **under no circumstances**, cash personal checks from these funds.

D. ALL RECEIPTS MUST BE DEPOSITED WITH THE CASHIER'S OFFICE. Refunds or other expenditures must NOT be made from cash receipts. Large numbers of similar refunds can be made from petty cash funds obtained by the department for that purpose (see Section 60, Petty Cash Funds). Miscellaneous or infrequent refunds may be made through the use of a multiple check voucher or a direct payment voucher. In these instances, checks will be mailed to the individuals.

V. OVERAGES AND SHORTAGES

All **large or unusual** overages/shortages or reconciling problems must be reported to the Manager of the Cashier's Office and the Director of Internal Audit on a timely basis.

VI. CASH CONTROL RECORDS

Daily records should be kept of the inclusive receipt or ticket numbers and total amount for which the receipts were written or tickets sold. Deposits with the Cashier's Office should also reflect the inclusive receipt or ticket numbers and the total amount collected.

VII. RECEIPTS

The maintenance of a numerical file of all receipts is the responsibility of the department. Since all prenumbered receipts must be accounted for, all original copies of voided receipts should be stapled together and must be retained by the department. **Copies of receipts are to be retained by the department and attached to the departmental copy of the deposit slip**.

VIII. SECURITY

Funds should not be left unlocked or unattended and should be concealed from general view. Receipt records should not be kept with the funds received. The University has a contract with an armored car service that will make scheduled pick-ups of departmental deposits from a department on a per trip fee basis and deliver it to the Cashier's Office in the Administration Building. For further information, contact the Manager of the Cashier's Office, 110 Administration Building, 355-5023.

IX. CHECKING ACCOUNTS

THE USE OF CHECKING OR OTHER BANK ACCOUNTS BY UNIVERSITY PERSONNEL FOR THE DEPOSITING OF UNIVERSITY FUNDS IS STRICTLY PROHIBITED.

X. CHECKS REFUNDED OR CANCELLED

A. Refunds from vendors or individuals - Occasionally departments have checks returned from vendors or individuals because of erroneous payments, the return of merchandise, or unfulfilled services. In such cases, departments can have the check redeposited into the account from

which the original payment was issued in one of two ways.

1. If the refund relates to a payment made against a University purchase order, send the check along with an explanatory note to Accounts Payable, 360 Administration Building. The note should state the circumstances of the refund, and document the previous payment (i.e., supplier name, check number, pay date, purchase order number, University account number and object code). It will also help if a copy of the document authorizing the original payment is attached. Accounts Payable will process the refund to credit the account due the refund. It will appear as an expenditure abatement.

2. If the refund does not relate to a University purchase order, the check may be deposited according to the procedure outlined above in III.B. using the "Expense Abatement Deposit Receipt" form.

B. Cancelled Checks - Checks drawn on an MSU account which a department wishes to cancel should be sent to the Accounting Department accompanied by a note stating the reason for the cancellation. The note must be signed by an authorized departmental signer. Valid reasons for cancellation are:

1. Wrong payee or amount.

2. Cancellation of the purchase or service the check was to cover.

Checks cannot be cancelled where there still exists a legal obligation to pay for services rendered. No refunds or cancellations will be credited to General Fund accounts in the current fiscal year for payments made or checks drawn in a previous fiscal year.

XI. WIRE TRANSFERS

The University accepts wire transfers of funds as payment of outstanding student and departmental debt. Wire transfers should be sent to the University's bank, Michigan National Bank, marked "for the account of the Board of Trustees, Michigan State University." The indicated ABA routing number should be 0720-0080-5, our account number should be listed as 1935-218139. The sending party must provide detailed information to enable MSU Cashier's Office to accurately deposit funds. If the wire is for an MSU department, the sending party should provide the name of an MSU contact person, name of department and the MSU account number to credit. If the wire is for a student account, the sending party should provide the student's name and PID (student number). To facilitate identification of wires and their deposit to the appropriate MSU account, please also contact the Office Supervisor in the Cashier's Office and provide these same identifying attributes (amount, payor, etc.) if a wire is expected. Transfers coming from outside the United States may take as long as 10-15 business days to be credited to the University's bank account. For further information, contact the Office Supervisor of the Cashier's Office, 110 Administration Building, 355-5023 extension 147.

XII. EXHIBITS

Exhibit 15-A. Deposit Receipt

Exhibit 15-B. Expense Abatement Deposit Receipt

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done 11/8/01 SB

SECTION 15: CASH HANDLING

I. RESPONSIBILITY
II. CASH RECEIPT FORMS
III. DEPOSITS
IV. CASH HANDLING POLICY
V. OVERAGES AND SHORTAGES
VI. CASH CONTROL RECORDS
VII. RECEIPTS
VIII. SECURITY
IX. CHECKING ACCOUNTS
X. CHECKS REFUNDED OR CANCELLED
XI. WIRE TRANSFERS
XII. EXHIBITS

SECTION 15: CASH HANDLING

I. RESPONSIBILITY

A. Each department is responsible for cash and checks it receives for the University. Funds may be received from sales of items, tickets, meals, etc.

B. If funds are received and the department does not have a cash register to record sales, **prenumbered receipt forms must be used**. The only exception to this would be in the case where prenumbered tickets are sold.

C. Upon receipt, all checks for deposit must be restrictively endorsed by the department. At a minimum, the endorsement is to read "for deposit only, Michigan State University" and include the depositing department's name and account number on the back. This action is mandatory for funds to be covered by the University's Crime Insurance Policy.

D. If a check has a payee other than Michigan State University, it must be endorsed as drawn and then restrictively endorsed as indicated in item C above to be eligible for deposit. Federal Reserve Bank regulations limit our endorsement field to the first 1 1/2" from the trailing edge of the reverse side of the check. No other markings may be placed on the remainder of the reverse side.

E. Departments are responsible for the deposit of cash, checks and/or bankcards no less than once per week. When receipts are infrequent, deposits of a nominal amount ($50.00 or less) may be made less frequently, but in no case less than every two weeks. All funds received must be accumulated in a secure place until deposited. Checks which are held from deposit for more than two weeks, which are subsequently returned unpaid, may result in the department being held liable for the University's returned check service charge.

II. CASH RECEIPT FORMS

A. The following forms are to be used for receipting transactions involving cash or checks:

1. Uarco numbered receipt form for use in a Uarco machine. This form may be obtained from Stores, stock order #140-28140.

2. For temporary or infrequent use, booklets of prenumbered receipt forms can be obtained from Stores, stock order #140-24830.

III. DEPOSITS

A. Deposits of Revenue. Deposit Receipt Form, form number CO-ca-45c (see exhibit 15-A) is to be used by the department to deposit revenue (~~cash/checks~~) with the Cashier's Office, 110 Administration Building. This form may be obtained from Stores, stock order #140-24500. Reasonable facsimiles creatd with various softwares such as Excel™ or Access™ are also acceptable. It should be prepared in the following manner:

1. Prepare the deposit form in duplicate.

2. The grid for "Description To Be Put On Ledger" should be completed with information to identify the deposit when it is reported on the fund ledger.

3. Account number(s) and appropriate revenue code(s) (see Section 65, Revenue Codes) must be indicated.

4. Print your name, office address and phone, date and sign the bottom of the deposit form.

5. Total for the top half of the form (account distribution) must be ~~identical~~ equal to the total for the bottom of the form (funds being tendered).

7a. checks

6. All checks being deposited must include the depositing department's name and account number (handwritten or by stamp) on the back.

b.

7. For deposits consisting of four or more checks, an adding machine tape must accompany the checks. If no adding machine tape is available, a list of the check amounts and a total on a piece of paper is acceptable.

"bankcards" is one word

c. 8. Itemize checks, ~~bankcards~~ bankcards, EFTs currency and coinage separately. INSERT #8

60 ¢

9. All currency should be banded by denomination and coinage rolled where possible and must bear the name of the department or in the case of coin, name and address of the individual from whom the roll is accepted. These supplies may be obtained from Stores.

9, 10. Prior to the initial acceptance of bankcards as a form of payment, please contact the Office Supervisor, Cashier's Office, 355-5023, for specific information on how to deposit these items.

B. Deposits of Expense Abatements. Expense Abatement Deposit Receipt form (see exhibit 15-B) is to be used by the department to deposit funds with the Cashier's Office, 110 Administration Building when such funds are reimbursements of previous expense. **(Note: refunds related to University purchase orders must not be deposited using this form. See Section X. below.)** This form is not available from Stores, but may be downloaded

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from the Controller's Office web site at http://ctlr.msu.edu/download#Cashiers.

Expenses that do not relate to University operations should not normally be charged against University accounts. (If appropriate, such expenses may be charged against Agency accounts maintained within the University accounting structure.) However, occasionally, a non-University expense will be erroneously or unavoidably charged against a University account. When this occurs, it is essential that full and proper reimbursement be made to the University. Repayment of these non-University expenses by cash or check should be accounted for using the "Expense Abatement Deposit Receipt" form.

This process is not to be used to charge/reimburse personal or non-University expenses against MSU accounts on a routine or regular basis. Reimbursement of such expenses does not excuse the original transaction. It is also not to be used to account for revolving operations within a budgeted account.

The "Expense Abatement Deposit Receipt" form should be prepared in the following manner:

1. Prepare the deposit form in duplicate.

2. The grid for "Description To Be Put On Ledger" should be completed with information to identify the deposit when it is reported on the fund ledger.

3. Document the person reimbursing the University, the circumstances under which the expense was incurred, the reason it is being reimbursed, the date, description and reference number from the original transaction.

4. Account number(s) and the original expenditure code(s) (refer to original expense transaction) must be indicated. If the reimbursement is for an expense that is subject to Federal excise tax (ET), the tax amount (over and above the expense reimbursement) should be deposited to account 21-3233 "Excise Tax Clearing". If the expense is subject to State of Michigan sales tax (ST), the tax amount (over and above the expense reimbursement) should be deposited to account 21-3236 "Sales Tax Clearing" as provided on the form. If you have questions regarding taxability of reimbursements please refer to Section 50 and/or contact the Controller's Office at 3-9175.

5. Enter your name, office address, phone, and e-mail address, date and sign the bottom of the deposit form.

6. Total for the left side of the form (account distribution) must be identical to the total for the right side of the form (funds being tendered).

7. All checks being deposited must include the depositing department's name and account number (handwritten or by stamp) on the back.

8. For deposits consisting of four or more checks, an adding machine tape must accompany the checks. If no adding machine tape is available, a list of the check amounts and a total on a piece of paper is acceptable.

9. Enter total amount for currency and for coin and itemize and total checks.

10. All currency should be banded by denomination and coinage rolled where possible and must bear the name of the department or in the case of coin, name and address of the idividual from whom the roll is accepted. These supplies may be obtained from Stores.

no change

C. Frequency of deposits generally should be based on cumulative receipts on hand as follows. These guidelines provide minimum standards, allowing departmental discretion for increased deposit frequency.

1.

CUMULATIVE RECEIPTS	MINIMUM FREQUENCY OF DEPOSIT *
$40,000 or more	Next Business Day
$10,000 - $40,000	Within 3 business days or 2 times per week
$200 - $10,000	Within 5 business days or once per week
less than $200	Within 10 business days or once every 2 weeks

* If a large portion of cumulative receipts on hand is comprised of cash, deposits should be made more frequently than outlined above. Contact the Cashier's Office at 355-5023 for more information.

* If a single receipt for $200,000 or more is received, every effort should be made to deposit this on the same business day.

* If a department uses an armored car service for transport of deposits, the prearranged pick-up schedule may occasionally conflict with the above guidelines.

2. The funds must be accumulated in a secure, locked location prior to making the deposit.

3. The University has a contract with an armored car service that will make scheduled pick-ups of departmental deposits from a department on a per trip fee basis and deliver them to the Cashier's Office. For further information, contact the Manager of the Cashier's Office, 110 Administration Building, telephone 355-5023.

4. add #4

D. The Cashier's Office, 110 Administration Building, is open from 8:15 a.m. to 4:45 p.m., Monday through Friday. For deposits at other hours, a department may use the night depository located at the front of the Administration Building. Contact the Office Supervisor at 355-5023 for more information.

E. For all deposits, the Cashier's Office will validate the deposit and return the duplicate copy to the department for its records.

IV. CASH HANDLING POLICY

A. Checks should be made payable to **Michigan State University**. If checks are received by mail, the senders should be notified in advance to make their checks payable as indicated above and to mail them to the attention of the department involved. Checks which have been made payable to persons or departments must be endorsed by the payee prior to deposit. All **checks must be restrictively endorsed** "for deposit only, Michigan State University" at a minimum, in writing or with a stamp **when received by a department**.

B. Checks drawn outside the continental United States should be made payable to Michigan State University in U.S. funds payable through a U.S. bank. Any check drawn on a foreign bank not having a correspondent bank in the United States may be returned for compliance with this policy. Any fees associated with the depositing of these checks will be charged to the depositing account number. Further information regarding the acceptance of checks drawn outside the U.S. may be obtained from the Manager of the Cashier's Office, 110 Administration Building, 355-5023.

C. No personal check(s) in excess of the amount of the purchase should be accepted. Checks **CANNOT** be cashed at a department for the accommodation of the University faculty, staff or students. Persons responsible for handling University funds should, **under no circumstances**, cash personal checks from these funds.

D. ALL RECEIPTS MUST BE DEPOSITED WITH THE CASHIER'S OFFICE. Refunds or other expenditures must NOT be made from cash receipts. Large numbers of similar refunds can be made from petty cash funds obtained by the department for that purpose (see Section 60, Petty Cash Funds). Miscellaneous or infrequent refunds may be made through the use of a multiple check voucher or a direct payment voucher. In these instances, checks will be mailed to the individuals.

V. OVERAGES AND SHORTAGES

All **large or unusual** overages/shortages or reconciling problems must be reported to the Manager of the Cashier's Office and the Director of Internal Audit on a timely basis.

VI. CASH CONTROL RECORDS

Daily records should be kept of the inclusive receipt or ticket numbers and total amount for which the receipts were written or tickets sold. Deposits with the Cashier's Office should also reflect the inclusive receipt or ticket numbers and the total amount collected.

VII. RECEIPTS

The maintenance of a numerical file of all receipts is the responsibility of the department. Since all prenumbered receipts must be accounted for, all original copies of voided receipts should be stapled together and must be retained by the department. **Copies of receipts are to be retained by the department and attached to the departmental copy of the deposit slip**.

VIII. SECURITY

Funds should not be left unlocked or unattended and should be concealed from general view. Receipt records should not be kept with the funds received. The University has a contract with an armored car service that will make scheduled pick-ups of departmental deposits from a department on a per trip fee basis and deliver it to the Cashier's Office in the Administration Building. For further information, contact the Manager of the Cashier's Office, 110 Administration Building, 355-5023.

IX. CHECKING ACCOUNTS

THE USE OF CHECKING OR OTHER BANK ACCOUNTS BY UNIVERSITY PERSONNEL FOR THE DEPOSITING OF UNIVERSITY FUNDS IS STRICTLY PROHIBITED.

X. CHECKS REFUNDED OR CANCELLED

A. Refunds from vendors or individuals - Occasionally departments have checks returned from vendors or individuals because of erroneous payments, the return of merchandise, or unfulfilled services. In such cases, departments can have the check redeposited into the account from

which the original payment was issued in one of two ways.

1. If the refund relates to a payment made against a University purchase order, send the check along with an explanatory note to Accounts Payable, 360 Administration Building. The note should state the circumstances of the refund, and document the previous payment (i.e., supplier name, check number, pay date, purchase order number, University account number and object code). It will also help if a copy of the document authorizing the original payment is attached. Accounts Payable will process the refund to credit the account due the refund. It will appear as an expenditure abatement.

2. If the refund does not relate to a University purchase order, the check may be deposited according to the procedure outlined above in III.B. using the "Expense Abatement Deposit Receipt" form.

B. Cancelled Checks - Checks drawn on an MSU account which a department wishes to cancel should be sent to the Accounting Department accompanied by a note stating the reason for the cancellation. The note must be signed by an authorized departmental signer. Valid reasons for cancellation are:

1. Wrong payee or amount.

2. Cancellation of the purchase or service the check was to cover.

Checks cannot be cancelled where there still exists a legal obligation to pay for services rendered. No refunds or cancellations will be credited to General Fund accounts in the current fiscal year for payments made or checks drawn in a previous fiscal year.

XI. WIRE TRANSFERS

The University accepts wire transfers of funds as payment of outstanding student and departmental debt. Wire transfers should be sent to the University's bank, Michigan National Bank, marked "for the account of the Board of Trustees, Michigan State University." The indicated ABA routing number should be 0720-0080-5, our account number should be listed as 1935-218139. The sending party must provide detailed information to enable MSU Cashier's Office to accurately deposit funds.

If the wire is for an MSU department, the sending party should provide the name of an MSU contact person, name of department and the MSU account number to credit. If the wire is for a student account, the sending party should provide the student's name and PID (student number). To facilitate identification of wires and their deposit to the appropriate MSU account, please also contact the Office Supervisor in the Cashier's Office and provide these same identifying attributes (amount, payor, etc.) if a wire is expected. Transfers coming from outside the United States may take as long as 10-15 business days to be credited to the University's bank account. For further information, contact the Office Supervisor of the Cashier's Office, 110 Administration Building, 355-5023 extension 147.

XII. EXHIBITS

Exhibit 15-A. Deposit Receipt

Exhibit 15-B. Expense Abatement Deposit Receipt

None

MBP

III. Deposits
A. Deposits of Revenue

8. Bankcards
   a. All bankcard activity must be represented by a **settled** Batch Total Report.
   b. The Batch Total Report must include the following: Batch #, Location #, Date, Amount. If the Location # is not preprogrammed on the report, it must be handwritten.
   c. The total bankcard revenue must be segregated into three (3) subtotals as follows:
      1) Visa and MasterCard = Combined total amount per the Batch Total Report
      2) American Express = Amount for all machines under the same merchant number for that day
      3) Discover = Amount for all machines under the same merchant number for that day

insert p. 2

B. Frequency of Deposits

4. Deposits delivered by armored car or otherwise dropped off generally will be processed the next business day.

insert p. 4

Attachment

SECTION 15: CASH HANDLING

I. RESPONSIBILITY
II. CASH RECEIPT FORMS
III. DEPOSITS
IV. CASH HANDLING POLICY
V. OVERAGES AND SHORTAGES
VI. CASH CONTROL RECORDS
VII. RECEIPTS
VIII. SECURITY
IX. CHECKING ACCOUNTS
X. CHECKS REFUNDED OR CANCELLED
XI. UNIDENTIFIED CHECKS
XII. WIRE TRANSFERS
XIII. EXHIBITS



SECTION 15: CASH HANDLING

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XI. WIRE TRANSFERS
XII. EXHIBITS

SECTION 15: CASH HANDLING

I. RESPONSIBILITY

A. Each department is responsible for cash and checks it receives for the University. Funds may be received from sales of items, tickets, meals, etc.

B. If funds are received and the department does not have a cash register to record sales, **prenumbered receipt forms must be used**. The only exception to this would be in the case where prenumbered tickets are sold.

C. Upon receipt, all checks for deposit must be restrictively endorsed by the department. At a minimum, the endorsement is to read "for deposit only, Michigan State University" and include the depositing department's name and account number on the back. This action is mandatory for funds to be covered by the University's Crime Insurance Policy.

D. If a check has a payee other than Michigan State University, it must be endorsed as drawn and then restrictively endorsed as indicated in item C above to be eligible for deposit. Federal Reserve Bank regulations limit our endorsement field to the first 1 1/2" from the trailing edge of the reverse side of the check. No other markings may be placed on the remainder of the reverse side.

E. Departments are responsible for the deposit of cash, checks and/or bankcards no less than once per week. When receipts are infrequent, deposits of a nominal amount ($50.00 or less) may be made less frequently, but in no case less than every two weeks. All funds received must be accumulated in a secure place until deposited. Checks which are held from deposit for more than two weeks, which are subsequently returned unpaid, may result in the department being held liable for the University's returned check service charge.

II. CASH RECEIPT FORMS

A. The following forms are to be used for receipting transactions involving cash or checks:

1. Uarco numbered receipt form for use in a Uarco machine. This form may be obtained from Stores, stock order #140-28140.

2. For temporary or infrequent use, booklets of prenumbered receipt forms can be obtained from Stores, stock order #140-24830.

III. DEPOSITS

A. Deposits of Revenue. Deposit Receipt Form, form number CO-ca-45c (see exhibit 15-A) is to be used by the department to deposit revenue (cash/checks) with the Cashier's Office, 110 Administration Building. This form may be obtained from Stores, stock order #140-24500. It should be prepared in the following manner:

1. Prepare the deposit form in duplicate.

2. The grid for "Description To Be Put On Ledger" should be completed with information to identify the deposit when it is reported on the fund ledger.

3. Account number(s) and appropriate revenue code(s) (see Section 65, Revenue Codes) must be indicated.

4. Print your name, office address and phone, date and sign the bottom of the deposit form.

5. Total for the top half of the form (account distribution) must be identical to the total for the bottom of the form (funds being tendered).

6. All checks being deposited must include the depositing department's name and account number (handwritten or by stamp) on the back.

7. For deposits consisting of four or more checks, an adding machine tape must accompany the checks. If no adding machine tape is available, a list of the check amounts and a total on a piece of paper is acceptable.

8. Itemize checks, currency and coinage separately.

9. All currency should be banded by denomination and coinage rolled where possible and must bear the name of the department or in the case of coin, name and address of the individual from whom the roll is accepted. These supplies may be obtained from Stores.

10. Prior to the initial acceptance of bankcards as a form of payment, please contact the Office Supervisor, Cashier's Office, 355-5023, for specific information on how to deposit these items.

B. Deposits of Expense Abatements. Expense Abatement Deposit Receipt form (see exhibit 15-B) is to be used by the department to deposit funds with the Cashier's Office, 110 Administration Building when such funds are reimbursements of previous expense. **(Note: refunds related to University purchase orders must not be deposited using this form. See Section X. below.)** This form is not available from Stores, but may be downloaded from the Controller's Office web site at http://ctlr.msu.edu/download#Cashiers.

Expenses that do not relate to University operations should not normally be charged against University accounts. (If appropriate, such expenses may be charged against Agency accounts maintained within the University accounting structure.) However, occasionally, a non-University expense will be erroneously or unavoidably charged against a University account. When this occurs, it is essential that full and proper reimbursement be made to the University. Repayment of these non-University expenses by cash or check should be accounted for using the "Expense Abatement Deposit Receipt" form.

This process is not to be used to charge/reimburse personal or non-University expenses against MSU accounts on a routine or regular basis. Reimbursement of such expenses does not excuse the original transaction. It is also not to be used to account for revolving operations within a budgeted account.

The "Expense Abatement Deposit Receipt" form should be prepared in the following manner:

1. Prepare the deposit form in duplicate.

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3. Document the person reimbursing the University, the circumstances under which the expense was incurred, the reason it is being reimbursed, the date, description and reference number from the original transaction.

4. Account number(s) and the original expenditure code(s) (refer to original expense transaction) must be indicated. If the reimbursement is for an expense that is subject to Federal excise tax (ET), the tax amount (over and above the expense reimbursement) should be deposited to account 21-3233 "Excise Tax Clearing". If the expense is subject to State of Michigan sales tax (ST), the tax amount (over and above the expense reimbursement) should be deposited to account 21-3236 "Sales Tax Clearing" as provided on the form. If you have questions regarding taxability of reimbursements please refer to Section 50 and/or contact the Controller's Office at 3-9175.

5. Enter your name, office address, phone, and e-mail address, date and sign the bottom of the deposit form.

6. Total for the left side of the form (account distribution) must be identical to the total for the right side of the form (funds being tendered).

7. All checks being deposited must include the depositing department's name and account number (handwritten or by stamp) on the back.

8. For deposits consisting of four or more checks, an adding machine tape must accompany the checks. If no adding machine tape is available, a list of the check amounts and a total on a piece of paper is acceptable.

9. Enter total amount for currency and for coin and itemize and total checks.

10. All currency should be banded by denomination and coinage rolled where possible and must bear the name of the department or in the case of coin, name and address of the idividual from whom the roll is accepted. These supplies may be obtained from Stores.

C. Frequency of deposits generally should be based on cumulative receipts on hand as follows. These guidelines provide minimum standards, allowing departmental discretion for increased deposit frequency.

CUMULATIVE RECEIPTS	MINIMUM FREQUENCY OF DEPOSIT *
$40,000 or more	Next Business Day
$10,000 - $40,000	Within 3 business days or 2 times per week
$200 - $10,000	Within 5 business days or once per week
less than $200	Within 10 business days or once every 2 weeks

* If a large portion of cumulative receipts on hand is comprised of cash, deposits should be made more frequently than outlined above. Contact the Cashier's Office at 355-5023 for more information.

* If a single receipt for $200,000 or more is received, every effort should be made to deposit this on the same business day.

* If a department uses an armored car service for transport of deposits, the prearranged pick-up schedule may occasionally conflict with the above guidelines.

The funds must be accumulated in a secure, locked location prior to making the deposit.

The University has a contract with an armored car service that will make scheduled pick-ups of departmental deposits from a department on a per trip fee basis and deliver them to the Cashier's Office. For further information, contact the Manager of the Cashier's Office, 110 Administration Building, telephone 355-5023.

D. The Cashier's Office, 110 Administration Building, is open from 8:15 a.m. to 4:30 p.m., Monday through Friday. For deposits at other hours, a department may use the night depository located at the front of the Administration Building. Contact the Office Supervisor at 355-5023 for more information.

E. For all deposits, the Cashier's Office will validate the deposit and return the duplicate copy to the department for its records.

IV. CASH HANDLING POLICY

A. Checks should be made payable to **Michigan State University**. If checks are received by mail, the senders should be notified in advance to make their checks payable as indicated above and to mail them to the attention of the department involved. Checks which have been made payable to persons or departments must be endorsed by the payee prior to deposit. All **checks must be restrictively endorsed** "for deposit only, Michigan State University" at a minimum, in writing or with a stamp **when received by a department**.

B. Checks drawn outside the continental United States should be made payable to Michigan State University in U.S. funds payable through a U.S. bank. Any check drawn on a foreign bank not having a correspondent bank in the United States may be returned for compliance with this policy. Any fees associated with the depositing of these checks will be charged to the depositing account number. Further information regarding the acceptance of checks drawn outside the U.S. may be obtained from the Manager of the Cashier's Office, 110 Administration Building, 355-5023.

C. No personal check(s) in excess of the amount of the purchase should be accepted. Checks **CANNOT** be cashed at a department for the accommodation of the University faculty, staff or students. Persons responsible for handling University funds should, **under no circumstances**, cash personal checks from these funds.

D. ALL RECEIPTS MUST BE DEPOSITED WITH THE CASHIER'S OFFICE. Refunds or other expenditures must NOT be made from cash receipts. Large numbers of similar refunds can be made from petty cash funds obtained by the department for that purpose (see Section 60, Petty Cash Funds). Miscellaneous or infrequent refunds may be made through the use of a multiple check voucher or a direct payment voucher. In these instances, checks will be mailed to the individuals.

V. OVERAGES AND SHORTAGES

All **large or unusual** overages/shortages or reconciling problems must be reported to the Manager of the Cashier's Office and the Director of Internal Audit on a timely basis.

VI. CASH CONTROL RECORDS

Daily records should be kept of the inclusive receipt or ticket numbers and total amount for which the receipts were written or tickets sold. Deposits with the Cashier's Office should also reflect the inclusive receipt or ticket numbers and the total amount collected.

VII. RECEIPTS

The maintenance of a numerical file of all receipts is the responsibility of the department. Since all prenumbered receipts must be accounted for, all original copies of voided receipts should be stapled together and must be retained by the department. **Copies of receipts are to be retained by the department and attached to the departmental copy of the deposit slip**.

VIII. SECURITY

Funds should not be left unlocked or unattended and should be concealed from general view. Receipt records should not be kept with the funds received. The University has a contract with an armored car service that will make scheduled pick-ups of departmental deposits from a department on a per trip fee basis and deliver it to the Cashier's Office in the Administration Building. For further information, contact the Manager of the Cashier's Office, 110 Administration Building, 355-5023.

IX. CHECKING ACCOUNTS

THE USE OF CHECKING OR OTHER BANK ACCOUNTS BY UNIVERSITY PERSONNEL FOR THE DEPOSITING OF UNIVERSITY FUNDS IS STRICTLY PROHIBITED.

X. CHECKS REFUNDED OR CANCELLED

A. Refunds from vendors or individuals - Occasionally departments have checks returned from vendors or individuals because of erroneous payments, the return of merchandise, or unfulfilled services. In such cases, departments can have the check redeposited into the account from

which the original payment was issued in one of two ways.

1. If the refund relates to a payment made against a University purchase order, send the check along with an explanatory note to Accounts Payable, 360 Administration Building. The note should state the circumstances of the refund, and document the previous payment (i.e., supplier name, check number, pay date, purchase order number, University account number and object code). It will also help if a copy of the document authorizing the original payment is attached. Accounts Payable will process the refund to credit the account due the refund. It will appear as an expenditure abatement.

2. If the refund does not relate to a University purchase order, the check may be deposited according to the procedure outlined above in III.B. using the "Expense Abatement Deposit Receipt" form.

B. Cancelled Checks - Checks drawn on an MSU account which a department wishes to cancel should be sent to the Accounting Department accompanied by a note stating the reason for the cancellation. The note must be signed by an authorized departmental signer. Valid reasons for cancellation are:

1. Wrong payee or amount.

2. Cancellation of the purchase or service the check was to cover.

Checks cannot be cancelled where there still exists a legal obligation to pay for services rendered. No refunds or cancellations will be credited to General Fund accounts in the current fiscal year for payments made or checks drawn in a previous fiscal year.

XI. WIRE TRANSFERS

The University accepts wire transfers of funds as payment of outstanding student and departmental debt. Wire transfers should be sent to the University's bank, Michigan National Bank, marked "for the account of the Board of Trustees, Michigan State University." The indicated ABA routing number should be 0720-0080-5, our account number should be listed as 1935-218139. The sending party must provide detailed information to enable MSU Cashier's Office to accurately deposit funds. If the wire is for an MSU department, the sending party should provide the name of an MSU contact person, name of department and the MSU account number to credit. If the wire is for a student account, the sending party should provide the student's name and PID (student number). To facilitate identification of wires and their deposit to the appropriate MSU account, please also contact the Office Supervisor in the Cashier's Office and provide these same identifying attributes (amount, payor, etc.) if a wire is expected. Transfers coming from outside the United States may take as long as 10-15 business days to be credited to the University's bank account. For further information, contact the Office Supervisor of the Cashier's Office, 110 Administration Building, 355-5023 extension 147.

XII. EXHIBITS

Exhibit 15-A. Deposit Receipt

Exhibit 15-B. Expense Abatement Deposit Receipt

From: Valarie Aguila
To: Marge Toomey
Date: 11/5/01 8:21AM
Subject: Re: Standard Federal

Marge,

The address is:

Standard Federal Bank
2600 West Big Beaver Road
Troy, MI 48084

****

Valarie K. Aguila
Michigan State University
Office of Financial Analysis
394 Administration Building
East Lansing, MI 48824
Ph. (517) 353-9259 x 1 Fax (517) 353-1706
e-mail: aguila@ctlr.msu.edu
****

>>> Marge Toomey 11/02/01 05:06PM >>>
Val,

Laurie Fisher would like to include the address of Standard Federal in the section on cash handling (Wires).

Can you give me the address as it should appear in the Manual ?
The French version, etc.

Thanks.

Section 17
item IV., c

From: <Bob.Shaw@mnco.com>
To: "Valarie Aguila" <Aguila@ctlr.msu.edu>
Date: 11/5/01 5:08PM
Subject: Re: Bankard

insert (A)

ABN AMRO Merchant Services (AAMS)
That is the correct 800#

✓

"Valarie Aguila" <Aguila@ctlr.msu.edu> on 11/05/2001 08:40:32 AM

To: Bob Shaw/LNOP/Michigan National Bank/US@MNB_US
cc:

Subject: Bankard

Bob,

We are trying to update our manual of business procedures regarding credit card processing. Could you tell me what the new name is for this division? Also, the help line that we have indicated is 1-800-848-3213. Has that changed? Please respond as soon as possible. Thanks!

****

Valarie K. Aguila
Michigan State University
Office of Financial Analysis
394 Administration Building
East Lansing, MI 48824
Ph. (517) 353-9259 x 1 Fax (517) 353-1706
e-mail: aguila@ctlr.msu.edu

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SECTION 17: CREDIT CARD ACCEPTANCE

I. OVERVIEW
II. SET-UP
III. DEPOSITS
IV. ASSOCIATED FEES
V. HOW TO PROCESS CREDIT CARDS
VI. LOANER MACHINES
VII. WEB-BASED APPLICATION

SECTION 17: CREDIT CARD ACCEPTANCE

I. OVERVIEW

The University does not accept credit cards for payment of tuition and housing costs. However, there are many other business applications and functions where accepting credit card payment is administratively justified. It can also be an important customer service benefit. The decision of whether or not to accept credit cards resides with each department. The Cashier's Office Manager can answer questions to help determine the cost-benefit issues related to this decision.

The University has a centrally negotiated contract with a credit card processing company. This allows MSU to have a standardized rate structure, which simplifies budgeting and cost allocation. The Cashier's Office acts as a liaison between the departments, the processing company and occasionally, the credit card companies. MSU presently has contracts with VISA, MasterCard, American Express and Discover. The standard set-up includes only V/MC. A special request must be made for American Express or Discover.

II. SET-UP

A. Once the decision to accept credit cards is made, supply the following information to the Cashier's Office Manager via mail: 110 Administration Building, email: nelsonm@ctlr.msu.edu or fax: 353-9640.

1. Brief description of business/sales that will be processed using credit cards.
2. Contact person's name, mailing address, phone number and email address.
3. MSU account number that will be charged for all applicable fees (see item IV)
4. A "best guess" as to whether the majority of the sales will have the credit card present or not (i.e., mail or phone orders).
5. If desired, special request for American Express and/or Discover.
6.

5. A "best guess" as to the anticipated dollar volume. ~~This~~

B. Once this information is relayed to the processing company, the department/activity will be assigned a merchant number. The hardware and instruction manuals will be sent directly to the requesting department, usually within two weeks. The department must contact the processing company at 1-800-848-3213 to activate the new merchant number.

III. DEPOSITS

To properly record charge card deposits, two separate deposit actions are required – one at the bank and one at MSU.

A. The department must "settle" and transmit a Batch Summary Report each day. This sales revenue is credited (deposited) directly into MSU's general operating bank account. **Follow the Merchant's Operating Guide instructions.**

B. To ensure that the sales revenue is allocated to the appropriate MSU ledger account, the department must submit a copy of the Batch Summary Report with a Departmental Deposit form (see MBP, Vol. I, Section 15, exhibit 15-A) to the Cashier's Office.

Negative revenue:

- In the event that a particular Batch Summary Report has a net credit (negative revenue), it should be submitted on the Departmental Deposit form with other positive revenue sources to offset it. The net revenue posted to any single account number on the top portion of the Departmental Deposit form must be a positive amount.
- If this is not possible, the net credit Batch Summary Report (without a Departmental Deposit form) should be sent directly to the Cashier's Office Supervisor at 110 Administration Building. A Cash Paid-Out (CPO) entry will be created and a copy sent back to you.

Bold this last sentence

IV. ASSOCIATED FEES

In addition to the one-time only set-up fees, MSU is charged a discount fee by the credit card processor and the bank to process credit card transactions. These fees are passed along to the department (merchant) accepting credit card payments. The Cashier's Office Supervisor generates a monthly journal voucher entry to charge each merchant for their share of the prior month's fees. Please contact the Cashier's Office manager or supervisor for the current rates of all applicable fees.

A. Start up fees
   1. Hardware –about ~~$600~~ 700
   2. Software – optional, about $500
   3. Programming – about ~~$25~~ 40

B. On-going fees
   1. Discount fees – vary by card-type and method of acceptance, but average 2.2% of gross sales.
   2. Authorization fees – vary by card-type, but range from $.15-$.40 per authorization request
   3. Transaction fees – Discover card only has a $.20 per transaction fee.

C. Supplies
   1. Should be ordered directly from ABN AMRO Merchant Services by calling their help line, 1-800-848-3213.
   2. Will be included as a charge to the departmental account on the following month's JVE

V. HOW TO PROCESS CREDIT CARDS

Credit cards or the appropriate credit card information may be accepted in person, over the phone, through the mail, or through a secure web site. Processing requirements differ depending on whether the physical card is available. (Also, cardholders can enter their own information using a web-based application called ~~CyberCash~~™. See section VII below.) VeriSign™

An operating manual will be sent to each merchant. IT IS IMPORTANT THAT YOU READ THE MERCHANT'S OPERATING MANUAL. Some of the more pertinent procedures are:

- *Card does not swipe*: If the credit card terminal cannot read the card, you must imprint the card on a carbonized paper sales draft using a manual card imprinter.
- *Mail/phone transactions*: These are considered "high risk" because you cannot prove the user is the true cardholder, even if you receive a valid approval code. Follow the procedures carefully.
- *Deposits*: Balance and transmit sales information daily (referred to as "settling the batch".)
- *Refunds*: Must be processed as a credit to the cardholder's account, rather than cash or a check.
- *Access/Security*: Cardholders numbers are confidential and should be handled accordingly. Access to the machine or software must be limited to authorized personnel.

Specific processing questions should be directed to the credit card processor help and support team at 1-800-848-3213.

VI. LOANER MACHINES

There are occasions when a department has a limited need for accepting credit cards; for example, registration for a one-time only or once-a-year conference. In these cases, the Cashier's Office has three loaner machines available on a first-come, first-serve basis. There is $20 per month charge for use of the machine, and the department is responsible for the discount fees. ~~The monthly charge will be prorated for partial month usage~~. These fees will be included on the monthly JVE. Contact the Cashier's Office Supervisor @ 355-5023 x147 regarding availability and the sign-out process.

VII. WEB-BASED APPLICATION

A. Overview

MSU merchants who would like to offer goods and services for sale via a web site can use a software product called ~~CyberCash~~™ to accept credit card payments in a secure environment. Use of ~~CyberCash~~™ ensures that a cardholder's number cannot be captured by anyone other than the intended merchant. Likewise, the VeriSign™

merchant is assured that the purchase is authorized and will be honored by the issuing bank.

B. Set-up

VeriSign™

A ~~CyberCash~~™ set-up requires three-way cooperation between the requesting department, the Cashier's Office Manager and Administrative Information Services.

1. In addition to the list in item II above, the Cashier's Office needs to know a Merchant ID name – up to 25 characters, including spaces, that will identify you in the ~~CyberCash~~™ system. The time period for a ~~CyberCash~~™ set-up is about three weeks.
2. AIS offers several options to help a department set up a ~~CyberCash~~™ application. For more detail, please contact the AIS Help and Support Center at 353-4420 extension 311 or email to ais311@msu.edu or visit the web site of http://www.ais.msu.edu/D5211/cybercas.htm. The website offers an on-line merchant request form that we encourage you to use.

Bold web address

C. Costs

VeriSign

There is no hardware cost. However, ~~CyberCash~~™ and the bank charge a $130 set-up fee and a $25 per month maintenance fee. The discount fees are the same as for the standard non-web application. In addition, there is a $.15 per authorization fee. These fees are charged to your department via the monthly JVE mentioned above.



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The University does not accept credit cards for payment of tuition and housing costs. However, there are many other business applications and functions where accepting credit card payment is administratively justified. It can also be an important customer service benefit. The decision of whether or not to accept credit cards resides with each department. The Cashier's Office Manager can answer questions to help determine the cost-benefit ~~of~~ issues related to this decision.

The University has a centrally negotiated contract with a credit card processing company. This allows MSU to have a standardized rate structure, which simplifies budgeting and cost allocation. The Cashier's Office acts as a liaison between the departments, the processing company and occasionally, the credit card companies. MSU presently has contracts with VISA, MasterCard, American Express and Discover. The standard set-up includes only V/MC. A special request must be made for American Express or Discover.

II. SET-UP

A. Once the decision to accept credit cards is made, supply the following information to the Cashier's Office Manager via mail: 110 Administration Building, email: nelsonm@ctlr.msu.edu or fax: 353-9640.

1. Brief description of business/sales that will be processed using credit cards.
2. Contact person's name, mailing address, phone number and email address.
3. MSU account number that will be charged for all applicable fees (see item IV)
4. A "best guess" as to whether the majority of the sales will have the credit card present or not (i.e., mail or phone orders).
5. If desired, special request for American Express and/or Discover.

B. Once this information is relayed to the processing company, the department/activity will be assigned a merchant number. The hardware and instruction manuals will be sent directly to the requesting department, usually within two weeks. The department must contact the processing company at 1-800-848-3213 to activate the new merchant number.

III. DEPOSITS

To properly record charge card deposits, two separate deposit actions are required – one at the bank and one at MSU.

A. The department must "settle" and transmit a Batch Summary Report each day. This sales revenue is credited (deposited) directly into MSU's general operating bank account. **Follow the Merchant's Operating Guide instructions.**

B. To ensure that the sales revenue is allocated to the appropriate MSU ledger account, the department must submit a copy of the Batch Summary Report with a Departmental Deposit form (see MBP, Vol. I, Section 15, exhibit 15-A) to the Cashier's Office.

Negative revenue:

- In the event that a particular Batch Summary Report has a net credit (negative revenue), it should be submitted on the Departmental Deposit form with other positive revenue sources to offset it. The net revenue posted to any single account number on the top portion of the Departmental Deposit form must be a positive amount.
- If this is not possible, the net credit Batch Summary Report (without a Departmental Deposit form) should be sent directly to the Cashier's Office Supervisor at 110 Administration Building. A Cash Paid-Out (CPO) entry will be created and a copy sent back to you.

IV. ASSOCIATED FEES

In addition to the one-time only set-up fees, MSU is charged a discount fee by the credit card processor and the bank to process credit card transactions. These fees are passed along to the department (merchant) accepting credit card payments. The Cashier's Office Supervisor generates a monthly journal voucher entry to charge each merchant for their share of the prior month's fees. Please contact the Cashier's Office manager or supervisor for the current rates of all applicable fees.

A. Start up fees
   1. Hardware –about $600
   2. Software – optional, about $500
   3. Programming – about $25

B. On-going fees
   1. Discount fees – vary by card-type and method of acceptance, but average 2.2% of gross sales.
   2. Authorization fees – vary by card-type, but range from $.15-$.40 per authorization request
   3. Transaction fees – Discover card only has a $.20 per transaction fee.

C. Supplies
   1. Should be ordered directly from Michigan National Bankard by calling their help line, 1-800-848-3213.
   2. Will be included as a charge to the departmental account on the following month's JVE

V. HOW TO PROCESS CREDIT CARDS

Credit cards or the appropriate credit card information may be accepted in person, over the phone, through the mail, or through a secure web site. Processing requirements differ depending on whether the physical card is available. (Also, cardholders can enter their own information using a web-based application called CyberCash[tm]. See section VII below.)

An operating manual will be sent to each merchant. IT IS IMPORTANT THAT YOU READ THE MERCHANT'S OPERATING MANUAL. Some of the more pertinent procedures are:

- *Card does not swipe*: If the credit card terminal cannot read the card, you must imprint the card on a carbonized paper sales draft using a manual card imprinter.
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Specific processing questions should be directed to the credit card processor help and support team at 1-800-848-3213.

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There are occasions when a department has a limited need for accepting credit cards; for example, registration for a one-time only or once-a-year conference. In these cases, the Cashier's Office has two loaner machines available on a first-come, first-serve basis. There is $20 per month charge for use of the machine, and the department is responsible for the discount fees. The monthly charge will be prorated for partial month usage. These fees will be included on the monthly JVE. Contact the Cashier's Office Supervisor regarding availability and the sign-out process.

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MSU merchants who would like to offer goods and services for sale via a web site can use a software product called CyberCash[tm] to accept credit card payments in a secure environment. Use of CyberCash[tm] ensures that a cardholder's number

cannot be captured by anyone other than the intended merchant. Likewise, the merchant is assured that the purchase is authorized and will be honored by the issuing bank.

B. Set-up

A CyberCash™ set-up requires three-way cooperation between the requesting department, the Cashier's Office Manager and Administrative Information Services.

1. In addition to the list in item II above, the Cashier's Office needs to know a Merchant ID name – up to 25 characters, including spaces, that will identify you in the CyberCash™ system. The time period for a CyberCash™ set-up is about three weeks.
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C. Costs

There is no hardware cost. However, CyberCash™ and the bank charge a $130 set-up fee and a $25 per month maintenance fee. The discount fees are the same as for the standard non-web application.* These fees are charged to your department via the monthly JVE mentioned above.



* In addition, there is a $.15 per authorization fee.

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   2. Authorization fees – vary by card-type, but range from $.15-$.40 per authorization request
   3. Transaction fees – Discover card only has a $.20 per transaction fee.

C. Supplies

1. Should be ordered directly from ~~Michigan National Bankard~~ ABN AMRO Merchant Services by calling their help line, 1-800-848-3213.
2. Will be included as a charge to the departmental account on the following month's JVE

V. HOW TO PROCESS CREDIT CARDS

Credit cards or the appropriate credit card information may be accepted in person, over the phone, through the mail, or through a secure web site. Processing requirements differ depending on whether the physical card is available. (Also, cardholders can enter their own information using a web-based application called CyberCash™. See section VII below.)

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- *Access/Security*: Cardholders numbers are confidential and should be handled accordingly. Access to the machine or software must be limited to authorized personnel.

Specific processing questions should be directed to the credit card processor help and support team at 1-800-848-3213.

VI. LOANER MACHINES

There are occasions when a department has a limited need for accepting credit cards; for example, registration for a one-time only or once-a-year conference. In these cases, the Cashier's Office has three loaner machines available on a first-come, first-serve basis. There is $20 per month charge for use of the machine, and the department is responsible for the discount fees. The monthly charge will be prorated for partial month usage. These fees will be included on the monthly JVE. Contact the Cashier's Office Supervisor regarding availability and the sign-out process.

VII. WEB-BASED APPLICATION

A. Overview

MSU merchants who would like to offer goods and services for sale via a web site can use a software product called CyberCash™ to accept credit card payments in a secure environment. Use of CyberCash™ ensures that a cardholder's number cannot be captured by anyone other than the intended merchant. Likewise, the

merchant is assured that the purchase is authorized and will be honored by the issuing bank.

B. Set-up

A CyberCash™ set-up requires three-way cooperation between the requesting department, the Cashier's Office Manager and Administrative Information Services.

1. In addition to the list in item II above, the Cashier's Office needs to know a Merchant ID name – up to 25 characters, including spaces, that will identify you in the CyberCash™ system. The time period for a CyberCash™ set-up is about three weeks.
2. AIS offers several options to help a department set up a CyberCash™ application. For more detail, please contact the AIS Help and Support Center at 353-4420 extension 311 or email to ais311@msu.edu or visit the web site of http://www.ais.msu.edu/D5211/cybercas.htm. The website offers an on-line merchant request form that we encourage you to use.

C. Costs

There is no hardware cost. However, CyberCash™ and the bank charge a $130 set-up fee and a $25 per month maintenance fee. The discount fees are the same as for the standard non-web application. In addition, there is a $.15 per authorization fee. These fees are charged to your department via the monthly JVE mentioned above.



SECTION 30: Faculty/Staff Identification Cards

All new staff members are issued an identification (ID) card at the new employee processing, benefits orientation in Human Resources. Current employees wishing to update an ID may apply for a card in Room 50 Administration Building (8 a.m. - 5 p.m., Monday through Friday), or in 30 Nisbet Building (4 p.m. - 5 p.m., Monday through Friday). An employee's spouse or qualified domestic partner is also eligible for an ID card.

In the event of a name change, or if a card is lost or stolen, it will be replaced free of charge. Employees should keep their ID card with them while on campus. It may be used to establish identity for such privileges as use of Intramural buildings, libraries, the golf course, and other campus activities and facilities.

www.reg.msu.edu/ROInfo/FSIDcard.asp

SECTION 30: FACULTY STAFF ID CARDS

NEW PROCEDURES IN EFFECT FOR ISSUING FACULTY/STAFF ID'S

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As of FEBRUARY 10, 1997, Faculty and Staff ID cards have been produced utilizing digital imagery. Currently valid old-format ID cards may continue to be used and as of this time, no services will be denied.

ID's FOR NEW FACULTY AND STAFF, will be provided at the employee's orientation at the Nisbet building or at the Registrar's Office.

ID cards will be made at the Registrar's Office in 150 Administration Building (M-TH 8:00 - 6:00, and FRI 8:00 - 5:00) and by Human Resources in 30 Nisbet (M - F 4:00 - 5:00).

INDIVIDUALS REPLACING EXPIRED OLD FORMAT CARDS, AND THOSE WHO WOULD LIKE TO EXCHANGE OLD CARDS FOR NEW ONES MAY DO SO BY VISITING EITHER OF THE ID OFFICES. A picture ID (driver's license, etc.) and the old ID are necessary for processing. Administrators should indicate via memo to either processing office whether or not it is necessary (for security purposes) for the employee's title and department to be present on the ID.

Questions regarding this process can be directed to:

Dugald McMillan
Registrar's Office
353-4490

Gene Patterson
Human Resources
432-4636 Ext. 109

Revised 1/98

SECTION 30: Faculty/Staff Identification Card

All new staff members are issued an identification (ID) card at the new employee processing, benefits orientation in Human Resources. Current employees wishing to update an ID may apply for a card in Room 50 Administration Building (8 a.m. – 5 p.m., Monday through Friday), or in 30 Nisbet Building (4 p.m. – 5 p.m., Monday through Friday). An employee's spouse or qualified domestic partner is also eligible for an ID card.

In the event of a name change, or if a card is lost or stolen, it will be replaced free of charge. Employees should keep their ID card with them while on campus. It may be used to establish identity for such privileges as use of Intramural buildings, libraries, the golf course, and other campus activities and facilities.

Faculty/Staff Identification Card

All new staff members are issued an identification (ID) card at the new employee processing, benefits orientation in Human Resources. If you are not a new employee but wish to update your ID, you may apply for a card in Room 50 Administration Building (8:00 a.m. - 5:00 p.m., Monday through Friday), or in 30 Nisbet Building (4:00 p.m. - 5:00 p.m., Monday through Friday). Your spouse or qualified domestic partner is also eligible for an ID card.

In the event of a name change, or if your card is lost or stolen, it will be replaced free of charge. Keep your ID card with you while on campus. It may be used to establish identity for such privileges as use of intramural buildings, libraries, the golf course, and other campus activities and facilities.

35

Pat,

RE: Update to Risk Management and Insurance – Section 35.

1. Changes are in red.

2. Please change web document header to July 2001

3. Changes YTD memo – here is the wording to add there

   Additional information and guidelines ~~added to item~~ Provided on University property loss and damage (see item IV. Property). A listing of types of property loss not covered by insurance has been added. Also, note the statement on ~~department's~~ departments' responsibility for reporting property loss claims to Risk Management and Insurance on a timely basis.

4. Let me know when done, I'll have RMI proof.

Thanks.

Done
7.20.01

Changes in Red

IV. PROPERTY

The University maintains property insurance to protect against the perils of fire, windstorm, explosion, vandalism, *flood* and other *major* exposures. Coverage is provided for loss or damage to University owned property, exclusive of vehicles, valued over $5,000 per item and listed on the equipment inventory, subject to a $5,000 deductible. Catastrophic losses exceeding $100,000 will be adjusted on a case by case basis *and are not the subject of this policy.*

The following types of property loss are not covered by insurance:

1. *Property Losses less than $5,000. in value.*
2. *Mechanical breakdown or electric disturbance to appliances, devices or machinery*
3. *Wear and Tear, gradual deterioration. Damage from insects or vermin*
4. *Inventory shortage.*
5. *Freezing of plumbing or heating systems or their appliances, or by leakage overflow from such systems while the building is vacant or unoccupied, unless the university has exercised due diligence in maintaining these systems in the building.*
6. *Damage sustained to property which is actually being worked upon or caused by repairing, adjusting, servicing, or maintenance operations.*
7. *Loss or damage caused by or resulting from settling, subsidence, cracking, shrinking, bulging or expansion of pavement, foundations, walls, roofs, floors, and ceilings.*
8. *Loss or damage caused by or resulting from contamination or pollution, unless resulting from a covered cause of loss.*
9. *Internal labor costs.*

A. Reporting Property Losses

1. Immediately report cases of vandalism, fire and theft to the MSU Police Department.
2. A written report outlining the circumstances of loss, date of loss, building and room number, steps taken to recover property, and a complete description of missing or damaged items must follow from the chairperson, director or authorized personnel (See Exhibit 35-J) or http:www.ctlr.msu.edu. Send copies of the report to the Office of Risk Management & Insurance and the Inventory Department.
3. *Claims not submitted to Risk Management & Insurance within 30 days of discovery may not be covered, and become the financial responsibility of the department or unit where the loss occurred. Submitted claims that are not fully documented within one year of discovery are also not covered. Note: See documentation required in "Recovering from a Major Property Loss."*

B. Adjustment of Property Losses

Claims will be handled through the Office of Risk Management & Insurance using the following guidelines:

1. Damage claims - damaged items will generally be repaired. If the cost to repair is over 50% of the replacement value of the item, Risk Management & Insurance may elect to replace the item.
2. Theft or Mysterious Disappearance - claims will be held for 30 days from the date of report to allow time for the "missing" items to be recovered. If recovered items are damaged, the loss will then be treated as a damage claim. If items are not recovered settlement will be based on Actual Cash Value *.
3. Replacement Philosophy - when the property warrants replacement, the item will be replaced with either new or reconditioned items of like kind, quality, and specifications. Damaged equipment will be forwarded to Salvage.
4. Proof of replacement will be a copy of the purchase invoice or statement of account to document the amount incurred.

*Actual Cash Value = Replacement Cost Less Depreciation

Pat,
1) update Header

IV. PROPERTY

The University maintains property insurance to protect against the perils of fire, windstorm, explosion, vandalism, sprinkler leakage and various other exposures. Coverage is provided for loss or damage to University owned property, exclusive of vehicles, valued over $5,000 per item and listed on the equipment inventory, subject to a $5,000 deductible. Catastrophic losses exceeding $100,000 will be adjusted on a case by case basis without regard to the inventory requirement.

A. Reporting Property Losses

1. Immediately report cases of vandalism, fire and theft to the MSU Police Department.

2. A written report outlining the circumstances of loss, date of loss, building and room number, steps taken to recover property, and a complete description of missing or damaged items must follow from the chairperson, director or authorized personnel. Send copies of the report to the Office of Risk Management & Insurance and the Inventory Department.

B. Adjustment of Property Losses

Claims will be handled through the Office of Risk Management & Insurance using the following guidelines:

1. Damage claims - damaged items will generally be repaired. If the cost to repair is over 50% of the replacement value of the item, Risk Management & Insurance may elect to replace the item.

2. Theft or Mysterious Disappearance - claims will be held for 30 days from the date of report to allow time for the "missing" items to be recovered. If recovered items are damaged, the loss will then be treated as a damage claim. If items are not recovered settlement will be based on Actual Cash Value *.

3. Replacement Philosophy - when the property warrants replacement, the item will be replaced with either new or reconditioned items of like kind, quality, and specifications. Damaged equipment will be forwarded to Salvage.

4. Proof of replacement will be a copy of the purchase invoice or statement of account to document the amount incurred.

* Actual Cash Value = Replacement Cost Less Depreciation

done 2/27/02 ST

From: Pat Fowler
To: Stephanie Thelen
Date: 2/26/02 2:55PM
Subject: Manual of Bus Proc

Please revise Section 35, III., D. 2 to read:

Rental expense for 12-15 passenger vans from outside agencies is not reimbursable.

Thanks!-

CC: Marge Toomey

dcmg 2/26/02 ST

ADDITIONS TO MANUAL IN BOLD PRINT

2/25/02

III. AUTOMOTIVE

A. University-Owned Vehicles

1. Automobile liability insurance provides coverage for the University and its authorized drivers (see Volume 1, Section 70 of the Manual of Business Procedures) for claims of negligence which result in damage to property of others or bodily injury to third parties within the limits of the Michigan No-Fault Act.
2. Physical damage (collision) insurance covers damage to university owned vehicles, subject to a deductible amount determined annually. Funding of the physical damage deductible is usually the responsibility of the department; however, all accidents should be reported to the Office of Risk Management so that a claim may be filed if appropriate under the Michigan No-Fault Act.
3. University-owned vehicles may not be used by student clubs, student organizations, or non-University groups unless approved by the Director of Planning & Budgets.

B. Qualifications and Responsibilities of Drivers

1. A person driving a University-owned vehicle must have a valid U.S. or Canadian driver's license, be experienced in handling the type of vehicle requested, and must have a satisfactory driving record. The responsibility for enforcing these requirements rests with the Department Chairperson, or equivalent.

   NOTE: Departments may obtain driving records for their review. Contact the Office of Risk Management & Insurance regarding the process to obtain a driving record.

2. Employees ~~(including graduate assistants)~~ may be assigned and drive University vehicles on authorized trips. **Non-employee** students may drive only if accompanied in the same vehicle by an employee to whom the vehicle is assigned or if a special request for authorization to drive a University vehicle has been filed by the Department Chairperson and approved by the Director of Planning and Budgets. ~~A copy of the approval must be forwarded to Risk Management & Insurance~~. **Authorized drivers for specific vehicles will be qualified by Transportation Services.**

3. Drivers on University business travel are expected to observe all posted speed limits and to operate the vehicles in accordance with applicable laws and state regulations.

4. Consistent with Michigan law, drivers and all passengers in vehicles must wear safety belts.

5. While traveling one-way more than 300 miles before reaching the planned destination, the driver is responsible to see that at least one other passenger is authorized to and acts as a relief driver. Trips should be no longer than 10 driving hours per day. No itineraries should be planned which include driving between the hours of midnight and 4 a.m. Itineraries must be reviewed and approved by the sponsoring department.

6. Use of 15 passenger vans is restricted to a 15-mile campus radius. Travel on freeways/expressways is prohibited.

7. 15 Passenger van drivers must hold a Commercial Driver's License (CDL) with passenger endorsement. Contact Transportation Services or Risk Management & Insurance regarding the process for obtaining a CDL. Consistent with Michigan law, seatbelts must be worn by the driver and <u>all</u> occupants at <u>all</u> times. Failure to comply with the law may jeopardize insurance coverage.

8. Use of cargo carriers and trailers must be approved by Transportation Services.

C. Privately Owned Vehicles

1. Individuals using privately owned vehicles on University business are responsible for obtaining adequate insurance to cover their legal responsibility. The University's Auto Liability insurance is excess of the owner's personal coverage.
2. The University does not carry physical damage insurance on a privately owned vehicle.

D. Rental Vehicles

1. The University's auto liability coverage is excess of any other valid and collectible coverage. The University does not carry collision coverage for rental vehicles.
2. **Rental expense for 15 passenger vans from outside agencies is not reimbursable.**

S/rm&i/micro/word/vanissues/additionstomanual.doc
2/25/02

Section 35. Office of Risk Management & Insurance

35

To: Stephanie

From: Becky Hicks

Re: Website Form Descriptions

On the right side are revised form descriptions for the RM&I forms section of the website (a few of the form descriptions will remain the same). The current descriptions are to the left. We also previously agreed in the "form name" column on the website all of the ex… designations could be erased. If you have any questions please call Becky at local 187. Thank you.

Current Descriptions	Revised Descriptions
Automobile Accident or Loss Notice Report	Auto Accident report – MSU vehicle involved
FTE Data Entry form	Medical – MSU Health Team FTE data report
Injury/Property Damage Report for Non-Employees	No revision
Healthcare Occurrence Report	No revision
MSU owned property – Proof of Loss	Property/Equipment Damage Loss Report - MSU owned
Request for Certificate of Insurance Extension	MSUE – certificate of insurance request form
Request for Certificate of Insurance	Certificate of Insurance – request form
Request Verification of Emp Med Prof Liab	Medical Professional Liability Coverage – form to request proof of employee coverage
Request Verification of student Prof Liab Coverage	Medical Professional Liability Coverage for MSU Students – form to request proof of coverage
Student Accident Report (Classroom/Lab/Academic Activity Accidents)	No revision

35 ✓

From: Becky Hicks
To: Marge Toomey
Date: 3/26/02 11:38AM
Subject: MBP update

Marge - I checked with Pat Fowler - the following change to our section of the Manual of Business Procedures can be included in the announcement you will be sending about other updates in the Manual- there is no need for separate notification.

Marge/Stephanie: Section 35. III. A. 3. should be changed to read as follows:

Section 35. A. 3
University-owned vehicles may not be used by student clubs, student organizations, or non-University groups unless approved by the Director of Planning and Budgets. To obtain approval, complete the "Request for Non-Employee/Student/Agency Use of MSU Vehicle," per instructions on the form. This form is available at http://www.ctlr.msu.edu in Risk Management forms download.

Marge/Stephanie - if you have any questions please let us know. Marge - in your description of what the change means - This form was created to expedite the approval process for student, non-employee, or agency use of MSU-owned vehicles.

Becky A. Hicks, ARM
Risk Management & Insurance
Michigan State University
372 Administration Building
East Lansing, MI 48824-1046
Phone: 517-355-5022 ext 3
FAX: 517-432-3854
E-mail: hicksr@CTLR.msu.edu

CC: Fowler, Patricia - MSU Risk Manager; Guerin, Sandra - Asst. Risk Mgr.; Stephanie Thelen

done 3/22/02 ST

manual add exhibit - download page

B. Applicable coverage provides payment of all sums including defense costs, for which the University and the covered persons become legally liable to pay because of bodily injury to a third person, personal injury (i.e. - libel, slander or defamation of character), or damage to property of others arising out of the operations of the University.

C. As a condition of coverage, those covered by the University's insurance program are required to cooperate fully on a continuous basis with the University Risk Manager and Attorneys in the management of claims.

D. Reporting Accidents or Incidents

1. Accidents/incidents on-campus resulting in injury or property damage must be reported to the Office of Risk Management and to the Department of Police and Public Safety. Accidents/incidents involving hazardous materials must immediately be reported to the Office of Risk Management, and to the Office of Radiological, Chemical & Biological Safety.

2. Off-campus accidents/incidents must be reported to the Office of Risk Management & Insurance as soon as possible, with a copy of the local police or investigator's report if available.

3. Forms to report accidents/incidents: form Stock order #140-25110, see exhibits 35-A and B or you can locate the forms at http://ctlr.msu.edu/mbp/mbp35.htm#EXHIBITS

III. AUTOMOTIVE

A. University-Owned Vehicles

1. Automobile liability insurance provides coverage for the University and its authorized drivers (see Volume 1, Section 70 of the Manual of Business Procedures) for claims of negligence which result in damage to property of others or bodily injury to third parties within the limits of the Michigan No-Fault Act.

2. Physical damage (collision) insurance covers damage to university owned vehicles, subject to a deductible amount determined annually. Funding of the physical damage deductible is usually the responsibility of the department; however, all accidents should be reported to the Office of Risk Management so that a claim may be filed if appropriate under the Michigan No-Fault Act.

3. University-owned vehicles may not be used by student clubs, student organizations, or non-University groups unless approved by the Director of Planning & Budgets. ~~A copy of the approval must be forwarded to the Office of Risk Management & Insurance~~. To obtain approval, complete the "Request for Non-Employee/Student/Agency Use of MSU vehicle" per instructions on the form. This form is available at www.ctlr.msu.edu in "Forms Download"

B. Qualifications and Responsibilities of Drivers

1. A person driving a University-owned vehicle must have a valid U.S. or Canadian driver's license, be experienced in handling the type of vehicle requested, and must have a satisfactory driving record. The responsibility for enforcing these requirements rests with the Department Chairperson, or equivalent.

NOTE: Departments may obtain driving records for their review. Contact the Office of Risk Management & Insurance regarding the process to obtain a driving record.

2. Employees may be assigned and drive University vehicles on authorized trips. Non-employee students may drive only if accompanied in the same vehicle by an employee to whom the vehicle is assigned or if a special request for authorization to drive a University vehicle has been filed by the Department Chairperson and approved by the Director of Planning and Budgets. Authorized drivers for specific vehicles will be qualified by Transportation Services.

3. Drivers on University business travel are expected to observe all posted speed limits and to operate the vehicles in accordance with applicable laws and state regulations.

4. Consistent with Michigan law, drivers and all passengers in vehicles must wear safety belts.

5. While traveling one-way more than 300 miles before reaching the planned destination, the driver is responsible to see that at least one other passenger is authorized to and acts as a relief driver. Trips should be no longer than 10

MICHIGAN STATE
UNIVERSITY

DRAFT

REQUEST FOR NON-EMPLOYEE/STUDENT/AGENCY USE OF MSU VEHICLE

Departments & Colleges - submit completed form to the Office of Planning and Budgets for review/approval.

Agencies - submit a certificate of automobile liability insurance and completed form to the Office of Risk Management and Insurance who will forward to the Office of Planning and Budgets for review and approval.

Office of Planning and Budgets will return the form to the contact person. The signed approval must be presented to Transportation Services in order to obtain an MSU vehicle.

Department/College/Agency submitting request: _____

Contact Person:_____Phone #_____Email_____

Describe activity for which use of an MSU vehicle is needed:_____

_____

Destination(s)_____

Travel Date(s): From _____ To_____

Explain how this activity supports the mission of Michigan State University:_____

_____

Requestor's Signature:_____Date: _____

Insurance approval is applicable only to agency requests.

Agency's proof of automobile liability insurance coverage reviewed and approved by:

_____

Office of Risk Management and Insurance Date

Department/College/Agency request to use a University vehicle approved by:

_____

Office of Planning and Budgets Date



SECTION 43: LOST, STOLEN OR DESTROYED CHECKS

In the event that a check is stolen, notify the appropriate office immediately. If the check is lost, please make a thorough search before notifying the appropriate office. If the check is a payroll check, notify the Payroll Department, 350 Administration Building, (phone: 355-5010). All other checks should be reported to the Accounting Department, 360 Administration Building, (phone: 355-5000). The following procedures will be followed:

1. The payee must contact the appropriate office in person and fill out a lost check form.

2. A stop payment is immediately placed on any check stolen and/or in excess of $300.

3. After the bank has confirmed that the check has not been cashed and a stop payment has been placed (if appropriate), a duplicate check will be issued.



leave as is

Exhibit
5h - cancel chk
5i - lost chk - Emp/Stu
5j - lost chk - Vendor

From: Marge Toomey
To: Aguila, Valarie; Douches, Julianna; Lynn, Pat; Twitchell, Chris
Date: 9/4/01 11:47AM
Subject: Manual Section 43

Do we want to do something about the following:

Section 43: Lost, Stolen, or Destroyed Checks - there is no reference to Exhibits within the section.

On our Forms Download feature on Controller's home page, the following are listed:

Ex5h - Cancel Check Form

Ex5i - Lost Check Form (Employee/Student)

Ex5j - Lost Check (Vendor)

Should a link be established at the bottom of Section 43 to the Exhibits - or is it better that we refer folks to these "exhibits" to avoid any confusion?

Let me know if we need to "fix" something here.

CC: Sober, Greg

III. LODGING ARRANGEMENTS WITH UNIVERSITY HOUSING

A. As a general rule, and in order to comply with federal tax withholding requirements, University accounts cannot be charged directly for the costs of University housing (Residence Halls and University Apartments). A department can make housing arrangements or reimburse individuals for housing expenses incurred as noted below in item C. Payment for housing should be made by the individual receiving the housing either through a direct payment by them or through a payroll deduction.

B. There are two exceptions where the cost of the housing can be directly charged to an account on a JVE (see exhibit 46-G; departments may make copies of exhibit 46-G to use for this purpose):

1. When an individual meets the following federal tax rules which state that housing provided to employees is nontaxable if **all** of the following three conditions are met:
   a. The lodging is furnished **on the business premises** of the employer.
   b. The lodging is for the **convenience of the employer**.
   c. The employee must accept the lodging as a **condition of employment**.
   All departments that provide housing or make payments for housing, on behalf of an individual who meets the above criteria, must have prior approval and documentation on file with the Office of Financial Analysis (355-5029).
2. When an individual is in travel status. An individual is considered to be in travel status when away from their regular place of employment for business purposes. This would cover most individuals employed by other universities who are here as visiting scholars or visiting researchers as long as they are not on MSU's payroll. Enrolled MSU students and MSU employees are, by definition, not considered to be in travel status. **NOTE:** Nonresident alien visitors must have appropriate visa status to permit University payment of lodging expenses. For example, visitors entering the U.S. with a J1 or B1 visa status are eligible while those entering with B2 visa status must be in conformance with the limitations imposed by the Immigration and Naturalization Service. If lodging is provided to visitors with B2 visa status, a completed copy of the MSU form "Certification for International Visitors Entering the U.S. With B1/WB1 or B2/WB2 Visa Status" (Exhibit 77-D) must be attached to the JVE submitted (Exhibit 46-G).

C. When a contract or agreement states that housing will be provided to an individual, and the individual does not meet the exceptions noted above, the fair market value of the housing should be determined and paid to the individual as follows:

1. Employees (anyone on the University payroll system) - Process on an Additional Payments Form through the payroll department (in calculating the amount, keep in mind the tax withholdings that may be processed against the payroll). If the lodging is being temporarily provided for a new employee, see Moving Expenses, section 53.
2. Students - For graduate students under a fellowship, process as part of their fellowship award (see section 23). For undergraduate students and graduate students covered by a scholarship, process as part of their scholarship award through the Office of Financial Aid.
3. All Others - Contact the Office of Financial Analysis (355-5029).

SECTION 48: FLOWER PURCHASE GUIDELINES

FLOWER PURCHASE GUIDELINES

The University has limited resources to carry out its teaching, research and service missions and is held accountable by the people of the State of Michigan for appropriate expenditure of its resources. With this in mind, discretion should always be used when expending University funds, regardless of source.

Guidelines for the purchase of flowers are enumerated below. In the context of these guidelines, the use of the term flowers is used to denote flowers, planters, baskets or similar items. The provost or a vice president must approve any exception to these guidelines.

As a general rule, University funds should not be used to purchase flowers for non-official functions, personal office decorations or for personal occasions such as birthdays, weddings or illnesses. Flowers should be purchased from discretionary or non-general fund sources whenever possible.

Flower Purchase Guidelines Permit:

A funeral arrangement (less than $75) for a deceased employee, adjunct faculty member, retired employee or major donor (Presidents Club or higher), their spouse/domestic partner and dependent children (Note – The lead department should coordinate sending flowers). A monetary contribution (up to $75) to a non-profit charity, research or educational organization is permitted in lieu of flowers when the family of the deceased so requests.

Flowers for non-employees to further the mission of the University, as determined and approved by the Provost or associate/assistant provost, a vice president or associate/assistant vice president, a dean or associate/assistant dean or an equivalent separately reporting position.

Flowers to faculty or staff to recognize significant professional achievement, as determined and approved by the Provost or associate/assistant provost, a vice president or associate/assistant vice president, a dean or associate/assistant dean or an equivalent separately reporting position.

Flowers for University functions such as commencement, faculty, staff or student award ceremonies and official receptions.

Holiday decorations (e.g. Poinsettias) purchased only for public areas of buildings supported by the fee-paying general public (such as Breslin Center or Kellogg Center).

Flowers for seminars and other events where the attendees are paying a registration fee, which covers the costs of the event.

done 9/10/01 SL

responsibility for resolving the matter rests with the employee.

2. Expenses limited to **transportation and lodging** (not including meals) while traveling from the former home to the new home may be paid. Expenses are **limited to one trip** for both the new employee and each household member.

a. If transportation is by car, actual expenses (e.g. gas, oil, tolls) may be reimbursed by using a Reimbursement Voucher; receipts must be submitted.

b. Alternatively, car expenses can be reimbursed (using a Reimbursement Voucher) at the rate of $0.12 per mile driven, plus tolls. The total mileage driven, as well as the origination and destination, must be documented on the voucher. The $0.22 differential from MSU's mileage per diem (currently $0.34 per mile) can be submitted as "taxable moving expense" on an Additional Payments Form (see item G below).

c. Payment of expenses for any trip in excess of the one trip limitation must be processed through th Payroll Division as described in item G below.

3. **Meal expenses, limited to meal per diem amounts, ARE NOT included in the definition of non-taxable moving expense payments**. If the department has agreed to reimburse meal per diems while traveling from the former home to the new home, such amounts must be included on an Additional Payments Form as described in item G below.

4. In accordance with current IRS regulations, "non-taxable" moving expense payments paid directly to the employee must be noted on Form W-2 (Box 13, Code P); however, these expenses are not reported as wages and are not subject to income tax withholding.

G. **Taxable moving expense payments** are payments of expenses other than those listed in item E and should be processed as follows:

1. Payment to the employee for expenses that do not meet the definition of non-taxable moving expense must be handled on a reimbursement basis. Reimbursement to the employee for these expenses must be paid on an Additional Payments Form as a lump-sum payment. The earnings type "MIS" should be used for all taxable moving expense reimbursements and the "comments" section should provide detail regarding the reimbursement.

2. Taxable moving expenses will be subject to withholding of income tax and FICA/Medicare tax, and will be reported on the employee's Form W-2. Withholdings for federal, state, and FICA tax will approximate 40%.

3. These expenses should be charged to a General Fund salary or labor account or other appropriate non-General Fund account.

4. The Additional Payments Form is to be submitted to the Payroll Division, 350 Administration Building. Original receipts and documentation for reimbursements submitted on the payment form must be maintained by the department and copies must be attached to the Additional Payments Form.

5. The payment to the employee will be issued with the next scheduled salary payroll.

6. Taxable moving expenses should be reported on the form "Employee Moving Expense Information".

IV. FOREIGN MOVING EXPENSES

However, if the new employee pays the expenses (expenses limited to moving household goods and personal items or storage), the employee may be reimbursed on a Reimbursement Voucher. This information should be reported on the form, "Employee Moving Expense Information"..

2. Expenses limited to **transportation and lodging** (not including meals) while traveling from the former home to the new home may be paid. Expenses are **limited to one trip** for both the new employee and each household member.

a. If transportation is by car, actual expenses (e.g. gas, oil, tolls) may be reimbursed by using a Reimbursement Voucher; receipts must be submitted.

b. Alternatively, car expenses can be reimbursed (using a Reimbursement Voucher) at the rate of $0.10 per mile driven, plus tolls. The total mileage driven, as well as the origination and destination, must be documented on the voucher. The $0.22 differential from MSU's mileage per diem (currently $0.32 per mile) can be submitted as "taxable moving expense" on an Additional Payments Form (see item G below).

c. Payment of expenses for any trip in excess of the one trip limitation must be processed through the Payroll Division as described in item G below.

3. **Meal expenses, limited to meal per diem amounts, ARE NOT included in the definition of non-taxable moving expense payments**. If the department has agreed to reimburse meal per diems while traveling from the former home to the new home, such amounts must be included on an Additional Payments Form as described in item G below.

4. In accordance with current IRS regulations, "non-taxable" moving expense payments paid directly to the employee must be noted on Form W-2 (Box 13, Code P); however, these expenses are not reported as wages and are not subject to income tax withholding.

G. **Taxable moving expense payments** are payments of expenses other than those listed in item E and should be processed as follows:

1. Payment to the employee for expenses that do not meet the definition of non-taxable moving expense must be handled on a reimbursement basis. Reimbursement to the employee for these expenses must be paid on an Additional Payments Form as a lump-sum payment. The earnings type "MIS" should be used for all taxable moving expense reimbursements and the "comments" section should provide detail regarding the reimbursement.

2. Taxable moving expenses will be subject to withholding of income tax and FICA/Medicare tax, and will be reported on the employee's Form W-2. Withholdings for federal, state, and FICA tax will approximate 40%.

3. These expenses should be charged to a General Fund salary or labor account or other appropriate non-General Fund account.

4. The Additional Payments Form is to be submitted to the Payroll Division, 350 Administration Building. Original receipts and documentation for reimbursements submitted on the payment form must be maintained by the department and copies must be attached to the Additional Payments Form.



SECTION 53: MOVING EXPENSES

I. ELIGIBILITY
II. AMOUNT
III. PAYMENT
IV. FOREIGN MOVING EXPENSES
V. EXHIBITS

SECTION 53: MOVING EXPENSES

I. ELIGIBILITY

Faculty (at the rank of instructor and above), academic, professional, and executive management staff who are either new or reassigned and are moving from outside a radius of 50 miles to the MSU work location. Reimbursement for actual moving expenses is not an entitlement; in all cases, it is an option to be agreed between the unit administrator(s) and the prospective faculty/staff member.

II. AMOUNT

Up to $10,000 with the recommendation and approval of the dean. Amounts exceeding $10,000 must be approved by the Provost (or designate) or the Vice President for Finance and Operations (or designate). An MAU or unit may establish a more restrictive moving expense policy and may limit moving expenses as deemed appropriate.

Prior to agreeing on any dollar amount of expenses for moving household and personal items to be paid to or on behalf of an employee, units are encouraged to request that bids be submitted by the employee from moving companies. For interstate moves, one bid is sufficient; for intrastate moves, two or three bids should suffice. The moving company selected (normally the lowest bidder) should be acceptable to both the new employee and to the unit.

Insert new paragraph → (B)

III. PAYMENT

A. For a new employee, payroll forms must be completed before moving expenses can be processed for payment. This includes providing the Payroll Division with a completed Form W-4 and a copy of the employee's social security card. (More detailed payroll procedures are provided in Section 55 of this Manual.)

B. The Payroll Division will review all moving expenses (taxable and non-taxable) prior to payment. The Employee Moving Expense Information (see exhibit 53-A), along with a Direct Payment/Reimbursement Voucher and/or Additional Payments Form, must be approved by the Payroll Division before payments are processed.

Insert (B)

Various moving companies provide discounts to the University. For more information, contact the MSU Purchasing Department (www.purchasing.msu.edu).

new paragraph

C. Departments are required to fill out the form, "Employee Moving Expense Information." If payments/reimbursements are submitted incrementally, an amended Employee Moving Expense Information form must accompany each subsequent payment/reimbursement. **Departments are responsible for ensuring that the total amount submitted for moving expense does not exceed the negotiated amount and that the proper approval is obtained for amounts exceeding $10,000.**

D. The correct method for paying moving expenses depends upon the nature of the expenses. The method used for a particular expense is determined by the Internal Revenue Service (IRS) classification of the expense payment as either "non-taxable" or "taxable".

E. **Determination of Non-Taxable Moving Expense Payments**:

1. **Non-taxable moving expense payments** are specifically identified by the IRS as employer payments of the following:

a. Expenses limited to moving household goods and personal items, and expenses of storing and insuring household and personal effects for a single consecutive 30-day period, and/or

b. Expenses limited to transportation and lodging (not including meals) while traveling from the former home to the new home (including the day of arrival).

2. In addition to what is outlined in the preceding categories, **non-taxable moving expense payments** must also meet the following conditions:

a. The new MSU work location is at least 50 miles from the individual's former home.

b. The expenses are incurred within one year from the date the individual begins work and are properly submitted for payment/reimbursement within 30 days of being incurred.

c. The new employee's employment relationship with MSU must be full time at the new MSU work location and the department must expect the employment relationship to last a minimum of 39 weeks during the 12 months immediately following the move.

If the moving expenses either do not fall into the two categories listed under item E.1., or they do not meet the three qualifying conditions listed under item E.2., the expense payments do not qualify as non-taxable moving expense payments and must be paid as described in item G.

F. **Payment of non-taxable moving expenses** may be made by Direct Payment or Reimbursement Voucher, as appropriate. Documentation (e.g. invoices, paid receipts, tickets) typically required for voucher payments should be submitted with the voucher. These payments must be charged against a General Fund supplies and services account or other appropriate non-General Fund account. The reason for the payment should be clearly described as "moving expenses for an employee."

1. Expenses limited to moving household goods and personal items and storage or insuring household and personal effects for a single 30-day period may be paid by a Direct Payment Voucher when payment is made directly to a moving/storage company.

A → Insert new language

Insert



Although the payment is made directly to the moving company, the unit should not contract directly with the moving company. The individual employee remains responsible for negotiating and contracting with the moving company. In the event a dispute arises between the moving company and the employee, responsibility for resolving the matter rests with the employee.

MICHIGAN STATE
UNIVERSITY

March 6, 2001

TO: David Hartman
CO Systems Development

FROM: Julianna Douches
Payroll Division

RE: Changes to Manual Bus. Procedures

Please make the attached changes to the Manual of Business Procedures (Section 53, Moving Expenses).

If you have any questions, please contact me.

Thank you.

Marge, I made these changes
3/6/01 2:46
any problems, let me know
Pat Brown

OFFICE OF THE
CONTROLLER
Payroll Division
Michigan State University
350 Administration Building
East Lansing, MI
48824-1046
517/355-5010
FAX: 517/353-1706

http://ctlr.msu.edu/payroll/

MSU is an affirmative-action, equal-opportunity institution.

55

done 9/6/01 SL

done 9/12/01 SL

SECTION 55: PAYROLL DEPARTMENT

I. DETERMINING EMPLOYMENT STATUS - EMPLOYEE VERSUS INDEPENDENT CONTRACTOR
- A. Employee
- B. Independent Contractors

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- A. Overtime
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SECTION 55: PAYROLL DEPARTMENT

I. DETERMINING EMPLOYMENT STATUS - EMPLOYEE VERSUS INDEPENDENT CONTRACTOR

A. Employee

1. Every individual performing services for the University and compensated by the University is presumed to be an employee unless she/he can meet the criteria of independent contractor status (discussed in item I.,B.). Generally, every individual who performs services that are subject to the will and control of the

University, as to both **what** must be done and **how** it must be done, is an employee. It does not matter that the University allows the employee considerable discretion and freedom of action, as long as the University has the **legal right** to control both the method and the result of the services.

2. University policy requires that the following workers be compensated as employees:

a. Anyone teaching a course for credit.

b. Generally, anyone teaching a noncredit course (see Section 76 for guidelines on determining if independent contractor status is appropriate).

c. Anyone currently employed by the University who performs additional services outside his/her regular job description.

d. Anyone currently enrolled as a University student.

3. The status of any worker not falling into one of the above categories must be evaluated based on the Internal Revenue Service common law rules for distinguishing between employees and independent contractors.

B. Independent Contractors

1. The general rule of thumb is that an individual is an independent contractor if the University has the **legal right** to control or direct **only** the result of the work and not the means and methods of accomplishin the result. Generally, independent contractors hold themselves out in their own names as self-employed and make their services available to the public.

2. Examples of individuals who might meet the criteria for independent contractor status include:

a. Guest performers or artists who otherwise are not affiliated with the University.

b. Guest speakers or guest lecturers brought to the University for very short durations because of their expertise.

c. Individuals providing professional services, such as attorneys, accountants and other consultants.

3. See Section 76 for instructions for processing independent contractors.

4. When the status of a worker cannot be determined from the above guidelines, contact the Payroll Department (355-5010) or Accounts Payable (353-2011) for guidance **prior** to the services being performed.

II. UNIVERSITY PAYROLLS

A. Pay and Pay Dates

1. Academic and salaried support staff - Employees under these classifications are paid on a monthly payroll ending the last day of the month. Paychecks are distributed on the last working day of the month.

2. Graduate Assistants - Graduate assistants are paid on a monthly payroll ending on the 15th of the month. Paychecks are distributed on the 15th of the month or on the last working day before the 15th.

3. Hourly employees - Regular hourly employees and clerical-technical employees are paid on a biweekly payroll.

4. Student employees - Student employees are paid in the same manner as hourly employees except that the student payroll date falls on alternate weeks.

B. Information Required for Payroll Processing

1. Form W-4 (Federal), Employee's Withholding Allowance Certificate and Form MI-W4 (State of Michigan), Employee's Michigan Withholding Allowance Certificate.

a. Form W-4 (Federal) and Form MI-W4 (State of Michigan) must be filed by every employee (see exhibit 55-A and exhibit 55-B). Federal and state laws require that the **employee** complete the form in its entirety. If an employee does not complete both Form W-4 and Form MI-W4, withholdings will be taken from the employee's earnings at the highest withholding rate (i.e., single marital status, zero exemptions).

b. The employee must file a new Form W-4 and/or Form MI-W4 each time the employee wishes to increase or decrease the number of exemptions claimed or to have additional amounts withheld per pay period. Note: Form W-4 is used for federal tax withholding purposes and Form MI-W4 is used for State of Michigan tax withholding purposes.

c. Employees requesting tax withholding for Michigan city income tax may file Form CW-4, Withholding Certificate for City Income Tax (see exhibit 55-C).

2. Verification of Social Security Card Information

All University employees must present a valid social security card at the time they are processed for employment in order to be paid. The University is required by federal law to pay its employees under the exact name and number that appear on the social security card. Because of this requirement, the Payroll Department will not release an employee's paycheck until the information on the social security card has been verified.

3. Nonresident Alien Employees

a. Nonresident alien employees should present their visas in the Payroll Department to determine if they may be eligible for exemption from federal, state and/or FICA withholding taxes.

b. Changes in residency status should be reported to the employing department and processed through the appropriate personnel office. The employee also should bring the appropriate documentation of change in residency status to the Payroll Department to change his/her tax withholding status.

C. Optional Forms

1. Direct Deposit Authorization

Employees may have their paychecks directly deposited into personal checking or savings accounts by completing the Direct Deposit Authorization card (see exhibit 55-D). Employees who desire this service should also contact the financial institution and advise them that their paychecks are to be direct deposited.

2. Employees wishing to participate in employee benefit programs such as retirement, health, accident and

life insurance, etc., should contact the Benefits Office.

D. Appointment and Hiring

1. Academic Appointments

All academic appointments are processed through the Office of Planning and Budgets. Each academic employee is required to complete Forms W-4 and MI-W4, and present a valid social security card for verification of name and social security number. If Forms W-4, MI-W4 and social security number verification are not submitted by the department, the employee must complete this information in the Payroll Department, 350 Administration Building. Departments are requested to notify new staff members of this requirement.

2. Salaried Support Staff and Hourly Employees

All employees under these classifications are processed by the Office of Human Resource Services, where the required forms are completed and forwarded to the Payroll Department.

3. Graduate Assistant Appointments

All graduate assistants must be registered in order to hold an assistantship and be paid on the graduate assistant payroll. If Forms W-4 and MI-W4 and social security number verification are not submitted by the department, the employee must complete this information in the Payroll Department, 350 Administration Building. Departments are requested to notify new graduate assistants of this requirement.

4. Student Employees

a. All University students compensated for services rendered must be paid through the Payroll Department. Direct Payment Vouchers or other payment mechanisms should not be used.

b. Departments are responsible for obtaining the completed Forms W-4, MI-W4 and for verifying social security information. Departments must submit the information to the Student Employment Office, together with the Student Employment Application (Stores stock order #140-25780). For further details on hiring student employees, see the Student Employment Manual prepared by the Student Employment Office.

c. University student employees retain their student status between semesters until the degree sought is obtained.

E. Forms Required for Payroll Processing

1. Academic, Graduate Assistants, Salaried Support Staff, and Clerical-Technical

a. Payrolls are prepared automatically from appointment and personnel forms/reports.

b. Departments are responsible for reconciling all employees' time. Any factors that would alter an employee's compensation, such as termination, leave without pay or days lost without pay, should be reported to the appropriate personnel office **immediately**. Pay adjustments due to overtime should be processed as outlined in item V. of this section.

2. Hourly Employees (excluding Clerical-Technical)

a. Preprinted blue "Payroll Time Report" for Biweekly Labor Payroll (see exhibit 55-E).

Employees who have been authorized by the Office of Human Resource Services, and have received a paycheck in the last four months, will appear on a preprinted Payroll time report. Enter an X in the first column next to the name of each employee who is to be paid. Enter the number of hours worked for the pay period. Fractional hours are to be rounded up to the nearest tenth of an hour. For example, 3 hours and 24 minutes should be recorded as 3.4 hours.

Review the other information printed for each employee. If a one-time change is required, cross out incorrect data and write correct data above. Initial all changes. Permanent changes require filing a Personnel Action Notice (PAN) form with the Office of Human Resource Services. Items that can be changed include: earnings type, rate of pay, account number, and department number. Draw a thick line through the information for each employee who is **not** to be paid for the pay period.

Add the total number of hours, the total rates, and the number of employees to be paid. Enter these totals in the appropriate boxes.

The time report must have the handwritten signature of the Unit Administrator or someone authorized to sign on all accounts listed on the time report.

b. Blank blue "Labor Payroll Time Report" (see exhibit 55-F).

A blank Labor Payroll Time Report may be used to pay employees who do not appear on the preprinted time reports and to pay unusual payments, e.g., late, overtime, and retroactive pay. To complete the blank Labor Payroll Time Report, enter the name and social security number of the employee, as well as other information per the instructions printed on the form. The name must be the same as it appears on the employee's social security card.

Add the total number of hours, the total rates, and the number of employees to be paid. Enter these totals in the appropriate boxes.

The time report must have the handwritten signature of the Unit Administrator or someone authorized to sign on all accounts listed on the time report.

3. Student Employees

a. Preprinted green "Payroll Time Report" for Biweekly Student Payroll (see exhibit 55-G).

Students who have been authorized by the Student Employment Office, and have been paid in the last four months, will appear on a preprinted Payroll Time Report. Enter an "X" in the first column next to the name of each student who is to be paid. Enter the number of hours worked for the pay period. Fractional hours are to be rounded up to the nearest tenth of an hour. For example, 3 hours and 24 minutes should be recorded as 3.4 hours.

Review the other information printed for each student. Make changes where necessary and initial each change. Items that can be changed include: earnings type, rate of pay, account number, and department number. Draw a thick line through the information for each student who is **not** to be paid for the pay period.

b. Blank green "Student Payroll Time Report" (see exhibit 55-H).

This form may be used to pay student employees who do not appear on the preprinted time reports and to pay unusual payments, e.g., late and retroactive pay. To complete the blank Student Payroll Time Report, enter the name and social security number of the student (these **must be** the same as they appear on the student's social security card), as well as all other information per the instructions printed on the form. If a student employee is new to the payroll, his/her student number should be entered in the last column of the time report.

Add the total number of hours, the total rates, and the number of students to be paid. Enter these totals in the appropriate boxes.

The time report must have the handwritten signature of the unit administrator or someone authorized to sign on **all** accounts listed on the time report.

University student employees must be enrolled and attending classes to be eligible for payment. To ensure that students are enrolled, the time reports are compared to the Registrar's current enrollment records. Students who have gained employment by assuring the department they will enroll must enroll promptly or be terminated.

F. Rate of Pay

1. Academic

a. Rate of pay is determined from the appointment form.

b. Rate changes are made on the basis of new appointment forms or "Change of Status Recommendation" forms and must be approved by the Provost and Board of Trustees.

c. ~~The forms are available in Room 64 Administration Building.~~ delete

2. Graduate Assistants

a. Rate of pay is determined from the appointment form.

b. Rate changes are made on the basis of an amended or new appointment form.

derek

c. ~~The forms are available in Room 64 Administration Building and online with approved access~~.

3. Salaried Support Staff - Rate of pay is approved and provided to the Payroll Department by the Office of Human Resource Services.

4. Hourly Employees - Rate changes for hourly employees are approved by Human Resource Services and provided to the Payroll Department. Time reports will not reflect a new rate until approved and processed by Human Resource Services.

5. Student Employees - Job classification and grade level must be reported to the Student Employment Office using the "Student Employee Change of Status" form (see "Student Employment Manual" prepared by the Student Employment Office).

G. Deadline for Submitting Payroll Information and Changes

1. Time Reports

a. Biweekly pay periods for hourly and student employees end on Sunday at midnight. Payroll time reports for hourly employees, excluding clerical-technical, must be delivered to the Payroll Department by 10:00 a.m. the following Wednesday morning. When a short week occurs, specific instructions will be issued by the Payroll Department regarding the deadline.

b. Time reports received after 10:00 a.m. on Wednesday will be held and processed with the next biweekly payroll.

2. Employment data information for salaried employees must be received in the appropriate personnel office on or before the 15th of the month in which the employee is to be paid in order for the Payroll Department to process the employee's check with the current payroll.

3. Employment data information for graduate assistants must be received in the Office of Planning and Budgets on or before the 1st of the month in which the employee is to be paid in order for the Payroll Department to process the employee's check with the current payroll.

4. Except for direct deposit authorizations, all changes in exemptions and payroll deductions must be processed according to the above dates to be effective with the current payroll.

H. Distribution of Checks

1. Direct Deposit

six (6)

a. Employees may have their checks directly deposited into their personal checking or savings account by completing a "Direct Deposit Authorization" form (see exhibit 55-D). This form may be completed at the Payroll Department, or at the MSU Federal Credit Union for direct deposits at that institution. Completed direct deposit cards received in Payroll ten (10) days prior to the paydate will become effective for the current month paydate. Cards received after this time will be effective for the following payroll.

b. Checks for these employees will be deposited into their bank accounts on the morning of payday. The employee will receive a "Direct Deposit Notification" showing gross pay, itemized deductions and net pay deposited.

six (6)

c. Direct deposit may be discontinued if the Payroll Department has received the notice for salaried employees ten (10) days prior to the paydate.

d. The time frames discussed above remain in effect when changing your direct deposit to a different bank. To avoid confusion, please contact the Payroll Department at 355-5010 with any questions.

2. Distribution to Departments

a. Checks are picked up by the Campus Mail Service for delivery to the departments.

b. Checks or Direct Deposit Notifications should be handed directly to the payee or placed in sealed envelopes for delivery by a designated employee.

c. Payroll checks that must be canceled and rewritten due to any of the following reasons should be delivered immediately to the Payroll Department, 350 Administration Building:

1) Late termination.

2) Leave of absence without pay.

3) Too many hours submitted for a Student or Hourly employee.

d. Payroll checks not delivered to employees within **ten** days should be returned to the Payroll Department with a memo indicating the reason why the employee did not receive the check. The Payroll Department will attempt to locate the employee and deliver the check.

I. Checks Not Distributed with Regular Payroll

1. Checks will be held in the Payroll Department and not distributed on payday for the following reasons:

a. The Payroll Department has not received verification of the employee's social security number.

b. The various personnel offices may have employees' checks held for the following:

1) The employee is not authorized to be paid on the submitted account number.

2) INS Form I-9 information has not been completed.

3) A student employee (including graduate assistants) is not currently enrolled. Note that student employees who were enrolled during Spring semester and expect to be enrolled during Fall semester may work Summer semester without being enrolled.

2. When a paycheck is held, a "Hold Notice" is sent in lieu of the paycheck. The Hold Notice explains why the check was held and how the employee may obtain its release.

J. Checks Not Prepared with Regular Payroll

1. A check may not be prepared due to the following reasons:

a. Employment data for non-hourly employees was received in the appropriate personnel office after the processing deadline.

b. Hourly or student employee time reports received after the processing deadline.

c. Student employee was not registered for the current semester or student authorization was not properly completed.

d. Graduate assistant was not registered for the current semester.

2. Once the required information and processing are completed, a petty cash check may be obtained per the guidelines below.

K. Payroll Petty Cash Checks (Hand-Drawn Checks)

Petty Cash Checks - Employees failing to receive a check on the expected pay date may obtain a petty cash check for wages earned. An appointment form, approved personnel information, or authorized time report must be on file in the Payroll Department before a petty cash check can be issued. Departments will be charged a $25.00 processing fee for all petty cash checks. Because of required processing time, a petty cash check generally is available to an employee 24 hours after the request is received by the Payroll Department.

L. Final Payments to Terminated Employees

1. Academic Employees

When an employee terminates employment prior to the ending date of his/her appointment, the employing department must process the required documents for termination through the Office of Planning and Budgets. The Payroll Department is notified of terminations for academic employees by the Office of Planning and Budgets. To avoid an overpayment to the employee, the termination notification should be submitted in sufficient time to allow processing by the Office of Planning and Budgets and the Payroll Department.

2. Support Staff

a. The employing department must submit a Personnel Action Notice (PAN) form to the Office of Human Resource Services when an employee terminates employment. Information to be submitted with the PAN form includes the last day worked, number of hours worked on the last day, effective date of termination, vacation balance, and any absences not reported on the most recent attendance report. The Payroll Department is notified of terminations by the Office of Human Resource Services. To avoid overpayment to the terminating employee, it is important that the PAN form be submitted in sufficient time to allow processing by the Office of Human Resource Services and the Payroll Department.

b. The Office of Human Resource Services should be notified by the employing department when a terminating employee requests a final paycheck prior to the scheduled pay date. The Office of Human Resource Services will then notify the Payroll Department that a final paycheck has been requested. Any final paychecks released prior to the scheduled pay date should be picked up in the Payroll Department by a representative from the terminated employee's department.

M. Record of Hours Worked

The Fair Labor Standards Act requires that a record of hours worked be maintained for all nonexempt employees. Faculty, specialists, executive managers, and administrative professionals are exempt under the law. Records of hours worked should also be kept for employees entitled to overtime based on contractual provisions (administrative professionals in levels 8 - 11).

The "Time Record" (see exhibit 55-I) is an appropriate record for all hourly employees including students. Other departmental records are acceptable, as long as they record hours worked on a daily basis.

N. Retention of Records

To meet the requirements of the Fair Labor Standards Act, departments must retain time records of hours worked per day and retain these records for a period of four years. For employees paid on federal work-study accounts or federal contract and grant accounts, time records must be retained for 6 years after fiscal year end.

III. FICA WITHHOLDING INFORMATION

A. Graduate Assistants employees and student employees will be assessed FICA/Medicare tax if they are:

1. Undergraduate students enrolled for less than 6 credits.

2. Master's level students enrolled for less than 5 credits.

3. Doctoral level students enrolled for less than 3 credits.

B. Services performed by nonresident aliens temporarily in the United States under F, J or M visas may be exempt from social security withholding. Individuals who feel they qualify for this treatment should come to the Payroll Department to discuss qualifications for exemption.

IV. CHANGES IN NAME AND/OR ADDRESS AND CORRECTION OF SOCIAL SECURITY NUMBER ERRORS

A. Change of Name

1. Support Staff

a. The name of an employee on the payroll records must be the same as the name indicated on the employee's social security card.

b. Name changes must be processed through the Office of Human Resource Services by the employee's department on the Personnel Action Notice (PAN). Name changes cannot be made on payroll records (including changes of name on preprinted time reports) until a copy of the changed social security card has been submitted to the Office of Human Resource Services to change the employee's records.

2. Academic - Academic personnel must communicate changes in name by an Address Information Notice (AIN) to the Academic Personnel Records Office. The AIN should be accompanied by three copies of the employee's social security card. The Academic Personnel Records Office will forward one copy of the social security card to the Payroll Department and one copy to the Office of Planning and Budgets to change the employee's name in these areas.

3. Students - Students must make name changes at the Registrar's Office, 150 Administration Building. In addition, a copy of the social security card with the corrected name **must** be sent to the Payroll Department.

4. Graduate Assistants - Graduate assistants must make name changes at the Registrar's Office, 150 Administration Building. In addition, a copy of the social security card with the corrected name **must** be sent to the Payroll Department.

B. Change of Payroll Address

1. Current Employees - Faculty and support staff addresses are entered into the payroll system from the faculty/support staff address system. The change should be made through the employee's department. The Personnel Action Notice (PAN) for support employees or the Address Information Notice (AIN) for academic employees should be used. Graduate assistant and student address changes should be made at the Registrar's Office, as they are entered into the payroll system from the Registrar's address system.

2. Terminated Employees - Terminated employees who wish to have their Form W-2 sent to an address other than the one on file at the time of termination should contact the Payroll Department to change the address to which the Form W-2 is to be sent.

C. Correcting Errors in Social Security Number

If an error in a social security number is found on any earnings information from the University, the employee should take or send a copy of the social security card to the appropriate personnel office to have the number corrected. The employee also should send a copy to the Payroll Department so correction of the employee's earnings records can be made with the Social Security Administration.

V. COMPENSATION FOR NONREGULAR ASSIGNMENTS OR DUTIES

A. Overtime

(NOTE: The information below summarizes significant pay requirements but is superseded by collective bargaining agreements. See appropriate contracts for details.)

1. Definition

a. The Fair Labor Standards Act stipulates that nonexempt employees must be appropriately compensated for overtime hours worked. "Nonexempt employees" are all employees except faculty, specialists, executive management, administrative professional, and supervisory staff. In addition, administrative professionals in levels 8 - 11 are provided overtime pay per their collective bargainin agreements.

Overtime is earned when an employee works in excess of 40 hours in a standard work week or, in certain 7-day-per-week operations, over 8 hours per day and 80 hours in a two-week period. The standard work week is a 168-hour period which, for the University, generally starts at 12 midnight on Sunday and ends at 12 midnight on the following Sunday.

b. Hours worked in excess of a standard work day or week by a nonexempt employee should be approved in advance of the work being performed by completing Approval for Overtime Hours for Non-exempt Employees (see exhibit 55-J).

2. Compensation

a. Time Off for Overtime Hours

Compensation for overtime hours worked should be handled within the purview of the relevant labor union contract.

b. Payment for Overtime Hours

1) For hourly, clerical-technical, and nonexempt salaried employees, overtime must be submitted on a **blue** labor payroll time report. (See exhibit 55-F for sample of Labor Payroll Time Report.) Hours reported on the Labor Payroll Time Reports must be actual hours worked and must be rounded to the nearest tenth of an hour. Do **not** increase by 50% the overtime hours worked by employees; the system automatically calculates a time-and-one-half payment.

For student employees, overtime must be submitted on a **green** Student Payroll Time Report (see exhibit 55-H) using the STO earnings type and actual hours worked.

2) All Labor Payroll Time Reports and Student Payroll Time Reports should be submitted per the schedule outlined in item II.,G., Deadline for Submitting Payroll Information and Changes

3) All blue and green Payroll Time Reports should be submitted to the Payroll Department on Wednesday of student pay week.

c. Rate of Payment

1) Hourly employees should be paid their regular rate.

2) Overtime Compensation - Under the Fair Labor Standards Act, employers are required to pay "non-exempt" employees overtime compensation at a rate of at least one and one-half times their "regular rate" worked in excess of 40 hours during a given work week. For purposes of calculating overtime, an employee's regular rate of pay must include a factor for non-discretionary payments. Examples of non-discretionary payments include the longevity payment, shift-differential pay and higher-rated job pay. The Payroll Department will incorporate the longevity payment with respect to overtime paid and payment will be made to employees on an annual basis. Departments are responsible for including the shift-differential pay and higher rated job pay in their overtime pay on an on-going basis. Questions regarding the overtime calculation and processing procedures should be directed to the Payroll Department at 5-5010.

3) Approval of Human Resource Services is necessary when overtime is submitted for administrative professional employees in levels 12 or above; overtime approval must be submitted on a Special Payment Authorization Form (see exhibit 55-L).

B. Compensation for Services Apart from Regular Work Assignments

1. Academic Employees - Every department paying individuals appointed in the academic personnel system for part-time work involving teaching or service activities in excess of load needs prior approval of the dean of the college. Deans should forward a yellow "Additional Payments" form (see exhibit 55-K) to pay overload to the Office of Planning and Budgets for processing. This type of pay is subject to the Board policy found under Overload Pay in the Faculty Handbook.

2. Support Staff

a. Michigan State University employees performing services apart from their regular work assignments are considered University employees in such capacity. They may not be processed as independent contractors.

b. To pay the employee for these services, a white "Special Payment Authorization" form (see exhibit 55-L) must be submitted to Human Resources for approval.

c. If approved by Human Resources, services apart from regular work assignments and outside the classification may be compensated at a rate different from the employee's regular rate. However, nonexempt employees must be appropriately compensated when total hours worked are in excess of 40 hours in a standard work week.

C. Military Pay

1. Regular, full-time employees who are ordered to temporary active duty for military training will be allowed fifteen (15) days leave of absence. The University will pay the difference between regular pay an military pay when the military pay is less. The military pay, which will be supplemented by the University, is the base pay. The employee must present a copy of the pay voucher from the government to document the amount of military pay received.

2. Military pay will be deducted from regular pay as follows:

a. Faculty - a copy of the military pay voucher should be forwarded to the Payroll Department. Payroll will determine the amount to be deducted. The military pay will be deducted from the next paycheck.

b. AP and CT - a copy of the military pay voucher should be submitted to the Office of Human Resource Services; they will determine the amount to be deducted and will report the amount to the Payroll Department. The military pay will be deducted from the next paycheck.

c. Hourly - a copy of the military pay voucher should be forwarded to the Payroll Department along with a blue Labor Payroll Time Report showing the military pay and using the earnings type, "MIL." The system will automatically deduct the amount of military pay from the employee's gross pay.

D. Jury Duty

1. The University will pay the difference between the jury duty compensation and the regular University compensation.

2. The procedures for processing documented evidence of jury duty compensation are the same as for military pay.

E. Court Witness Fees

Court witness fees paid to University employees must be deposited into the account number 11-0739. A duplicate receipt is to be sent by the employing department to the Payroll Department where the duplicate receipt will be placed in the employee's file.

VI. SPECIAL HANDLING

A special handling fee of $25.00 will be charged to departments when notices of personnel action result in the need for a hand-drawn check to pay employees on a timely basis. Notices of personnel action, for purposes of this policy, which could result in the special handling fee if received too late to meet payroll processing deadlines are defined as follows:

A. Academic or support staff appointment forms.

B. Time reports for student and labor payrolls.

VII. EXHIBITS

Exhibit 55-A. Employee's Federal Withholding allowance Certificate

Exhibit 55-B. Employee's Michigan Withholding Certificate

Exhibit 55-C. Employee's Withholding Certificate For City Income Tax

Exhibit 55-D. MSU Direct Deposit Authorization Form

Exhibit 55-E. MSU Preprinted Labor Payroll Time Report (Blue Sheet)

Exhibit 55-F. MSU Labor Payroll Time Report (Blue Sheet)

Exhibit 55-G. MSU Preprinted Student Payroll Time Report (Green Sheet)

Exhibit 55-H. MSU Student Payroll Time Report - (Green Sheet)

Exhibit 55-I. MSU Time Record

Exhibit 55-J. MSU Approval for Overtime Hours for Non-Exempt Employees

Exhibit 55-K. MSU Additional Payments Form

Exhibit 55-L. MSU Special Payment Authorization Form



MICHIGAN STATE UNIVERSITY

CO-pa-39

EMPLOYEE/STUDENT LOST CHECK FORM

Office of the Controller
Accounting Department
360 Administration Building
Michigan State University
East Lansing, MI 48824-1046
(517) 355-5000

DATE: Highlight and start typing here.

(EMPLOYEE) SSN:

(STUDENT) PID#: A

Our records show that on _____ Michigan State University check number _____ in the amount of $ _____ made payable to _____ was mailed to you. This check has not yet cleared through our bank.

If this check was: 1. Never Received ◉ 2. Lost ○ 3. Stolen ○ 4. Destroyed ○
Please complete the section below and return this notice to out office immediately. Upon receipt of the completed form, we will issue a replacement check at such time as the bank provides all necessary information to the University.

"I authorize Michigan State University to stop payment on the above check and to issue a replacement check. I agree that is the original is recovered it is to be returned promptly to your office. I further agree that if both the original and replacement checks are cashed under circumstances resulting in overpayment to myself, I will promptly reimburse the University for the amount of overpayment or hereby authorize the University to deduct the amount of such overpayment from my next payroll check(s)."

"If I am enrolled as a student, I hereby waive my right to additional notification prior to placement of a financial hold."

Signed _____

PLEASE NOTE: If you cash a check that you have requested to be stopped, you may be charged a fee by your bank for the returned check. Please call 355-5000 to verify if a stop payment was placed.

Date:

Address:

Phone:

** MAIL CHECK ☐

***HOLD FOR PICK-UP ☐

For office use only

1. Stop payment placed by:_____ Date:_____

2. Confirmation by: Bank Statement Date:_____
   Phone call Date:_____

3. Replacement authorized by:_____ Date:_____

4. Check reissued:_____ Date:_____

Revised 6/99

MSU is an Affirmative Action/Equal Opportunity Institution

From: Julianna Douches
To: Brown, Pat
Date: 9/5/01 10:37AM
Subject: Change to Manual of Business Procedures - Payroll

Hi Pat,
Yesterday, I gave Marge some minor changes to the Payroll Section of the Man. Bus. Procedures.

Two of the items, we would prefer not to change.
The sections where we wanted to change the number of days for direct deposit from "ten (10)" to "six (6). We had a miscommunication. We want to leave it at ten (10). Please do not make the changes to the Manual of Business Procedure.

So, basically, the only changes I submitted were to strike 2 lines of text from another section.

If you have any questions, please contact me.
Thanks.

-
Julianna Lee Douches
Payroll Division Manager, Michigan State University
350 Administration Bldg
East Lansing, MI 48824-1046
Ph: 517-355-5010; Fax: 517-353-1675
Email: Douchesj@ctlr.msu.edu

done 11/8/01 SK



SECTION 60: PETTY CASH FUNDS

I. GENERAL
II. OBTAINING MONEY FOR A PETTY CASH FUND
  A. Departmental Funds
  B. Agency or Dormitory Club Funds
III. USE OF PETTY CASH FUNDS
IV. REPLENISHING PETTY CASH FUND
V. SECURITY
VI. EXHIBITS

SECTION 60: PETTY CASH FUNDS

I. GENERAL

A. Petty cash funds are used for making change and for making small purchases of items NOT AVAILABLE AT GENERAL STORES. Such purchases should only be for items appropriate to charge to a University account. When needed, the fund is reimbursed through the submission of a reimbursement voucher to Accounts Payable.

B. Refunds can be made from petty cash funds obtained by departments for that purpose. Reimbursement vouchers must be used to record the signatures of persons receiving refunds through a petty cash fund.

C. There are two types of petty cash funds which may be established.

1. Petty cash funds secured by departments as change funds or to be used to make refunds or purchase materials. These are not charged to the department's account, but are carried as cash advances by the Cashier's Office. The department's account is charged as reimbursement vouchers are submitted.

2. Petty cash funds established for agency or dormitory clubs are initially charged to the organization's account.

D. Departments should also consider the MSU Purchasing Card (Master Card) as an alternative to a Petty Cash Fund. For additional information, please refer to Section 270 of this manual.

II. OBTAINING MONEY FOR A PETTY CASH FUND

A. Departmental Funds

1. The unit administrator should send a written request to the Manager of Cashier's Office, 110 Administration Building, for approval, specifying the amount of funds needed, the reasons for the request, the individual who will be responsible for the fund

and his/her address and telephone number. If approved, the department will be notified. The funds may then be picked up at the Cashier's Office between the hours of 8:15 a.m. and ~~4:30~~ 4:45 p.m. or can be disbursed by mailed check.

2. The petty cash fund is issued to, and a note must be signed by, a full-time staff member designated as custodian by the unit administrator. If more than one request is made for funds to be administered by a single custodian, the requests will be consolidated into one petty cash advance note.

3. It is the responsibility of the unit administrator to inform the Manager of the Cashier's Office, 110 Administration Building, in writing, when there is a change of a staff member who is responsible for the petty cash fund. A new note, prepared in the Cashier's Office, must be signed by the individual assuming responsibility of the fund whenever a change in custodian occurs.

4. Any request to increase the amount of the fund will be considered upon presentation, in writing, detailing the need for such increase. Requests should be made to the Manager of the Cashier's Office, 110 Administration Building. If approval is granted, a new note must be signed for the new total of the fund. The former note will be returned to the department.

5. Departmental petty cash funds are reviewed periodically by Internal Audit.

B. Agency or ~~Dormitory Club~~ Registered Student Organization Funds

Prepare a direct payment voucher payable to the individual to be in charge of the fund ~~for an amount not to exceed $50~~. This voucher must be approved by an authorized person whose signature is on file at the Accounting Department where a check will be issued. The money for the fund will be charged against the ~~club~~ organization or agency's account.

III. USE OF PETTY CASH FUNDS

A. The handling of the petty cash fund is the responsibility of the individual authorized by the department chairperson or administrative head. No loans of any type or travel advances are to be made from the petty cash fund. UNDER NO CIRCUMSTANCES SHOULD THIS FUND BE USED TO CASH CHECKS OR FOR PERSONAL REASONS. See Section 15 of this manual for more information.

B. If a person makes an **authorized** purchase of an item with their own money, that person must obtain a receipt or invoice, sign it, and present it to the person in charge of the petty cash fund for reimbursement. **No money should be disbursed from the petty cash fund to reimburse a person unless a paid receipt or invoice is presented**. However, if such documents are not issued for the type of expense incurred (e.g., parking meters, phone calls made on a pay phone), a written note on how the funds were expended is required. The note and the voucher must be signed by the person who made the expenditure.

C. For persons who must have advance cash to make authorized purchases, it is necessary that they sign a petty cash advance slip for the amount of money they have received. The petty cash advance slip is to be destroyed when any unspent money and a paid receipt for the purchase are returned to the fund.

D. No purchase of an item costing more than $100 should be made from a petty cash fund. Items costing more than $100 should be acquired through other means (e.g., purchase requisition or MSU Purchasing Card).

E. When use of a petty cash fund is no longer required, the funds must be returned to the Cashier's Office.

IV. REPLENISHING PETTY CASH FUND

A. The person authorized to handle the petty cash fund is responsible for keeping it in balance, thus, THE PAID RECEIPTS OR INVOICES PLUS THE CASH SHOULD ALWAYS EQUAL THE FUND BALANCE.

B. To replenish the petty cash fund, a reimbursement voucher, Stores stock order #140-26460 (see exhibit 60-A), should be typewritten for the amount of the paid receipts or invoices in the petty cash box. **The custodian should be listed as the payee**. Each purchase must be listed on the voucher, showing the date of purchase, vendor's name, and amount paid. The paid receipts should be attached to the voucher and sent to Accounts Payable. The custodian of the petty cash fund should sign the voucher. It is not appropriate for the custodian of the fund to authorize their own reimbursement. Therefore, the unit administrator or an authorized signer on the account(s) being charged who is administratively senior to the payee should also sign approving the reimbursement.

C. **Any overages or shortages should be shown on the reimbursement voucher**. An overage should be deducted from the total amount to be reimbursed. A shortage should be added to the total amount to be reimbursed. The reimbursement voucher should indicate the reason for the overage or shortage.

D. Allow five working days from the time the reimbursement voucher reaches Accounts Payable for the reimbursement check to be written and returned. Requests for reimbursement of the fund should be made before all of the cash has been spent.

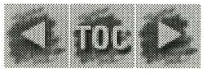
V. SECURITY

A. Funds should never be left unlocked or unattended and should be concealed from general view when not in use. Unreimbursed petty cash vouchers, with attached receipts, should not be kept in the cash box.

B. Petty cash funds must be kept within the department. Under no circumstances are such funds to be deposited in a commercial depository account off campus. Contact the Manager of the Cashier's Office for exceptions to this policy. If permission is granted to maintain the advanced funds in a commercial account off campus, any interest earned is the property of Michigan State University.

V. EXHIBITS

Exhibit 60-A. MSU Reimbursement Voucher



done 5/11/07

MBP Section 70

II.B. and IV.B. Eligibility

All employees, persons who are invited to the University or who are asked to travel for the University, graduate students and undergraduate students employed by the University or representing the University in intercollegiate athletics, scholastic or music competitions and other sanctioned University events are eligible to travel. Exceptions must be approved in advance by the Office of Planning and Budgets.

Apply the following to 70.II.B. and 70.IV.B.

Nonresident alien travelers must have appropriate visa status to permit University payment or reimbursement of documented travel expenses for travel within the U.S. Those entering the U.S. with a B2 visa status may have their travel expenses either reimbursed by the University or paid on their behalf only if they are in conformance with the limitations imposed by the Immigration and Naturalization Service. Persons requesting reimbursement who are in the U.S. under a B2 visa status must provide a completed MSU form "Certification for International Visitors Entering the U.S. With B1/WB1 or B2/WB2 Visa Status" (Exhibit 77-D).

completed 10/2e/01 SL

MICHIGAN STATE UNIVERSITY
Controller's Office

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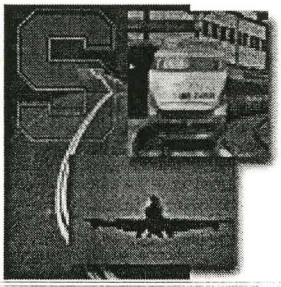
Recent News:

Travel

University Travel Office
370 Hannah Administration Building
East Lansing, MI 48824
Hours: 8 am - 5 pm

Telephone Numbers:
(517) 353-4882
Fax: (517) 432-4656

travel@ctlr.msu.edu
www.ctlr.msu.edu/travel



Welcome to the Michigan State University Travel Office Home Page. The following information is provided as a resource to MSU business travelers and travel arrangers. This Home Page contains documents on travel policies, latest travel news, contracted travel vendors, sample forms, and links to outside sources of travel information.

Signatures/Vouchers report senior Spartan off Campus

Information about:

- Airfare
- Airline Ticket Service Fee Increase
- Car Rental
- Corporate Credit Card
- Direct Billing Application (Travel Preference Profile)
- Direct Billing Training Manual
- Federal Per Diem / Foreign Exchange Rates
- Hotel and Housing Accommodations
- International Medical Assistance Program - MEDEX
- Mileage Chart
- MSU Cluster Travel Agencies
- MSU Cluster Travel Agency Evaluation Form
- MSU's Travel Accident Insurance Plan - HR Benefits site
- New Employee Handbook of Travel Management Regulation
- Power Trip Manager - Spartan on-line reservation system (Limited to on-campus web access)
- Reimbursement Chart
- Travel Advisory Task Force
- Travel Regulations (Manual of Business Procedures Section 70)
- Travel (Reimbursement) Voucher
- Trip Manager - Anderson on-line reservation system (Limited to on-campus web access)
- US State Department State Warnings and Consular Information

News/Updates/Procedures via Email

- Corporate Credit Card News Updates
- General Travel News Updates
- Travel Arranger News and Procedures

Click on DOWNLOAD icon on the left to download forms

SECTION 70: TRAVEL REGULATIONS

I. GENERAL POLICY
- A. General Policy
- B. Eligibility
- C. Limitations and Exceptions
- D. University Travel Office
- E. Corporate Card
- F. Cluster Travel Agencies (CTAs)
- G. Direct Billing of Airfares/Rail
- H. Traveler Preference Profile/Direct Billing Application Form

II. DOMESTIC TRAVEL
- A. General Information
- B. Eligibility
- C. Limitations and Exceptions
- D. Authorization
- E. Transportation
- F. Lodging
- G. Reimbursement

III. LOCAL TRAVEL
- A. General Information
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IV. FOREIGN TRAVEL
- A. General Information
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- C. Limitations and Exceptions
- D. Authorization
- E. Transportation
- F. Reimbursement - Computation of Lodging and M&IE Per Diem Amounts
- G. Travel Vouchers
- H. Source of Funds for Foreign Travel
- I. All-University Research Funds
- J. Special Foreign Travel Fund (SFTF)

V. OTHER INFORMATION
- A. Travel Advances
- B. Travel Vouchers
- C. Report of Out-of-State Travel
- D. Insurance
- E. Travel under Contract, Gift and Grant Funds

VI. EXHIBITS

SECTION 70: TRAVEL REGULATIONS

I. GENERAL POLICY

A. General Policy

Travel by University personnel should be in support of a specific program of instruction, research or public service, or more general programs of professional improvement or

University operations. Decisions regarding the use of travel funds will be made by the individual units of the University. Travel policies, procedures, regulations and reimbursement rates apply to all University travel regardless of source of funds. University business travel is defined as any travel paid for, whether in advance or through reimbursement, out of an MSU account, including grant and agency accounts. This policy also applies to non-MSU employees whose travel is paid for by the University (e.g. recruits, speakers, consultants, and other MSU guests).

When travel is funded by a grant, contract, or sponsored program, the use of travel funds will be governed by the more restrictive of either grant, contract or University policies (e.g., Fly America Act or different per diem rates).

B. Eligibility

All employees, persons who are invited to the University or who are asked to travel for the University, graduate students and undergraduate students employed by the University or representing the University in intercollegiate athletics, scholastic or music competitions and other sanctioned University events are eligible to travel. Exceptions must be approved in advance by the Office of Planning and Budgets.

Aliens traveling on a "temporary visitor for business" visa may be reimbursed for their travel expenses (or travel expenses may be made directly on their behalf). Aliens traveling on a "temporary visitor for pleasure" visa **may not** have their travel expenses either reimbursed by the University or paid on their behalf.

C. Limitations and Exceptions

1. All travel must be authorized or approved in advance of departure. Each traveler must have a separate authorization which includes all funding sources.

2. The administrator responsible for the funds must sign the authorization part of the Travel Voucher in advance of the travel.

3. Foreign travel authorizations must be approved by the Office of Contract and Grant Administration if the travel is funded by a grant or contract under account numbers 61-0000 through 61-9999.

4. University employees are responsbile for travel cost for both domestic and foreign travel and must request reimbursement via the Travel Voucher using original receipts. Eligible University business travelers are offered the option to have airline and rail ticket purchases directly billed to the University when booked through the CTAs. Business travelers may call any one of the three CTAs to utilize direct billing. Airfare may be booked up to 120 days prior to trip departure. Travelers may charge airfare/rail tickets to multiple MSU account numbers if desired. The MSU business traveler must provide the travel agent with a valid account number and travel object code at the time of reservations. A combination trip of business and leisure air travel cannot be direct billed to the MSU account number. Direct billed airfare/rail charges will be expensed monthly on the respective departmental fund ledger reports. Airfare for non-University personnel may be prepaid by utilizing airfare/rail direct billing through the funding department or by Direct Payment Voucher.

5. MSU's consolidated travel management program includes contracts with a cluster of three travel agencies. MSU's cluster travel agency consolidation was adopted to provide MSU business travelers and travel arrangers with a significantly improved travel program that provides better service and reduces costs.

Under the terms of MSU's contracts, one of the CTAs must issue a ticket for any airline

reservation paid for with University funds. Reservations may be made through a CTA travel agent, through a CTA emergency reservations center, or on-line through a CTA-designated web site. While the University encourages faculty and staff to research travel options with Web-based resources, MSU travelers will not be allowed to book air and rail tickets through non-CTA Web-based booking products or directly with airlines. Booking through non-CTA Web-based products and directly with airlines will not allow the MSU business traveler to direct bill their airfare to the University or take advantage of MSU's negotiated airline discounts.

6. Exceptions to the travel regulations must be authorized by the University Travel Office prior to making reservations.

7. As a general policy, expenses attributable to spouse travel are not reimbursable. Prior approval for specific trips or a series of trips with the same function must be obtained from the MAU head, the Provost, and the Vice President for Finance and Operations. In order to be approved, these situations must meet the bona fide business criteria provided for by IRS regulations and may result in taxable income.

8. University personnel returning from foreign or out-of-state travel are required to fill in the **Report on Out-of-State Travel** portion of the Travel Voucher.

9. Reimbursement is generally limited to actual cost of business related expenses, except for mileage and per diem meals. All meals are limited to those not prepaid in registration or conference fees.

10. Sabbatical leave travel can be approved if a travel plan related to the sabbatical leave assignment is submitted.

11. Conference registration fees must be paid in advance using the MSU Mastercard Purchasing Card whenever possible. If the MSU Purchasing Card cannot be used because the conference registrar will not accept it, or because the registration amount exceeds the MSU Purchasing Card transaction dollar limitation, a Direct Payment voucher must be used. This direct payment voucher must detail the attendee, date, and location of the conference. Travel vouchers submitted for conference-related travel **must** include copies of the conference agenda/materials (documentation specific items, such as meals, lodging and shuttle included in conference fee). Indicate "no meals included" if applicable.

12. Cancellation - When a trip is canceled after the ticket has been issued, the traveler must immediately notify the CTA that issued the ticket. For tickets issued on a discounted fare, the airlines will generally not refund the cost of the ticket, but may allow the value to be placed against future travel (minus an administrative fee). The traveler should inquire of the CTA about using the ticket in this manner. Service fees incurred in the normal course of doing business are reimbursable. Fees incurred by the traveler through negligence, personal choice, or carelessness of the traveler are not reimbursable.

13. On occasion, exceptions to using the CTAs will be warranted. Reimbursements for travel purchases not made through the CTAs must follow the procedures outlined herein. Travelers should familiarize themselves with the exceptions prior to incurring a travel expense.

a. Exception Approval Procedures - The exceptions listed in 13.c do not require prior approval as long as the listed procedures are followed, and the required support materials are submitted at time of reimbursement. When a situation arises that does not appear to fall into the above categories, MSU's Travel Program Adminstrator should be contacted immediately. Exceptions not approved by the Travel Program Administrator (or if he is unavailable) can

be forwarded in writing/email by the traveler to the University Controller for further consideration.

b. Lower Cost Exceptions - Each CTA has access to MSU's negotiated discount rates and each CTA guarantees the lowest available published fares. Request for exceptions to policy due to lower cost or logistical impossibility, but not specifically mentioned herein, should be addressed to the Travel Program Administrator prior to travel purchase.

c. Airline Exceptions - Airline tickets for MSU business travel must be issued by one of the CTAs except in the following situations:

1) En route itinerary changes may be made at an airline ticket counter if it is not practical to make the changes via the CTA's emergency service due to severe time constraints, or if it is required that a penalty payment be made directly to the airline. The expense report item should be noted "en route change".

2) it is discovered immediately prior to scheduled departure that the original ticket has been lost and a processing fee is required by the airline for subsequent processing of a Lost Ticket Application form.

3) when laws prohibit an international passenger inbound to the US from purchasing air travel outside the country or origin.

4) when an inbound international traveler can obtain in the country of origin a discounted international inbound ticket that cannot be secured through one of the CTAs.

5) when a lower outbound international fare is available through a consolidator (which provides insurance protection) that cannot be secured through one of the CTA's consolidators. A comparable same-day printed quote from a CTA must be attached to the reimbursement form; (Visit ctlr.msu.edu/travel for future information on consolidators).

6) when a negotiated conference airfare rate can *only* be obtained through the conference organizer. A copy of the conference material indicating this requirement must be submitted with the reimbursement form and.

7) when a University-business trip is more than 50% paid by another organization whose travel policy is more restrictive than MSU's.

D. University Travel Office

The MSU Travel Program is designed to provide improved service to faculty and staff who travel on University business while simultaneously reducing costs. The travel office coordinates the Corporate Card program and works closely with the Cluster Travel Agencies. Questions about MSU's travel policies and procedures, feedback on travel vendor contracts and performance, exception requests, and suggestions for future handbook updates should be directed to:

Bob Patterson

Travel Program Administrator
390 Administration Building
Phone: (517) 353-4419
Fax: (517) 353-1706
patter35@ctlr.msu.edu

Questions about reimbursements, direct billing of airfare, MSU's corporate card, cash advances, and day-to-day travel related issues should be directed to:

Carolyn Snow
~~Travel Office Manager~~ University Travel manager
370 Administration Building
Phone: (517) 353-4882
Fax: (517) 432-4656
snowc@ctlr.msu.edu

E. Corporate Card

Faculty, Administrative Professionals and Clerical Technical who are expected to travel at least once per year on behalf of the University are eligible to apply for a Corporate Card. Applications are available on the University Travel Office website:
http://ctlr.msu.edu/travel/

MSU utilizes GE Mastercard to provide corporate card Travel services to University travelers. Individual credit cards are issued to eligible employees who travel on behalf of the University. The card is restricted to business travel purchases only, has no annual fee and payments are due in full at the end of each month from the cardholder. An application form may be downloaded (from the University Travel Office web site: ctlr.msu.edu/travel/ges.Te.htm completed by the traveler and faxed to the Travel Office (517) 432-4656 for processing. EX TOL
An ATM cash advance feature is available to faculty and staff with the GE Mastercard. When MSU business travelers purchase transportation from any CTA using either the Corporate Card or direct billing, they will automatically be insured for $500,000 per ticket at no extra cost to the traveler.

F. Cluster Travel Agencies (CTAs)

Each of the University's CTAs is a full-service travel agency offering MSU travelers and travel arrangers a one-stop-shop and can be accessed via the CTA's Web sites.

a) **Spartan Travel - Primary Agency**
Spartan Travel will serve as the CTAs' primary agency, ~~and will operate the MSU Travel Center, which is conveniently located in MSU's International Center.~~ Spartan Travel's contact information is as follows.

MSU Travel Center Operated by Spartan Travel
Address: ~~117E MSU International Center~~ 3032 Lake Lansing Rd 48823 EAST LANSING, MI
Phone: 517-(35)3-9898 or 800-684-7384
Fax: 517-(43)2-7400
After hours emergency 800 numer: 1-800-343-0309
Web address: www.spartantravel.com

b) **Anderson ~~International~~ Travel - Secondary Agency**
In order to provide faculty and staff with an alternative choice, Anderson ~~International~~ Travel will serve as the secondary agency. Anderson ~~International~~ Travel's office is located near campus at:

Anderson ~~International~~ Travel
Address: 2740 East Lansing Dr. East Lansing, MI 48823
Phone: 517-(43)2-7711 or 517-337-1300 or 800-723-1233
Fax: 517-337-8561
After hours emergency 800 number: 1-800-366-2100
Web address: www. andersontvl.com

c) **Council Travel - Student Agency**
To provide a specialized service to MSU's student population and to give faculty and staff an additional agency selection, Council Travel has established a full-service agency in the MSU Union Building. Council Travel's contact information is as follows:

Council Travel
Address: MSU Union Building 1st Floor
Phone: 517-(43)2-7722
Fax: 517-(35)5-1870
After hours emergency 800 number: 1-800-2-COUNCIL
Web address: www.counciltravel.com

G. Direct Billing of Airfares/Rail

Eligible University business travelers are offered the option to have airline and rail ticket purchases directly billed to the University when booked through the CTAs. Business travelers may call any one of the three CTAs to utilize direct billing. Airfare may be booked up to 120 days prior to trip departure. Travelers may charge airfare/rail tickets to multiple MSU account numbers if desired. The MSU business traveler must provide the travel agency with a valid account number and travel object code at the time of reservation. A combination trip of business and leisure air travel cannot be direct billed to the MSU account number. Direct billed airfare/rail charges will be expensed monthly on the respective departmental fund ledger reports.

Hotel and car rentals should be paid for by the traveler. Reimbursement request with original receipts should be submitted on the Travel Voucher after the trip.

H. Traveler Preference Profile/Direct Billing Application Form

To expedite processing of Airfare reservations and to ensure accuracy of all travel requests, MSU travelers should complete a Traveler Preference Profile/Direct Billing Application form. Profiles provide a readily accessible (electronic) guide to important billing and ticket delivery information, as well as traveler preferences for meals and seats. Travelers permitted to utilize direct billing of airfare/rail are required to have a signed, authorized Traveler Preference Profile/Direct Billing Application form maintained in their Departmental Office. Authorization must be obtained at the departmental level. (517) Authorized forms should then be faxed to the University Travel Office (fax # 432-4656) for processing and distribution to the CTAs. A copy of the Traveler Preference Profile/Direct Billing Application form must be on file with the CTAs before the traveler is able to utilized direct billing. A Traveler Preference Profile/Direct Billing Application template can be found on MSU's Travel Office web-site at ctlr.msu.edu/~~travel~~ or from the MSU Travel Office. The Traveler Preference Profile portion of the template may be completed and submitted for reference by the CTAs even if the traveler is not approved for direct billing privileges. MSU travelers are reminded to submit updates whenever their profile/direct billing information changes (e.g., phone number, address, etc.).

Ex 70-K download/forms/ EX-70K.pdf

change departments

II. DOMESTIC TRAVEL

A. General Information

1. In-state travel is defined to include travel for which the destination is outside the local area but within the state of Michigan.

2. Out-of-state travel is travel for which the destination is outside the state of Michigan but within the United States, including Alaska, Guam, Hawaii, Puerto Rico, the U.S. Virgin Islands, Canada or Mexico. For U.S. government supported projects, Canada and Mexico may or may not be considered foreign travel, as determined by the grant limitations.

3. Student Field Trips - see the Manual of Business Procedures, Section 25.

4. Conference registration fees must be paid in advance using the MSU Mastercard Purchasing Card whenever possible. If the MSU Purchasing Card cannot be used because the conference registrar will not accept it, or because the registration amount exceeds the MSU Purchasing Card transaction dollar limitation, a Direct Payment voucher may be used. This direct payment voucher must detail the attendee, date, and location of the conference. Travel vouchers submitted for conference-related travel **must** include copies of the conference agenda/materials (documentation specific items, such as meals, lodging and shuttle included in conference fee). Indicate "no meals included" if applicable.

B. Eligibility

All employees, persons who are invited to the University or who are asked to travel for the University, graduate students and undergraduate students employed by the University or representing the University in intercollegiate athletics, scholastic or music competitions and other sanctioned University events are eligible to travel. Exceptions must be approved in advance by the Office of Planning and Budgets.

Aliens traveling on a "temporary visitor for business" visa may be reimbursed for their travel expenses (or travel expenses may be made directly on their behalf). Aliens traveling on a "temporary visitor for pleasure" visa **may not** have their travel expenses either reimbursed by the University or paid on their behalf.

C. Limitations and Exceptions

1. All travel must be authorized or approved in advance of departure. Each traveler must have a separate authorization which includes all funding sources.

2. Someone ~~The administrator responsible for the funds~~ must sign the authorization part of the Travel Voucher in advance of the travel.

3. Foreign travel authorizations must be approved by the Office of Contract and Grant Administration if the travel is funded by a grant or contract under account numbers 61-0000 through 61-9999, if applicable.

D. Authorization

1. **Before departure**, the travel authorization part of the Travel Voucher should be submitted to and approved by someone administratively senior to the traveler. The form provides evidence that the traveler is on University business and may be critical in the

event of an insurance claim, worker's compensation claim or other litigation. The original authorized travel voucher should be maintained in the respective department. The final completed travel voucher submitted to the MSU Travel office for reimbursement does not have to have the authorizing signatures. **The Travel Voucher form does not authorize travel related to Outside Work for Pay**. These forms are available from General Stores, stock number 140-27860.

2. If reimbursement is requested, the "Reviewed and Verified" space on the form must be signed by a person responsible for the account being charged. This copy of the Travel Voucher (with verifying signatures) will be sent to the MSU Travel office for reimbursement.

3. For persons who travel in-state on a regular basis for the same purpose which is within the prescribed scope of their duties or when several related in-state trips are to be made by the same person during a short period of time, it is not necessary to prepare an authorization for each trip. In instances as those noted above, the following procedures are prescribed:

a. An authorization form or letter outlining the reasons for and extent of the authorization of the trips should be completed and kept on file in the departmental office before departure to document that the traveler is on University business.

b. Whenever reimbursement is requested, the authorization portion of the Travel Voucher **must** be completed with the appropriate approval, and maintained in the originating department.

4. Non-University personnel invited to the University or asked to travel for the University need to have this part of the Travel Voucher filled out before reimbursement is requested. These individuals are not covered by the University Travel Accident Insurance policy (see item V., D. in this section for details).

E. Transportation

1. Common Carrier

a. When choosing a common carrier, time en route should be a factor.

b. **Taxi** or **limousine services** incurred in connection with authorized travel by common carrier are reimbursable. Taxi expenses are allowable for travel related to business. For example, taxis between hotel and airport are allowable; taxis from hotel to a restaurant to eat a meal, or taxis for sight-seeing trips are not allowable.

c. When travel is by ship or rail, the fare may not exceed the cost of the lowest available airfare. Time en route for the traveler to be away from his/her duties should be measured against travel time by a commercial air carrier.

d. Air travel must be at the lowest logical (considering cost and time) available airfare, which is defined as travel (a) in coach or economy class, unless a CTA certifies non-availability, and (b) via the most logical and efficient route taking into consideration the business traveler's objective and airline penalties and restrictions.

First or business class domestic travel for medical reasons is allowed on an exception basis when a separate written justification is approved prior to booking by the dean, separately reporting director, or equivalent level or above

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d. If the lowest airfare is capacity controlled and not available at the time of reservation, the travel manager will waitlist the traveler for the flight and will note this waitlist on the invoice/itinerary. The agency will contact the carrier to see if the waitlist has cleared prior to departure, and will advise the traveler

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University official. Business class travel may be allowed with prior written approval from Dean or Director for international travel flights exceeding five hours in duration.

e. Employees are not required to accept 100% nonrefundable airfares as a condition for meeting the lowest fares, and refusals to accept flights on which the lowest fares are completely nonrefundable will **not** be considered as coded refusals for management reporting purposes.

f. Travelers may travel on weekends, utilizing excursion fares, if the cost savings for the fare exceeds the additional lodging and per diem costs. This must be documented on the Travel Voucher.

g. University employees are responsible for travel costs for both domestic and foreign travel and must request reimbursement via the travel reimbursement voucher using original receipts. Airfare for non-University personnel may be prepaid by utilizing airfare/rail direct billing through the funding department or by Direct Payment Voucher.

2. Cluster Travel Agency Air Policies

a. Travelers will be provided the lowest available fare for the requested arrival or departure time. If arrivals are not available within the traveler's parameters, an alternative schedule will be offered to provide maximum cost savings with minimum time inconvenience for the traveler.

b. Travelers not accepting the lowest airfare will have such information coded according to their "reasons" for such refusal (see Travel Reporting Codes listed below). The cluster agency will document all lowest airfare offers and refusals in the passenger name record (PNR) for inclusion in the monthly Air Travel Report for the University.

c. University travelers may be offered the lowest airfare on departures from Lansing, Detroit, and Grand Rapids (or any major commercial airports within 100 miles of their primary office or residence). Refusals to accept flights from other than the nearest airport will **not** be considered as coded refusals for management control. However, the lower fare will be separately reported to provide information that may be helpful for other planning.

d. If the lowest airfare is capacity controlled and not available at the time of reservation, the travel manager will waitlist the traveler for the flight and will note this waitlist on the invoice/itinerary. The agency will contact the carrier to see if the waitlist has cleared prior to departure, and will advise the traveler.

e. When changes in travel plans require either cancellation or revision of airline tickets, the cluster travel agency is to be notified immediately so that alternate arrangements can be made. Changes to flight reservations while en route, which do not require airfare changes, may be made directly with the participating airline. If a fare change is required, however, the University traveler **must** use the agency-provided toll-free telephone reservations number (printed on the traveler's itinerary) for either domestic or international travel in order to ensure complete travel management reporting.

f. Unused tickets should be returned immediately to the travel agency for a possible refund. If no refund is possible, call the University Travel Office for other options.

g. When prepaid tickets for non-MSU employees are not picked up at the airport counter, the sponsoring University employee should notify the cluster travel agency within forty-eight (48) hours. The cluster travel agency will then request authority to refund the prepared ticket advice (PTA) from the issuing airline and process the refund. Prepaid ticket service charges are NOT refundable from the airline.

h. MSU departments may establish an account with the cluster travel agency for non-MSU persons traveling on behalf of the University. This will enable the department to make the travel arrangements for the traveler and have the tickets delivered to the MSU department office. The department can send the tickets directly to the non-MSU person by using overnight delivery services (for available services call University Stores at 355-1700).

i. Monthly Air Travel Reports from the CTA's are forwarded to unit administrators to analyze travel costs for their unit. Travel Reporting Codes are listed on these reports as information for the unit administrator to analyze lost savings and as information to the Travel Office in determining needs of the travelers. These codes are as follows:

TRAVEL REPORTING CODES

A. Non-air Ticket
B. Lowest fare not used due to airport preference (Except LAN)
C. Lowest fare not used due to Lansing Airport preference
D. Lowest fare or contract carrier not used due to time restrictions
E. Lowest fare not used due to airline preference
F. Could have used NW Contracted Space not available
G. Could have used UA Contracted-Space not available
H. Lowest fare not used due to aircraft preference (jet service)
L. Lowest fare not used due to non-stop or direct flight preference
N. Lowest fare not used due to policy requirements or exemptions
O. Lowest fare not used due to purchase penalty or restrictions
P. Lowest fare is unavailable or is waitlisted
Q. Consolidator ticket used
U. Combined with personal travel
V. Ticket exchange
X. Refund transaction
Y. Lowest published fare used
W. Contract carrier not used due to lower published fare
Z. Contracted or discounted fare used

3. Private Car

a. Reimbursement for transportation by private car is generally authorized only:

1) When common carrier services are not available without undue loss of time.

2) When two or more persons are eligible for similar authorized travel and their riding together would mean a savings to the University. Employees should be encouraged to drive together on authorized travel.

3) When use of a car will permit the traveler to perform his/her duties more effectively.

4) When it will cost the University no more than common carrier, i.e. lowest available discount airfare. The authorizing department should determine the lowest cost alternative by comparing the total cost of mileage, meals and lodging en route to be claimed by the traveler, against the lowest available discount airfare (according to the preferred travel agency). The dollar value of work hours lost while en route should also be factored into the cost of automobile travel.

5) When the use of a private vehicle will not require the traveler to be away from his/her duties for a substantially longer period than travel by common carrier.

b. Expenses for gasoline, repairs, towing, etc. are included in the mileage allowance. Expenses for parking, storage, tolls and ferries are separately reimbursable. See Reimbursement Chart (Exhibit 70-A) for one-way mileage.

4. Rented Vehicles

a. Under certain circumstances, the use of a rental car may be necessary. The business purpose for use of a rental car must be clearly documented on the travel reimbursement voucher. Justification for the expense of car rental as compared with transport by common carrier must be documented (based on comparable total cost, availability and functionality for the intended business use). Many rental car agencies will give a discount or offer "specials" to employees upon presentation of University identification. Rental cars should be mid-size or smaller class when available.

1) The term "common carrier" in this context is intended to mean conveyance such as taxi, limousine, shuttle, courtesy shuttle or commercial airline. Other common carrier such as intra or inter city bus, subway or passenger train are certainly appropriate (and reimbursable) but need not be compared with car rental as viable options.

2) Car rental expenses are only reimbursable if necessary to conduct University business and when justified (as in 4.a. above). Travel to/from restaurants to take meals is deemed to be personal rather than business according to the Internal Revenue Service Regulations and the Federal Travel Regulations. Travel for sightseeing or similar purposes is personal.

3) For University business purposes, if ground transportation is only required to travel between the airport and the work site (e.g. conference location), travelers must inquire into the availability of common carrier before incurring the cost of a rental car. Most airports are adequately serviced by taxi or shuttle. Many hotels also offer courtesy shuttle service for their guests.

b. When traveling by rental car, car rental costs and time constraints should be considered.

c. The Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW) is not reimbursable by the University. Employees have two options for coverage while driving rental automobiles. Their personal automobile insurance policy may include CDW or LDW coverage when renting automobiles or they may utilize the rental agencies under contract with the Big Ten which include this coverage in their rate. Refer to the University Travel office web site referencing to the Big Ten contract for rental vehicles for details. While visitors are reimbursed for automobile rentals, they should be encouraged to check their personal coverage or corporate contracts for Loss Damage Waiver and liability coverage to avoid additional costs to MSU.

d. Liability coverage. Personal automotive liability policies normally provide liability coverage while

driving another vehicle. The University will not reimburse employees for liability insurance costs. Because of unique laws in foreign countries, complications in settling claims and personal policy restrictions, it is recommended that travelers be instructed to buy the liability insurance in all areas except the United States and Canada; the University will reimburse for this expense.

5. Cluster Travel Agency Car Rental Policies

a. Travelers will be offered car rental reservations at discounted corporate or specially-negotiated rates.

b. Rental cars will be confirmed through the cluster travel agency reservation system and confirmation information will be printed on the travel itinerary. The CTA will provide the traveler with the name of the rental agency, pick-up date, pick-up city, and confirmation number for the rental.

6. University-owned Vehicles

a. Travel over 500 miles one way must be approved in advance by the Office of Planning and Budgets. Within the limits of availability and the criteria outlined under **Private Car** above, University-owned vehicles may be used for any authorized travel. University-owned vehicles may not be used by student clubs, student organizations, non-University groups, or by employees engaged in private consulting.

b. Procedures

1) If the vehicle is a departmental vehicle and the trip is local or is short enough so that no request will be made for subsistence, approval for travel may be handled by "signing out" and "signing in" in a record book in the department office. If a request for subsistence will be made, the Travel Voucher form should be completed.

2) If a Motor Pool vehicle is requested, the completed authorization part of the Travel Voucher serves as a vehicle request as well as authorization for the trip. It does not, however, guarantee that a vehicle will be available. Priority decisions with respect to vehicle requests will be made by the Manager of Automotive Services.

c. For further information on Motor Pool policies, see Section 245 of the Manual of Business Procedures.

7. Charter Air Service

a. Charter air service may be authorized when it reduces travel costs and travel time. This must be documented on the Travel Voucher.

b. Reimbursement for private qualified aircraft travel will be made on the basis of personal car mileage or commercial airfare; whichever is less.

c. Approved charter/aircraft companies may be used when a preapproved **AIRCRAFT/CHARTER COMPANY QUALIFICATION FORM** is on file in the ~~University Travel Office~~ Risk Management Office.

F. Lodging

1. General Information

a. Lodging rooms should be single rate with hotel or motel original receipt.

b. If two or more MSU travelers share a room, request individual room receipts, if available. If not, submit the reimbursement vouchers together for processing.

c. If the other occupant(s) who shares a room is not an employee, request the single rate be noted on the receipt.

d. If lodging is complimentary (e.g. staying with family, friends, etc.), documentation is required in order to pay per diem. The traveler should indicate date(s) of lodging, address of lodging, and name of lodging provider.

2. Cluster Travel Agency Hotel Policies

a. Travelers will be offered the lowest rack rates for all lodging reservations. In addition, the cluster travel agency will use corporate, consortium, or University-negotiated discounts, where appropriate, in order to obtain any available lower rate for a standard room at a requested property.

b. Travelers not requesting a specific lodging property and travelers who may request a specific property which is not available for their desired travel dates may be offered at least two (2) choices of hotels, by either comparative cost or by requested location (e.g. near airport, convention center, downtown, etc.).

c. When obtaining lodging reservations for the University traveler, the cluster travel agency will provide the traveler with the hotel address, telephone number, per diem rate, and reservation confirmation number.

d. University travelers will be offered the MSU Traveler Preference Profile Forms in order to notify the cluster travel agency of travel preferences. The cluster travel agency will then be required to maintain all information, including travelers' hotel preferences, in a computer-stored personal account record (PAR).

e. Room guarantees and deposits, not required by hotel policy, will only be made at the request of the University traveler and will be the responsibility of the traveler. The University will not be liable for any financial arrangements made for individual travelers.

f. Cancellations for lodging reservations will be the responsibility of the traveler. For their own protection when canceling guaranteed reservations, the traveler should make note of the name of the person through whom the cancellation was made.

G. Reimbursement

1. Travel reimbursements will be based on travel by the usual direct route for the authorized mode of travel. If the traveler plans to use a less direct route or more expensive mode of travel than authorized, bearing the extra costs him/herself, these plans should be noted on a separate sheet attached to the Travel Voucher (Stores stock number 140-27860). Additional cost resulting from stops for personal reasons will not be reimbursed.

2. Claims for reimbursement of expenses incurred with the use of University vehicles must be supported by receipts.

3. Original receipts and original ticket stubs are required for reimbursement of all travel expenses except as noted on the Reimbursement Chart (see Exhibit 70-A).

4. The University does not reimburse for meals taken while not in overnight travel status -- travel to an out-of-town meeting and return on the same day.

5. The following persons are eligible for reimbursement:

a. Employees of the University.

b. Persons who are invited to the University (for lectures, consulting, recruiting, etc.) or who are asked to travel for the University. Meals and lodging furnished to guests in the local area and charged to University accounts must be furnished by on-campus facilities when available.

c. Graduate students. University general funds may not be used for travel to collect data primarily for theses and/or dissertations.

d. Undergraduate students employed by the University or representing the University in intercollegiate athletics, scholastic or music competitions and other sanctioned University events.

6. Rates of Reimbursement

See Reimbursement Chart (see Exhibit 70-A) for rates of reimbursement and listing of receipts required. The unit administrator may authorize an amount less than full reimbursement.

7. Reimbursement for Nonrefundable Air Tickets

When changes in travel plans require cancellation or revision of airline tickets, the reason for the change must be documented on the voucher.

a. If an employee is unable to travel because of illness on the dates originally ticketed, or if an employee had an illness within his/her immediate family (spouse or children) on the dates originally ticketed, the employee is eligible for departmental reimbursement.

b. If an employee had a death in his/her family on the dates originally ticketed, MSU will follow the **Human Resource Policies and Procedures** Funeral Policy to determine whether the employee is eligible for departmental reimbursement.

c. If the Unit Administrator requests the employee to be performing other duties on the dates originally ticketed, the employee is eligible for departmental reimbursement.

d. When the scheduled MSU reimbursed trip is not taken, the nonrefundable airline ticket coupons still have a "value" and should not be discarded. Call the University Travel Office for procedures to follow to apply this value to future reimbursed travel.

8. Reimbursement for Tips

a. Tips for taxi or limousine service (not to exceed 20% of cost) are reimbursable.

b. Tips for business meals are reimbursable up to 20% of the meal cost. A restaurant receipt must be provided. Documentation must include the name(s) and business affiliation(s) of business guests (for whom the meal was purchased) and the business purpose of the meal expense.

c. Tips for individual meals are not separately reimbursable; these tips are provided for as a part of meal per diem.

d. Tips for lodging limited to $2 per occupancy (not per night) are reimbursable.

e. Tips and fees for personal baggage handling are not reimbursable except as specified in item d. directly above. Tips and fees for baggage handling of **excess accompanied business baggage** (referred to hereafter as "excess business baggage") are separately reimbursable as follows:

1) For the purpose of this policy, **"business baggage"** is defined as non-personal, project materials such as computers, equipment, manuals, reports, office supplies, etc. **"Excess business baggage"** is defined as business baggage in excess of the weight, size, or number of pieces that is carried free by transportation companies. Currently, the airlines will permit up to two pieces of checked baggage at no additional charge. "Business baggage" transported as "excess business baggage" necessitates the purchase of a separate airline ticket for its transport.

2) The amount reimbursable for baggage handling tips is actual out-of-pocket cost limited to $1 per bag or box of "excess business baggage." Reimbursable tips for **"oversize business baggage"** is limited to actual out-of-pocket cost limited to $3 per box or trunk per handling. ("Oversize business baggage" is defined as "business baggage" in excess of the weight or size that is carried free by transportation companies.) Handling is reasonably anticipated at each link between origin and destination requiring the traveler to personally transfer the baggage.

3) "Excess business baggage" must be documented (content/business purpose) if related transportation cost or tip expense is submitted for reimbursement. In addition, "oversize business baggage" must be separately documented when reimbursement related to its transportation/handling is requested.

4) For Federally-sponsored project activities, some granting agencies require prior written approval for the expense of transporting "excess business baggage" **and** the associated tips and handling fees. If required, such prior written approval must be on file in the Office of Contract and Grant Administration.

III. LOCAL TRAVEL

A. General Information

Local travel is defined as travel within the home community of the traveler's place of employment, exclusive of on-campus travel.

When University business requires an employee or University representative to travel extensively in the local area, and a University vehicle is unavailable for such travel, reimbursement for expenses related to local travel may be authorized.

Departments must keep (on file) memorandum(s) approved by the department head that documents the responsibilities of employees eligible for local travel. The memorandum(s) will serve as the authorization until revised or canceled.

B. Reimbursement

1. On-campus travel is not reimbursable.

2. Local travel consistent with the criteria noted above may be reimbursed as follows:

a. Transportation. Reimbursement will be based upon the University mileage rate. Sufficient detail should be documented on the voucher to support mileage being reimbursed.

b. Meals. Reimbursement will not be made for meals taken in the local area except when attendance at a meal is necessary for participation in a conference or meeting. Business reasons for the exception must be stated and receipts are required in all instances.

c. Lodging. Reimbursement will not be made for lodging in the local area. However, employees whose home offices are elsewhere in the state are eligible for reimbursement for meals and lodging in the East Lansing area. On-campus facilities must be used when available.

3. Reimbursement for local travel will continue to be made by submission of a travel voucher. As a guideline, travel vouchers for local travel should be submitted **quarterly** or when expenses total a minimum of **$25.00**.

IV. FOREIGN TRAVEL

A. General Information

1. Foreign travel includes travel for which the destination is outside the United States. The United States is defined to include Alaska, Hawaii, Puerto Rico, Guam, the U.S. Virgin Islands, Canada and Mexico.

2. For travel supported by contracts and grants, the funding agreement must be reviewed for the definition of foreign travel. Travel from the point of origin and return is considered part of foreign travel. Even though most federal agencies do not consider travel to Mexico and Canada as foreign, air travel to these countries must comply with the Fly American Act.

3. MSU employees traveling overseas on University business must provide receipts for all currency exchange transactions. If receipts are unavailable, the traveler must certify in writing that all funds exchanged have been accounted for and business expense receipts presented must equal the amount received in local currency.

4. University employees are responsible for travel costs for both domestic and foreign travel and must request reimbursement via the Travel Voucher using original receipts. Airfare for non-University personnel may be prepaid by utilizing airfare/rail direct billing through the funding department or by Direct Payment Voucher.

5. Conference registration fees must be paid in advance using the MSU Mastercard Purchasing Card wherever possible. If the MSU Purchasing Card cannot be used because the conference registrar will not accept it, or because the registration amount exceeds the MSU Purchasing Card transaction dollar limitation, a Direct Payment voucher may be used. This direct payment voucher must detail the attendee, date, and location of the conference. Travel vouchers submitted for conference-related travel **must** include copies of the conference agenda/materials (documentation specific items, such as meals, lodging and shuttle included in conference fee). Indicate "no meals included" if applicable.

B. Eligibility

All employees, persons who are invited to the University or who are asked to travel for the University, graduate students and undergraduate students employed by the University or representing the University in intercollegiate athletics, scholastics or music competitions and other sanctioned University events are eligible to travel. Exceptions must be approved in advance by the Office of Planning and Budgets.

Aliens traveling on a "temporary visitor for business" visa may be reimbursed for their travel expenses (or travel expenses may be made directly on their behalf). Aliens traveling on a "temporary visitor for pleasure" visa **may not** have their travel expenses either reimbursed by the University or paid on their behalf.

C. Limitations and Exceptions

1. All travel must be authorized or approved in advance of departure. Each traveler must have a

separate authorization which includes all funding sources.

Someone ively senior To the Traveler

2. ~~The administrator responsible for the funds~~ must sign the authorization part of the Travel Voucher in advance of the travel.

Foreign

3. Foriegn travel authorizations must be approved by the Office of Contract and Grant Administration if the travel is funded by a grant or contract under account numbers 61-0000 through 61-9999. if Applicable

D. Authorization

Authorization forms and policies for foreign travel are the same as in Domestic Travel. The original authorized travel voucher should be maintained in the respective department. The final completed travel voucher submitted to the MSU Travel Office for reimbursement does not have to have the authorizing signatures. Any foreign travel to be charged to contracts or grants under account number 61-0000 through 61-9999 must be approved by the Office of Contract and Grant Administration, if Applicable.

E. Transportation

1. Grants, cooperative agreements, and contracts supported by the U.S. Government require that travel be on United States Flag carriers by the most direct and expeditious route and at less than first class rates.

2. Travel must be at the lowest, logical (considering cost and time) available airfare unless the travel agency certifies such classes were not available. Lowest, logical airfare for travel is defined as travel in coach or economy. Airfare costs in excess of the lowest, logical available commercial restricted airfare (such as business class) may be selected for continuing flights exceeding five (5) hours of flight time to destinations outside the contiguous United States. This exception requires written justification and documentation of the cost benefit with specific prior approval by the Provost or associate/assistant provost, a vice president or associate/assistant vice president, dean or equivalent separately reporting position.

3. When travel is by ship, the fare may not exceed the cost of the lowest available airfare as authorized by the most direct and expeditious route. Per diem is not payable on board ship where meals and lodging are included in the fare. For U.S. government supported projects, use of an U.S. flag ship and prior approval are required.

4. When travel is by rail, the fare may not exceed the lowest available fare and most direct, expeditious route.

F. Reimbursement - Computation of Lodging and M&IE Per Diem Amounts

1. Reimbursement for lodging and subsistence will be made on a "lodgings-plus per diem system" in accordance with the U.S. Department of State rates. Per diem rates include a maximum amount for lodging expenses and a fixed allowance for meals and incidental expenses (M&IE). Per diem is the maximum daily allowance. Foreign countries (and localities within those countries) are assigned a daily rate by the U.S. Department of State. The rates are subject to their review and are updated each month. Rate information is available from the U.S. State Department web site at www.state.gov/~~www/perdiems/index.html~~ or on the Office of Contract and Grant Administration and University Travel Office web sites.

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2. Lodging includes expenses for overnight sleeping facilities; baths; personal use of the room during daytime; and service charges for fans, air conditioners, heaters and fires furnished in the room when such charges are not included in the room rate. The term "lodging" does not include accommodations on airplanes, trains, or steamers. Rather, these expenses are classified as transportation.

3. Actual lodging expenses (single occupancy) are reimbursed up to the published maximum. **DETAILED RECEIPTS FOR LODGING MUST BE SECURED TO VERIFY LODGING EXPENDITURES.** Any foreign currency exchange rate used in computing the amount of lodging expense to be reimbursed should be noted on the travel reimbursement voucher.

4. M&IE includes all charges for meals and related tips and taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons); all fees and tips to wait staff, porters, baggage handlers, bell staff, hotel maids, dining room stewards and others on vessels and hotel servants in foreign countries; telegrams and telephone calls reserving hotel accommodations; laundry; cleaning and pressing of clothing; and transportation between places of lodging or business and places where meals are taken.

While baggage handling tips for personal baggage are included in M&IE and are not separately reimbursable, baggage handling tips for "excess business baggage" may be reimbursable. Consult item II., E., 8., e. above for details.

5. M&IE is computed on a daily basis with the day divided into four quarters. They are: 12:01 a.m. to 6:00 a.m., 6:01 a.m. to noon, 12:01 p.m. to 6:00 p.m., and 6:01 p.m. to midnight. (A quarter day, although reflected here as beginning one minute after the hour, technically begins one second after the stated hour.) Times of departure and arrival must be listed in order to compute the allowable amount of M&IE per diem.

Prorating M&IE rate for partial days: When computing the M&IE per diem for a partial day, the calendar day (12:01 a.m. to midnight) is used as the basis. For each quarter day (or fraction thereof) that an employee is in travel status, one fourth of the applicable M&IE rate is allowable.

6. The applicable maximum per diem rate for each calendar day of travel is determined by the travel status and location of the employee at 12:00 midnight and whether or not lodging is required.

a. Day travel assignment begins: If lodging is required, the maximum per diem is the actual lodging cost incurred (limited by the maximum lodging allowance prescribed by the Federal government for the location of the lodging) plus the applicable M&IE rate prescribed for the location of the lodging prorated as provided in paragraph D., 5. above. The proration of M&IE per diem commences as of the beginning of the quarter day in which the traveler leaves home.

If lodging is not required, the per diem allowable is the **destination** M&IE prorated consistent with paragraph D., 5. above.

NOTE: If a domestic layover is required upon departure, lodging and per diem reimbursement will be based upon the University policy and procedure for domestic travel.

b. Travel days in-country (either en route or at a duty location): If lodging is required, the maximum per diem is the actual lodging cost incurred (limited by the maximum lodging allowance prescribed by the Federal government for the location of the lodging) plus the applicable M&IE rate prescribed for the location of the lodging.

If lodging is not required, the maximum per diem is the applicable M&IE rate prescribed for the duty location, or the destination rate if the traveler is en route to a new duty location.

c. Day of return from travel assignment: If lodging is required, the maximum per diem is the actual lodging cost incurred (limited by the maximum lodging allowance prescribed by the Federal government for the location of the lodging) plus the applicable M&IE rate prescribed for the location of the lodging.

If lodging is not required, the maximum per diem is the M&IE rate applicable to the preceding

calendar day prorated as provided in paragraph D., 5. above. The proration of M&IE terminates as of the end of the quarter day in which the traveler arrives home.

NOTE: If a domestic layover is required upon return, lodging and per diem reimbursement will be based upon the University policy and procedure for domestic travel.

7. When lodging is furnished at no cost to the employee, the maximum per diem rate is the M&IE rate for the locality where the no cost lodging is taken. When lodging cost is paid directly by the University, the combined lodging cost plus the M&IE amount cannot exceed the published U.S. Department of State total daily maximum rate for the locality.

8. For international travel, when meals are furnished without charge, the M&IE claim should be reduced by an amount commensurate with the relative proportion that meal represents to the daily M&IE per diem allowance. The proportions are:

Breakfast	15%
Lunch	25%
Dinner	40%
Full Day	80%
Incidentals*	20%

*If all meals are furnished without charge, incidentals are still allowable.

9. If a staff member travels by an indirect route for personal reasons, per diem will normally be paid only for the time it would take to travel by the most direct route.

10. Sample work sheets are provided (see Exhibits 70-F and 70-G) to use in computing and scheduling international travel expenses for per diem, lodging and other expenses. Use of these work sheets is not mandatory but may be useful in determining the correct travel reimbursement amounts. These work sheets **do not** replace the travel reimbursement voucher which must be properly completed in order to obtain reimbursement for travel expenses. Work sheets may be copied from Exhibits 70-F and 70-G.

G. Travel Vouchers.

1. An international travel scenario is included, with completed forms, to illustrate the computation of per diem and lodging expense reimbursement claims (see Exhibits 70-H, 70-I, and 70-J). **NOTE**: If more than one account number is to be charged and if specific travel expenses must be charged to a particular account, the various costs claimed should be marked, e.g. using an asterisk, to indicate the appropriate account.

2. In case of indirect routing for personal reasons, the extra transportation costs will be at the traveler's expense and the additional time should be charged as vacation.

3. All original airline passenger receipts, accompanied by an invoice from the travel agency showing the amount actually paid for the ticket, and any unused flight coupons, must be attached to the Travel Voucher. Tickets and coupons are necessary to provide audit documentation. Itemized original receipts for lodging must also be attached to the travel voucher, along with any documentation available for verifying expenses. The U.S. dollar equivalent for expenses claimed should be listed on the Travel Voucher with a notation of the foreign currency exchange rate used.

4. Taxi expenses are allowable for travel related to business. For example, taxis between hotel and airport are allowable; taxis from hotel to a restaurant to eat a meal or taxis for sight-seeing trips are **not** allowable.

5. Dates and times of departure and arrival should be listed across from the amount claimed for per diem. This is necessary to establish the correct quarter-day allocation.

6. In order to expedite the processing of Travel Vouchers, the actual lodging expenses (see item D., 1. above) should be highlighted on the lodging receipt. Other incidental expenses charged to the room are not considered lodging expenses. If actual lodging expenses exceed the published maximum, travelers should not claim the excess.

H. Source of Funds for Foreign Travel

1. Travel related to overseas projects of the University. Such travel is authorized, arranged and supported through the Office of International Studies and Programs.

2. Travel by faculty members to participate as officers in international organizations. Applications for support from this fund should be addressed to the Dean of International Studies and Programs.

3. Travel supported by the International Centers and Institutes. The International Centers and Institutes may support a limited amount of foreign travel if it is essential to their operation.

4. Travel to participate in international meetings or to do research in foreign areas. Applications for support from this fund should be addressed to the Dean of International Studies and Programs.

5. Travel supported by contracts, gifts or grants from outside agencies. Reimbursement may be made for necessary foreign travel from contract, gift or grant funds provided that the agreements by which the University has accepted the funds cover such travel and that such travel does not interfere with the performance of the normal duties of the traveler.

6. Travel supported by All-University Research grants. Foreign travel may be supported by an All-University Research project to the extent that foreign travel was included in the project application and approved by the All-University Research Committee.

7. Travel supported by cost-of-education allowances. With justification, the cost-of-education allowance which has been allocated to a college or department may be used to support foreign travel by faculty or graduate students. Cost-of-education allowances are usually designated for underwriting costs and improving the quality of graduate education rather than for the benefit of an individual. They should not be used for foreign travel unless the unit has sufficient funds to meet other more urgent needs related to graduate programs.

8. Travel related to teaching courses in foreign areas. Such courses are normally in one of the following categories:

a. Courses supported by outside agencies. Travel related to such courses is essentially the same as travel supported by gifts, grants or contracts.

b. MSU courses taught overseas:

1) If the revenues from off-campus credit courses in foreign areas are credited to the general fund, the corresponding expenditures for travel and teaching may be charged to the general fund.

2) If the revenues from off-campus courses in foreign areas are credited to a revolving fund, as is normally the case for non-credit offerings, the corresponding expenditures must be carried by the revolving fund.

3) "Courses abroad" taught by MSU faculty primarily for MSU students. If the students, or an outside agency, underwrite the cost of transporting the course to a foreign area and providing the necessary physical facilities, the regular salary of the instructor may be paid from the general fund. In addition, the University may provide operational funds to the extent that such funds would have been required had the course been taught on campus. The net cost to the University should not be greater than if the course were taught on campus.

9. Travel by persons invited to the University or asked to travel for the University may be supported by the general fund or other appropriate funds. Meals and lodging furnished to such guests while in the local area and charged to University accounts must be furnished by on-campus facilities, if available.

I. All-University Research Funds

1. Funds made available under the All-University Research grants may be used to include foreign travel subject to the administration of such funds as indicated below.

2. Faculty wishing to use All-University Research funds to cover travel costs will be expected to apply, in addition, for such international funds as may be available from off-campus sources such as foundations and government agencies.

3. The application for international travel funds which is to be supported by an All-University Research grant should include information on points to which the individual will travel and the research which will be conducted at each point. Reimbursement will be limited to round-trip tourist fare, for MSU faculty members only, and for most direct routing, unless exceptions are made by the dean. In many instances there will be insufficient funds under All-University Research grants to cover the total transportation cost. The balance, additional travel costs, as well as other costs, are to be borne by the faculty member or other approved sources.

4. The All-University Research Project involving international travel is to be carefully screened by the respective unit administrator and the dean of the college before submission of the application to the Vice President for Research Development and Graduate Studies. With the approval of the Office of Research Development and Graduate Studies, the grant will be given a project number and an account number, which should be noted on the travel application request.

J. Special Foreign Travel Fund (SFTF)

1. Purposes - The SFTF is meant to:

a. Fund faculty participation in international congresses, meetings, and performances, or showings held outside of the United States.

b. Supplement departmental and/or college funds available to faculty.

c. Serve to equalize MSU units' ability to support international travel by their faculty.

2. Policies Governing the SFTF

a. All MSU faculty are eligible for SFTF support. However, higher priority will be given to faculty appointed in the tenure system.

b. An individual may not receive more than one SFTF award within a 24-month period.

c. SFTF support is for faculty attendance at international congresses, meetings, performances and

showings held outside the United States.

d. Normally, SFTF support may be used for air **transportation expenses from Lansing only**. It cannot be used for per diem and related meeting costs.

e. The SFTF is intended to be a source of last resort. Applicants are thus urged to first explore and secure support from other sources whenever possible, such as departmental or college funds; NSF or NIH grant monies, other grant monies, foundations, and/or personal resources.

f. The SFTF is intended to be supplemental in nature. Normally, departments and colleges must **match** part or all of the SFTF grant made to a faculty member. Grant funds dedicated to travel costs can be used for matching SFTF grants. Only funds allocated to offset **travel costs** will be considered as being matching monies; that is, funds allocated for conference fees and subsistence costs **cannot be used to match** SFTF grants.

g. SFTF support may not be sought for retroactive reimbursement of travel expenses.

h. If two or more faculty members from the same department or major academic unit apply for support to attend the same meeting, the maximum award will generally be no more than 120% of the full round trip cost for one person, to be split among the individuals in a manner recommended by the relevant unit administrator.

i. Complete applications will be reviewed three times each calendar year: in February, June and October. The **deadlines** for submitting completed applications are: **February 1**, **June 1**, and **October 1**. The review and rating committee will review applications by the 15th of each of the applicable months. Applicants will be notified as to the decision made by the last day of each of these applicable months.

j. A SFTF review committee will review eligible applications. This committee consists of the Dean of International Studies and Programs, or designee, one other Dean, a representative of the Provost's Office and a representative of the Vice President for Research and Graduate Studies.

k. The Dean of International Studies and Programs, or designee, will use the advice of the review committee to make final decisions on award recipients and levels of funding.

l. The Dean of International Studies and Programs, or designee, will notify applicants, their Chairpersons or Directors, and Deans of the decisions made and provide information on procedures for using the award to those who received them.

m. Individuals who receive a SFTF award are required to submit a brief report of their travel and international meeting experience on returning to MSU.

3. Procedures

a. Interested faculty should obtain an application and guidelines from the Office of the Dean, International Studies and Programs. SFTF applicants must provide evidence of an invitation to present a competitive paper, keynote address, juried artistic exhibition, or performance in a major recital hall. Applicants anticipating receiving evidence of this kind but lacking it at the application deadline are encouraged to apply and submit the letter as soon as it is received. In such cases, reimbursement is conditioned on the submission of the letter of invitation.

b. The application should be completed and signed by the applicant, the chair, and the dean.

c. The original and four copies of the completed application and all attachments should be submitted to the Dean of International Studies and Programs by the appropriate deadline.

d. Applications are reviewed three times each year. The three deadlines for submitting applications are: February 1, June 1, and October 1. Unless dictated by early deadlines for responding to meeting organizers, applications for SFTF support should be submitted as follows:

1) Applications for meetings in March through August should be submitted by the February 1 deadline;

2) Applications for meetings in July through December should be submitted by the June 1 deadline;

3) Applications for meetings in November through April should be submitted by the October 1 deadline.

V. OTHER INFORMATION

A. Travel Advances

1. General Information

Regular Faculty, Academic staff, Administrative Professionals and Clerical Technical of Michigan State University who are expected to travel annually on behalf of the University are eligible to be considered for a Corporate Card. Use of this corporate card by the employee for business travel purposes only will eliminate the need for most travel advances. Information on how to obtain a card may be found on the Travel Office website: http://ctlr.msu.edu/travel/

Travel advances cannot be obtained by one person to cover multiple individuals' expenses.

No advance will be issued to cover conference registration fees or hotel deposit fees. Conference fees must be paid by MSU Mastercard Purchasing Card wherever possible (see item I..C..11. above).

No advance will be issued for stipends, honorariums or consulting fees.

2. Graduate Students and Employees Not Eligible for a Corporate Card

a. Graduate students and all employees not eligible for the Corporate Card are eligible for a travel advance.

b. The minimum amount allowed for a travel advance for eligible travelers is $350. A lesser amount can be obtained ONLY if reimbursable expenses on the Travel Voucher will be $350 or more. If the travel authorization section of the Travel Voucher limits reimbursement on expenditures to less than $350, the traveler is not eligible for a travel advance. Accounts are monitored for misuse of the $350 minimum. Misuse will result in loss of the privilege of obtaining travel advances. The minimum amount for a graduate student is $100.

c. No advance (domestic or international) will be issued to a traveler more than 30 calendar days prior to the departure date on the Travel Voucher in order to comply with IRS regulations unless an exception is granted for unusual circumstances. In cases where transportation reservations are made through the "cluster travel agencies" and payment is required more than 30 days in advance of the trip to insure that the reservations are at the lowest possible fare, the airfare should be direct billed to a MSU account number.

d. The amount of each advance is to be determined by the unit administrator. The advance is to cover reimbursable travel costs (excluding airfare) and should not exceed estimated expenditures. Any limitations on the reimbursement amount must be set by the unit prior to issuance of an advance.

e. No advance will be made for travel to be charged against an agency account (account numbers 31-3500 through 31-4999).

f. When a trip is canceled, for any reason, the travel advance must be repaid **immediately**. If the trip is rescheduled, a new Travel Voucher and advance must be issued. Failure to promptly repay the advance upon trip cancellation will be considered misuse and grounds for cancellation of travel advance privileges.

g. NO ADVANCE WILL BE ISSUED TO A TRAVELER HAVING AN EXISTING PAST DUE ADVANCE. FURTHERMORE, ANY TRAVELER WHO HAS A CORPORATE CARD WILL NOT BE ELIGIBLE FOR AN ADVANCE.

3. Undergraduate Students and Non-MSU Personnel Eligibility

a. Undergraduate students on approved travel are not eligible for travel advances. An exception is made when a faculty or staff member is willing to be responsible for the advance. The minimum amount for an advance for an undergraduate student is $100. The student must be registered for the current semester. The faculty or staff member must accompany the student to the University Travel office and request the exception. For more information see item 5., d. below.

b. Non-Michigan State University personnel (visiting professors, retirees, visiting research associates, community volunteers, etc.) on approved travel are eligible for advances when reimbursable travel expenses are expected to exceed $350 and the request is for at least $350. The nonemployee must pick up the advance in person. When the person is not available to pick up the advance, a faculty or staff member may request an advance in their name for the nonemployee. The faculty or staff member will be held responsible for the repayment of the advance. A jointly payable check to the non-MSU person and the staff member will be issued.

In all cases in which an advance is not repaid and becomes uncollectible, the unit administrator's signature guarantees repayment from departmental funds. Delinquent advances may be reported to a credit bureau and assigned to an external agency for collection.

c. Independent contractors conducting business with Michigan State University are **not** eligible for travel advances.

4. Employees Who are Eligible for a Corporate Card

If the authorized travel is international and it can reasonably be assumed that dependence on the Corporate Card will not meet the traveler's needs, then a request for a travel advance may be made. MSU travelers on extended foreign travel who do not expect to return home before the Corporate Card bill is received should call the Travel Office for an alternate option. A travel advance may be obtained **no more than 7 calendar days prior to departure** unless an exception is granted for unusual circumstances. The minimum advance, based on estimated reimbursable non-transportation expenses, is $350.

5. Obtaining an Advance

a. Travel advances may be obtained by presenting the signed original copy of the Travel Voucher with the authorization section completed to the Travel Advance Section of the University Travel Office, 370 Administration Building. A valid student ID card or Faculty/Staff ID, along with a

pictured ID is required. Office hours are 8:15 a.m. to 4:45 p.m. Monday through Friday, phone 353-4882. Graduate assistants also need to present appointment papers. The social security number, visa status, or student number of the traveler is required on the authorization part of the Travel Voucher.

b. Faculty, staff or graduate students requesting an advance must do so in person. No third-party advances will be issued unless the traveler is away from the East Lansing area through the departure date. In this case, the advance will be issued as a check made payable to the traveler **only** and will require their endorsement prior to deposit.

c. A non-interest bearing promissory note will be issued for each advance by the Travel Advance Section. This note specifies the repayment date. When the traveler is away from the East Lansing area **and** requests an additional advance, the original authorization must be presented again to the Travel Advance Section and signed for the employee by the unit administrator.

d. If an advance is requested for approved undergraduate student travel, the authorization part of the Travel Voucher must be prepared in the name of the student(s) and a faculty or staff member responsible for the student(s). The promissory note will be issued to the faculty or staff member who may then cash it and distribute it to the student(s). The faculty or staff member will be held responsible for the repayment of the advance.

e. Advances may be received in either of the following two ways:

1) Cash - the promissory note may be exchanged for cash in the Cashier's Office. If exchange of the note is done by a person other than the traveler, it will be issued by check only, made payable to the traveler.

2) Check - the promissory note for any amount may be exchanged for a cashier's check in the Cashier's Office.

6. Repayment of an Advance

a. All travel advances are **due no later** than 30 days after the date the trip is completed (return date). Due dates may be extended on a case by case basis upon approval of a written request submitted to the Travel Advance Section **prior to the original due date**. Failure to promptly repay a travel advance may result in the traveler incurring taxable income for the outstanding amount. Repayment of the unpaid advance will remain an obligation of the traveler.

b. If a travel advance is not paid by the due date, the amount may be deducted from the employee's payroll or stipend check. If payroll or stipend deductions are required to repay a traveler's advance, loss of the travel advance privilege may result.

c. The unit administrator's signature guarantees repayment of a travel advance from departmental funds if the appropriate vouchers are not submitted. The advance will remain an obligation of the traveler until the completed Travel Voucher is submitted.

d. Payments may be made in person in the Cashier's Office, 110 Administration Building, or by mail to the University Travel Office, 370 Administration Building.

7. Graduate Fellow Advance

a. A Graduate Fellow advance is available for graduate students going overseas to collect data for their doctoral dissertations under grants and contracts administered by MSU. In general, the period of travel is usually six months to one year. The advance will provide operating funds for such items as travel expenses, data collection expenses, assistant fees, clerical assistance, etc., whose costs are reimbursable under grants or contracts. The amount of the advance will normally

be equal to three months estimated reimbursable expenditures where it is possible to mail replenishment vouchers back to MSU campus. The repayment date of the advance will be 30 days after the return to campus. In cases where a Fellow extends his/her travel en route to campus, the advance repayment date will be extended 30 days from the departure date from the research location.

b. Requests for the advance should be in letter form addressed to the Director of Contract and Grant Administration. The letter should contain the following information:

1) Name and social security number of the Graduate Fellow

2) Dates of departure and return

3) Research location

4) Grant or contract account, account name, account number

5) Amount of estimated expenditures per month by expenditure type

6) Amount of advance requested

7) Requested payment date

8) Signature of unit administrator

c. After approval, the advance may be obtained from the University Travel Office by the Graduate Fellow.

B. Travel Vouchers

1. Voucher Forms

a. If reimbursement is requested, travel expense claims should be itemized in the expense reimbursement section of the Travel Voucher form obtainable from the MSU Travel Office web site: ctlr.msu.edu/travel or General Stores, stock number 140-27860. The web site form may be completed using computer spreadsheet.

b. Each traveler must submit a separate Travel Voucher for his/her own expenses unless the travel is team travel.

c. Travel Vouchers may be completed via web site download and computer spreadsheet program. The Travel Vouchers may also be typed and all copies submitted according to instructions printed on the reverse side of the pink copy of the Travel Voucher form. The complete name and address of the payee must be included. If the payee is on campus, the address must conform to requirements established by the Campus Mail Service.

2. Preparation of Vouchers

a. Travel Vouchers for reimbursement are to be submitted to the Travel Office within 30 days after return from a trip. Additionally, Travel Vouchers should be submitted for reimbursement within the fiscal year to which they relate when practicable.

b. If more than one account number is to be charged, the various costs claimed should be marked, e.g. using an asterisk, to indicate the appropriate account.

c. The expense reimbursement section of the Travel Voucher must show detailed itemization of

the travel and the type and cost of the accommodations used. If claiming expenses for business guests, give name(s) of person(s), position(s) and specific business purpose.

d. Meal per diem will be paid only if the business trip includes an overnight stay. If an overnight stay has been required and documented, and the traveler was in travel status during an entire day, the meal per diem may be lumped together for the three meals and claimed as one amount for the entire day. For one business trip, per diem is also reimbursable for partial travel days which bracket an overnight stay. For such partial days, the per diem attributable to individual meal periods (e.g. BR, LU or DI) should be itemized on the travel reimbursement voucher.

e. Tips for taxi or limousine service (not to exceed 20% of cost) should be listed on the left side of the voucher with other transportation expenses and labeled accordingly (e.g. Tips -- taxi). Each payment of a taxi/limousine tip should be listed adjacent to the expense for the taxi/limousine transportation. Other permissible tips should be listed on the right side of the voucher with other subsistence and miscellaneous expenditures.

f. Original ticket receipts (travel agency invoices also required for international travel), unused flight coupons, and other original receipts are to be stapled to the original Travel Voucher. **If airfare has been directly billed to the MSU account number, complete the "Airfare/Rail Direct Bill" portion of the voucher and add the airline ticket invoice number at the top of the voucher. Direct Bill airfare totals are not a part of reimbursments.**

g. Refer to the Reimbursement Chart (see Exhibit 70-A) for reimbursement rates.

h. If the traveler's reimbursable expenses were limited to an amount less than actual, this limit amount should be clearly noted in the travel authorization section and below the "Total Claim" space of the voucher and labeled as "Limit."

i. The final total and the signatures of the traveler and the persons approving the claim should be on the FIRST page of the Travel Voucher. If the traveler is not an employee of the University, write "Non-MSU" in the signature block of the voucher.

j. If it is not possible for the payee to sign the Travel Reimbursement Voucher due to the payee being out of the area or otherwise unavailable for an extended period of time, it is acceptable for the payee to sign a faxed copy of the fully completed voucher. The signed voucher must reflect the detailed and total claim submitted on their behalf. The departments should attach this faxed copy (marked as "COPY") to the original, which will state "Faxed Signature Attached" in the payee signature space prior to submitting the voucher for payment.

In unusual circumstances, when the department is unable to obtain the certification of the payee either by original signature or by fax: dates of Travel, TRAVEL destination

1. The payee may submit an endorsement of the claim made on their behalf using e-mail. The payee must acknowledge the business purpose, ~~items purchased~~ and voucher amount in their e-mail. This e-mail should be printed out and attached to the original voucher, which will state "E-mail Attached" in the payee signature space.
Or,

2. Someone administratively senior to the payee may sign in the payee signature space along with the statement "Signing for Payee." [Please note: By signing, the "signer" certifies that they have received verbal authorization to file the claim on behalf of the payee.]

k. Travel Vouchers and the applicable receipts are forwarded to the MSU Travel Office, 370 Administration Building, 353-4882. If voucher is completed on computer, please ~~make one~~ (1) ~~extra copy of~~ voucher (~~two~~ (2) ~~extra copies if the travel is out of state), and submit all~~ submit: original AND one copy (plus one additional copy

~~copies to the MSU Travel office.~~

l. The Travel Office audits all Travel Vouchers. If a travel advance related to a Travel Voucher being processed has not yet been repaid, the Travel Advance Section will deduct the amount owed and refund the difference or bill for the balance due.

m. After audit, the Travel Office forwards the voucher to Accounting for verification of authorized signatures and correctness of account numbers. Accounting prepares a check and inserts the check number on the voucher.

n. The Travel Voucher is distributed as follows:

Original	Retained by Accounting Office.
Copy 1	Sent to payee with check.
Copy 2	After audit, this copy is sent to the Office of Planning and Budgets for out-of-state reports

o. The check is mailed to the payee at the address indicated on the voucher.

p. Weekly Voucher Check Summary Report. Each week the Accounting Department distributes a report which summarizes, by account number, all checks written for that week. For each check, the summary report indicates the payee name, check number, pay date, type of voucher, account number and object code charged and the amount.

C. Report of Out-of-State Travel

1. General Policy

Employees returning from foreign or out-of-state travel, either with or without reimbursement, are required to complete this section of the Travel Voucher.

2. Purpose

The Report on Out-of-State Travel serves several purposes:

a. It provides the permanent travel records for the Office of Planning and Budgets and the University Archives.

b. It provides the basic data from which the Office of Planning and Budgets compiles the annual report of out-of-state and foreign travel.

c. Each traveler is asked to indicate on the travel report the major purpose for which the trip was undertaken, as follows:

1) **Travel in support of professional improvement**. This includes attendance at meetings of professional societies, institutes, workshops, training courses, etc. (The traveler may present a paper, or serve on a committee at a national meeting, but the basic purpose of the meetings is professional improvement.) Travel in this category also includes visits to other institutions for the purpose of "keeping up to date" on methods, materials, procedures, policies, etc.

2) **Travel in support of instructional programs**. This includes travel to plan, coordinate, recruit faculty or secure resources for, or conduct programs of instruction for University students.

3) **Travel in support of research**. This includes travel to plan, coordinate, secure resources for, or conduct research programs. It also includes attendance at meetings or symposia in which the discussion involves a limited portion of the discipline and is centered primarily around the research interests of the participants.

4) **Travel in support of the public service programs of the University**. This includes travel to serve as a resource person at meetings of industrial, governmental, educational, grower or lay groups. It includes serving on federal panels, site visits and accreditation visits, and it includes many of the University Outreach and MSU Extension Service programs.

5) **Travel in support of administration**. This includes travel related primarily to the administrative or supportive functions of the University rather than to the disciplinary programs.

6) **Travel in support of intercollegiate competition**. This includes travel in support of or in connection with intercollegiate athletic contests, music or art competitions, debates, forensic programs, judging contests or other sanctioned University events.

7) **Travel in support of international programs**. Travel may be either foreign or domestic, but is concerned with programs designed to improve conditions in foreign countries or to improve relationships with foreign countries.

8) **Miscellaneous**. Travel not defined in other categories.

D. Insurance

1. Insurance on Vehicles - Refer to Section 35 Office of Risk Management & Insurance in the Manual of Business Procedures.

2. Travel Accident Insurance - Please refer to MSU Human Resource Staff Benefits.

3. Reporting Accidents - Refer to Section 35 III., E Office of Risk Management & Insurance in the Manual of Business Procedures.

E. Travel under Contract, Gift and Grant Funds

1. When travel is funded under contract, gift or grant funds, all requests for authorization and reimbursement must be in accordance with the regulations of the University, or research grant or contract, whichever is the most restrictive.

2. Travel must be restricted to those who are closely associated with the contract, gift or grant. Unit administrators and deans must make sure that travel authorizations and Travel Vouchers clearly state the relationship of the travel to the contract, gift or grant. Expenditures disallowed for failure to conform to contract gift or grant regulations are charged against departmental or college budgets.

3. Employees whose international travel is funded by the U.S. Agency for International Development (AID) **contracts** must be covered by Medical Emergency Evacuation insurance through the MEDEX Assistance Program purchased from the vendor specified by AID. This requirement does NOT apply to AID Grants or Cooperative Agreements; employees traveling under these funding instruments are automatically covered by the University's Emergency Medical Evacuation insurance.

For AID **contract**-funded international travel, the following procedure should be followed. At least three weeks prior to departure, an application to enroll in the MEDEX Assistance Program should be

prepared and sent to the Office of Contract and Grant Administration for approval. The application should include the MSU account number to which the insurance should be charged. (Contracts which require this coverage, allow the expense to be charged to the contract.) Upon approval, Contract and Grant Administration will forward the application to the Office of Risk Management and Insurance for processing.

Applications may be obtained from the Office of Risk Management and Insurance (5-5022).

VI. EXHIBITS

Exhibit 70-A. Reimbursement Chart

Exhibit 70-B. Federal Key Cities - Meal Per Diem Rates

Exhibit 70-C. In-State (One -Way) Mileage Chart

Exhibit 70-D. Out-of-State (One-Way) Mileage Chart

Exhibit 70-E. Travel ~~Authorization~~ VOUCHER Form

Exhibit 70-F. International Travel Per Diem And Lodging Reimbursement Work Sheet

Exhibit 70-G. Work Sheet for International Travel Expense Other Than Lodging and M&IE

Exhibit 70-H. International Travel Scenario

Exhibit 70-I. Completed Travel Voucher/Work Sheets (Foreign)

Exhibit 70-J. International Travel Per Diem and Lodging Reimbursement Work Sheet

Exhibit 70-K. Direct Billing Application





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SECTION 70: TRAVEL REGULATIONS

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VI. EXHIBITS

SECTION 70: TRAVEL REGULATIONS

I. GENERAL POLICY

A. General Policy

Travel by University personnel should be in support of a specific program of instruction, research or public service, or more general programs of professional improvement or University operations. Decisions regarding the use of travel funds will be made by the individual units of the University. Travel policies, procedures, regulations and reimbursement rates apply to all University travel regardless of source of funds. University business travel is defined as any travel paid for, whether in advance or through reimbursement, out of an MSU account, including grant and agency accounts. This policy also applies to non-MSU employees whose travel is paid for by the University (e.g. recruits, speakers, consultants, and other MSU guests).

When travel is funded by a grant, contract, or sponsored program, the use of travel funds will be governed by the more restrictive of either grant, contract or University policies (e.g., Fly America Act or different per diem rates).

B. Eligibility

All employees, persons who are invited to the University or who are asked to travel for the University, graduate students and undergraduate students employed by the University or representing the University in intercollegiate athletics, scholastic or music competitions and other sanctioned University events are eligible to travel. Exceptions must be approved in advance by the Office of Planning and Budgets.

Aliens traveling on a "temporary visitor for business" visa may be reimbursed for their travel expenses (or travel expenses may be made directly on their behalf). Aliens traveling on a "temporary visitor for pleasure" visa **may not** have their travel expenses either reimbursed by the University or paid on their behalf.

C. Limitations and Exceptions

1. All travel must be authorized or approved in advance of departure. Each traveler must have a separate authorization which includes all funding sources.

2. The administrator responsible for the funds must sign the authorization part of the Travel Voucher in advance of the travel.

3. Foreign travel authorizations must be approved by the Office of Contract and Grant Administration if the travel is funded by a grant or contract under account numbers 61-0000 through 61-9999.

4. University employees are responsbile for travel cost for both domestic and foreign travel and must request reimbursement via the Travel Voucher using original receipts. Eligible University business travelers are offered the option to have airline and rail ticket purchases directly billed to the University when booked through the CTAs. Business travelers may call any one of the three CTAs to utilize direct billing. Airfare may be booked up to 120 days prior to trip departure. Travelers may charge airfare/rail tickets to multiple MSU account numbers if desired. The MSU business traveler must provide the travel agent with a valid account number and travel object code at the time of reservations. A combination trip of business and leisure air travel cannot be direct billed to the MSU account number. Direct billed airfare/rail charges will be expensed monthly on the respective departmental fund ledger reports. Airfare for non-University personnel may be prepaid by utilizing airfare/rail direct billing through the funding department or by Direct Payment Voucher.

5. MSU's consolidated travel management program includes contracts with a cluster of three travel agencies. MSU's cluster travel agency consolidation was adopted to provide MSU business travelers and travel arrangers with a significantly improved travel program that provides better service and reduces costs.

Under the terms of MSU's contracts, one of the CTAs must issue a ticket for any airline reservation paid for with University funds. Reservations may be made through a CTA travel agent, through a CTA emergency reservations center, or on-line through a CTA-designated web site. While the University encourages faculty and staff to research travel options with Web-based resources, MSU travelers will not be allowed to book air and rail tickets through non-CTA Web-based booking products or directly with airlines. Booking through non-CTA Web-based products and directly with airlines will not allow the MSU business traveler to direct bill their airfare to the University or take advantage of MSU's negotiated airline discounts.

6. Exceptions to the travel regulations must be authorized by the University Travel Office prior to making reservations.

7. As a general policy, expenses attributable to spouse travel are not reimbursable. Prior approval for specific trips or a series of trips with the same function must be obtained from the MAU head, the Provost, and the Vice President for Finance and Operations. In order to be approved, these situations must meet the bona fide business criteria provided for by IRS regulations and may result in taxable income.

8. University personnel returning from foreign or out-of-state travel are required to fill in the **Report on Out-of-State Travel** portion of the Travel Voucher.

9. Reimbursement is generally limited to actual cost of business related

expenses, except for mileage and per diem meals. All meals are limited to those not prepaid in registration or conference fees.

10. Sabbatical leave travel can be approved if a travel plan related to the sabbatical leave assignment is submitted.

11. Conference registration fees must be paid in advance using the MSU Mastercard Purchasing Card whenever possible. If the MSU Purchasing Card cannot be used because the conference registrar will not accept it, or because the registration amount exceeds the MSU Purchasing Card transaction dollar limitation, a Direct Payment voucher must be used. This direct payment voucher must detail the attendee, date, and location of the conference. Travel vouchers submitted for conference-related travel **must** include copies of the conference agenda/materials (documentation specific items, such as meals, lodging and shuttle included in conference fee). Indicate "no meals included" if applicable.

12. Cancellation - When a trip is canceled after the ticket has been issued, the traveler must immediately notify the CTA that issued the ticket. For tickets issued on a discounted fare, the airlines will generally not refund the cost of the ticket, but may allow the value to be placed against future travel (minus an administrative fee). The traveler should inquire of the CTA about using the ticket in this manner. Service fees incurred in the normal course of doing business are reimbursable. Fees incurred by the traveler through negligence, personal choice, or carelessness of the traveler are not reimbursable.

13. On occasion, exceptions to using the CTAs will be warranted. Reimbursements for travel purchases not made through the CTAs must follow the procedures outlined herein. Travelers should familiarize themselves with the exceptions prior to incurring a travel expense.

a. Exception Approval Procedures - The exceptions listed in 13.c do not require prior approval as long as the listed procedures are followed, and the required support materials are submitted at time of reimbursement. When a situation arises that does not appear to fall into the above categories, MSU's Travel Program Adminstrator should be contacted immediately. Exceptions not approved by the Travel Program Administrator (or if he is unavailable) can be forwarded in writing/email by the traveler to the University Controller for further consideration.

b. Lower Cost Exceptions - Each CTA has access to MSU's negotiated discount rates and each CTA guarantees the lowest available published fares. Request for exceptions to policy due to lower cost or logistical impossibility, but not specifically mentioned herein, should be addressed to the Travel Program Administrator prior to travel purchase.

c. Airline Exceptions - Airline tickets for MSU business travel must be issued by one of the CTAs except in the following situations:

1) En route itinerary changes may be made at an airline ticket counter if it is not practical to make the changes via the CTA's emergency service due to severe time constraints, or if it is required that a penalty payment be made directly to the airline. The expense report item should be noted "en route change".

2) it is discovered immediately prior to scheduled departure that the original ticket has been lost and a processing fee is required by the airline for subsequent processing of a Lost Ticket Application form.

3) when laws prohibit an international passenger inbound to the US from purchasing air travel outside the country or origin.

4) when an inbound international traveler can obtain in the country of origin a discounted international inbound ticket that cannot be secured through one of the CTAs.

5) when a lower outbound international fare is available through a consolidator (which provides insurance protection) that cannot be secured through one of the CTA's consolidators. A comparable same-day printed quote from a CTA must be attached to the reimbursement form; (Visit ctlr.msu.edu/travel for future information on consolidators).

6) when a negotiated conference airfare rate can *only* be obtained through the conference organizer. A copy of the conference material indicating this requirement must be submitted with the reimbursement form and.

7) when a University-business trip is more than 50% paid by another organization whose travel policy is more restrictive than MSU's.

D. University Travel Office

The MSU Travel Program is designed to provide improved service to faculty and staff who travel on University business while simultaneously reducing costs. The travel office coordinates the Corporate Card program and works closely with the Cluster Travel Agencies. Questions about MSU's travel policies and procedures, feedback on travel vendor contracts and performance, exception requests, and suggestions for future handbook updates should be directed to:

Bob Patterson
Travel Program Administrator
390 Administration Building
Phone: (517) 353-4419
Fax: (517) 353-1706
patter35@ctlr.msu.edu patter35@msu.edu

Questions about reimbursements, direct billing of airfare, MSU's corporate card, cash advances, and day-to-day travel related issues should be directed to:

Carolyn Snow
Travel Office Manager
370 Administration Building
Phone: (517) 353-4882
Fax: (517) 432-4656
snowc@ctlr.msu.edu snowc@msu.edu

E. Corporate Card

Faculty, Administrative Professionals and Clerical Technical who are expected to travel at least once per year on behalf of the University are eligible to apply for a Corporate Card. Applications are available ion the University Travel Office website: http://ctlr.msu.edu/travel/

MSU utilizes GE Mastercard to provide corporate card services to University travelers. Individual credit cards are issued to eligible employees who travel on behalf of the University. The card is restricted to business travel purchases only, has no annual fee and payments are due in full at the end of each month from the cardholder. An application form may be downloaded (from the University Travel Office web site: ctlr.msu.edu/travel), completed by the traveler and faxed to the Travel Office (517) 432-4656 for processing. An ATM cash advance feature is available to faculty and staff with the GE Mastercard. When MSU business travelers purchase transportation from any CTA using either the Corporate Card or direct billing, they will automatically be insured for $500,000 per ticket at no extra cost to the traveler.

F. Cluster Travel Agencies (CTAs)

Each of the University's CTAs is a full-service travel agency offering MSU travelers and travel arrangers a one-stop-shop and can be accessed via the CTA's Web sites.

a) **Spartan Travel - Primary Agency**
Spartan Travel will serve as the CTAs' primary agency and will operate the MSU Travel Center, which is conveniently located in MSU's International Center. Spartan Travel's contact information is as follows.

MSU Travel Center Operated by Spartan Travel
Address: 117E MSU International Center 3032 Lake Lansing Rd. East Lansing, MI 48823
Phone: 517-(35)3-9898 or 800-684-7384
Fax: 517-(43)2-7400
After hours emergency 800 numer: 1-800-343-0309

Web address: www.spartantravel.com

b) **Anderson International Travel - Secondary Agency**
In order to provide faculty and staff with an alternative choice, Anderson International Travel will serve as the secondary agency. Anderson International Travel's office is located near campus at:

Anderson International Travel
Address: 2740 East Lansing Dr. East Lansing, MI 48823
Phone: 517-(43)2-7711 or 517-337-1300 or 800-723-1233
Fax: 517-337-8561
After hours emergency 800 number: 1-800-366-2100
Web address: www. andersontvl.com

c) **Council Travel - Student Agency**
To provide a specialized service to MSU's student population and to give faculty and staff an additional agency selection, Council Travel has established a full-service agency in the MSU Union Building. Council Travel's contact information is as follows:

Council Travel
Address: MSU Union Building 1st Floor
Phone: 517-(43)2-7722
Fax: 517-(35)5-1870
After hours emergency 800 number: 1-800-2-COUNCIL
Web address: www.counciltravel.com

G. Direct Billing of Airfares/Rail

Eligible University business travelers are offered the option to have airline and rail ticket purchases directly billed to the University when booked through the CTAs. Business travelers may call any one of the three CTAs to utilize direct billing. Airfare may be booked up to 120 days prior to trip departure. Travelers may charge airfare/rail tickets to multiple MSU account numbers if desired. The MSU business traveler must provide the travel agency with a valid account number and travel object code at the time of reservation. A combination trip of business and leisure air travel cannot be direct billed to the MSU account number. Direct billed airfare/rail charges will be expensed monthly on the respective departmental fund ledger reports.

Hotel and car rentals should be paid for by the traveler. Reimbursement request with original receipts should be submitted on the Travel Voucher after the trip.

H. Traveler Preference Profile/Direct Billing Application Form

To expedite processing of Airfare reservations and to ensure accuracy of all travel requests, MSU travelers should complete a Traveler Preference Profile/Direct Billing Application form. Profiles provide a readily accessible (electronic) guide to important billing and ticket delivery information, as well as traveler preferences for meals and seats. Travelers permitted to utilize direct billing of airfare/rail are required to have a signed, authorized Traveler Preference Profile/Direct Billing Application form maintained in their Departmental Office. Authorization must be obtained at the departmental level. Authorized forms should then be faxed to the University Travel Office (fax # 432-4656) for processing and distribution to the CTAs. A copy of the Traveler Preference Profile/Direct Billing Application form must be on file with the CTAs before the traveler is able to utilized direct billing. A Traveler Preference Profile/Direct Billing Application template can be found on MSU's Travel Office web-site at ctlr.msu.edu/travel or from the MSU Travel Office. The Traveler Preference Profile portion of the template may be completed and submitted for reference by the CTAs even if the traveler is not approved for direct billing privileges. MSU travelers are reminded to submit updates whenever their profile/direct billing information changes (e.g., phone number, address, etc.).

II. DOMESTIC TRAVEL

A. General Information

1. In-state travel is defined to include travel for which the destination is

outside the local area but within the state of Michigan.

2. Out-of-state travel is travel for which the destination is outside the state of Michigan but within the United States, including Alaska, Guam, Hawaii, Puerto Rico, the U.S. Virgin Islands, Canada or Mexico. For U.S. government supported projects, Canada and Mexico may or may not be considered foreign travel, as determined by the grant limitations.

3. Student Field Trips - see the Manual of Business Procedures, Section 25.

4. Conference registration fees must be paid in advance using the MSU Mastercard Purchasing Card whenever possible. If the MSU Purchasing Card cannot be used because the conference registrar will not accept it, or because the registration amount exceeds the MSU Purchasing Card transaction dollar limitation, a Direct Payment voucher may be used. This direct payment voucher must detail the attendee, date, and location of the conference. Travel vouchers submitted for conference-related travel **must** include copies of the conference agenda/materials (documentation specific items, such as meals, lodging and shuttle included in conference fee). Indicate "no meals included" if applicable.

B. Eligibility

All employees, persons who are invited to the University or who are asked to travel for the University, graduate students and undergraduate students employed by the University or representing the University in intercollegiate athletics, scholastic or music competitions and other sanctioned University events are eligible to travel. Exceptions must be approved in advance by the Office of Planning and Budgets.

Aliens traveling on a "temporary visitor for business" visa may be reimbursed for their travel expenses (or travel expenses may be made directly on their behalf). Aliens traveling on a "temporary visitor for pleasure" visa **may not** have their travel expenses either reimbursed by the University or paid on their behalf.

C. Limitations and Exceptions

1. All travel must be authorized or approved in advance of departure. Each traveler must have a separate authorization which includes all funding sources.

2. The administrator responsible for the funds must sign the authorization part of the Travel Voucher in advance of the travel.

3. Foreign travel authorizations must be approved by the Office of Contract and Grant Administration if the travel is funded by a grant or contract under account numbers 61-0000 through 61-9999.

D. Authorization

1. **Before departure**, the travel authorization part of the Travel Voucher should be submitted to and approved by someone administratively senior to the traveler. The form provides evidence that the traveler is on University business and may be critical in the event of an insurance claim, worker's compensation claim or other litigation. The original authorized travel voucher should be maintained in the respective department. The final completed travel voucher submitted to the MSU Travel office for reimbursement does not have to have the authorizing signatures. **The Travel Voucher form does not authorize travel related to Outside Work for Pay**. These forms are available from General Stores, stock number 140-27860.

2. If reimbursement is requested, the "Reviewed and Verified" space on the form must be signed by a person responsible for the account being charged. This copy of the Travel Voucher (with verifying signatures) will be sent to the MSU Travel office for reimbursement.

3. For persons who travel in-state on a regular basis for the same purpose which is within the prescribed scope of their duties or when several related in-state trips are to be made by the same person during a short period of time, it is not necessary to prepare an authorization for each trip. In instances as those noted above, the following procedures are prescribed:

   a. An authorization form or letter outlining the reasons for and extent of the authorization of the trips should be completed and kept on file in the departmental office before departure to document that the traveler is on University business.

   b. Whenever reimbursement is requested, the authorization portion of the Travel Voucher **must** be completed with the appropriate approval, and maintained in the originating department.

4. Non-University personnel invited to the University or asked to travel for the University need to have this part of the Travel Voucher filled out before reimbursement is requested. These individuals are not covered by the University Travel Accident Insurance policy (see item V., D. in this section for details).

E. Transportation

1. Common Carrier

   a. When choosing a common carrier, time en route should be a factor.

b. **Taxi** or **limousine services** incurred in connection with authorized travel by common carrier are reimbursable. Taxi expenses are allowable for travel related to business. For example, taxis between hotel and airport are allowable; taxis from hotel to a restaurant to eat a meal, or taxis for sight-seeing trips are not allowable.

c. When travel is by ship or rail, the fare may not exceed the cost of the lowest available airfare. Time en route for the traveler to be away from his/her duties should be measured against travel time by a commercial air carrier.

d. Air travel must be at the lowest logical (considering cost and time) available airfare, which is defined as travel (a) in coach or economy class, unless a CTA certifies non-availability, and (b) via the most logical and efficient route taking into consideration the business traveler's objective and airline penalties and restrictions.

First or business class domestic travel for medical reasons is allowed on an exception basis when a separate written justification is approved prior to booking by the dean, separately reporting director, or equivalent level or above University official. Business class travel may be allowed with prior written approval from Dean or Director for international travel flights exceeding five hours in duration.

e. Employees are not required to accept 100% nonrefundable airfares as a condition for meeting the lowest fares, and refusals to accept flights on which the lowest fares are completely nonrefundable will **not** be considered as coded refusals for management reporting purposes.

f. Travelers may travel on weekends, utilizing excursion fares, if the cost savings for the fare exceeds the additional lodging and per diem costs. This must be documented on the Travel Voucher.

g. University employees are responsible for travel costs for both domestic and foreign travel and must request reimbursement via the travel reimbursement voucher using original receipts. Airfare for non-University personnel may be prepaid by utilizing airfare/rail direct billing through the funding department or by Direct Payment Voucher.

2. Cluster Travel Agency Air Policies

a. Travelers will be provided the lowest available fare for the

requested arrival or departure time. If arrivals are not available within the traveler's parameters, an alternative schedule will be offered to provide maximum cost savings with minimum time inconvenience for the traveler.

b. Travelers not accepting the lowest airfare will have such information coded according to their "reasons" for such refusal (see Travel Reporting Codes listed below). The cluster agency will document all lowest airfare offers and refusals in the passenger name record (PNR) for inclusion in the monthly Air Travel Report for the University.

c. University travelers may be offered the lowest airfare on departures from Lansing, Detroit, and Grand Rapids (or any major commercial airports within 100 miles of their primary office or residence). Refusals to accept flights from other than the nearest airport will **not** be considered as coded refusals for management control. However, the lower fare will be separately reported to provide information that may be helpful for other planning.

d. If the lowest airfare is capacity controlled and not available at the time of reservation, the travel manager will waitlist the traveler for the flight and will note this waitlist on the invoice/itinerary. The agency will contact the carrier to see if the waitlist has cleared prior to departure, and will advise the traveler.

e. When changes in travel plans require either cancellation or revision of airline tickets, the cluster travel agency is to be notified immediately so that alternate arrangements can be made. Changes to flight reservations while en route, which do not require airfare changes, may be made directly with the participating airline. If a fare change is required, however, the University traveler **must** use the agency-provided toll-free telephone reservations number (printed on the traveler's itinerary) for either domestic or international travel in order to ensure complete travel management reporting.

f. Unused tickets should be returned immediately to the travel agency for a possible refund. If no refund is possible, call the University Travel Office for other options.

g. When prepaid tickets for non-MSU employees are not picked up at the airport counter, the sponsoring University employee should notify the cluster travel agency within forty-eight (48) hours. The cluster travel agency will then request authority to refund the prepared ticket advice (PTA) from the issuing airline and process the refund. Prepaid ticket service charges are NOT

refundable from the airline.

h. MSU departments may establish an account with the cluster travel agency for non-MSU persons traveling on behalf of the University. This will enable the department to make the travel arrangements for the traveler and have the tickets delivered to the MSU department office. The department can send the tickets directly to the non-MSU person by using overnight delivery services (for available services call University Stores at 355-1700).

i. Monthly Air Travel Reports from the CTA's are forwarded to unit administrators to analyze travel costs for their unit. Travel Reporting Codes are listed on these reports as information for the unit administrator to analyze lost savings and as information to the Travel Office in determining needs of the travelers. These codes are as follows:

TRAVEL REPORTING CODES

A. Non-air Ticket
B. Lowest fare not used due to airport preference (Except LAN)
C. Lowest fare not used due to Lansing Airport preference
D. Lowest fare or contract carrier not used due to time restrictions
E. Lowest fare not used due to airline preference
F. Could have used NW Contracted Space not available
G. Could have used UA Contracted-Space not available
H. Lowest fare not used due to aircraft preference (jet service)
L. Lowest fare not used due to non-stop or direct flight preference
N. Lowest fare not used due to policy requirements or exemptions
O. Lowest fare not used due to purchase penalty or restrictions
P. Lowest fare is unavailable or is waitlisted
Q. Consolidator ticket used
U. Combined with personal travel
V. Ticket exchange
X. Refund transaction
Y. Lowest published fare used
W. Contract carrier not used due to lower published fare
Z. Contracted or discounted fare used

3. Private Car

a. Reimbursement for transportation by private car is generally authorized only:

1) When common carrier services are not available without undue loss of time.

2) When two or more persons are eligible for similar authorized travel and their riding together would mean a savings to the University. Employees should be encouraged to drive together on authorized travel.

3) When use of a car will permit the traveler to perform his/her duties more effectively.

4) When it will cost the University no more than common carrier, i.e. lowest available discount airfare. The authorizing department should determine the lowest cost alternative by comparing the total cost of mileage, meals and lodging en route to be claimed by the traveler, against the lowest available discount airfare (according to the preferred travel agency). The dollar value of work hours lost while en route should also be factored into the cost of automobile travel.

5) When the use of a private vehicle will not require the traveler to be away from his/her duties for a substantially longer period than travel by common carrier.

b. Expenses for gasoline, repairs, towing, etc. are included in the mileage allowance. Expenses for parking, storage, tolls and ferries are separately reimbursable. See Reimbursement Chart (Exhibit 70-A) for one-way mileage.

4. Rented Vehicles

a. Under certain circumstances, the use of a rental car may be necessary. The business purpose for use of a rental car must be clearly documented on the travel reimbursement voucher. Justification for the expense of car rental as compared with transport by common carrier must be documented (based on comparable total cost, availability and functionality for the intended business use). Many rental car agencies will give a discount or offer "specials" to employees upon presentation of University identification. Rental cars should be mid-size or smaller class when available.

1) The term "common carrier" in this context is intended to mean conveyance such as taxi, limousine, shuttle, courtesy shuttle or commercial airline. Other common carrier such as intra or inter city bus, subway or passenger train are certainly appropriate (and reimbursable) but need not be compared with car rental as viable options.

2) Car rental expenses are only reimbursable if necessary to conduct University business and when justified (as in 4.a. above). Travel to/from restaurants to take meals is deemed to be personal rather than business according to the Internal Revenue Service Regulations and the Federal Travel Regulations. Travel for sightseeing or similar purposes is personal.

3) For University business purposes, if ground transportation is only required to travel between the airport and the work site (e.g. conference location), travelers must inquire into the availability of common carrier before incurring the cost of a

rental car. Most airports are adequately serviced by taxi or shuttle. Many hotels also offer courtesy shuttle service for their guests.

b. When traveling by rental car, car rental costs and time constraints should be considered.

c. The Collision Damage Waiver (CDW) or Loss Damage Waiver (LDW) is not reimbursable by the University. Employees have two options for coverage while driving rental automobiles. Their personal automobile insurance policy may include CDW or LDW coverage when renting automobiles or they may utilize the rental agencies under contract with the Big Ten which include this coverage in their rate. Refer to the University Travel office web site referencing to the Big Ten contract for rental vehicles for details. While visitors are reimbursed for automobile rentals, they should be encouraged to check their personal coverage or corporate contracts for Loss Damage Waiver and liability coverage to avoid additional costs to MSU.

d. Liability coverage. Personal automotive liability policies normally provide liability coverage while driving another vehicle. The University will not reimburse employees for liability insurance costs. Because of unique laws in foreign countries, complications in settling claims and personal policy restrictions, it is recommended that travelers be instructed to buy the liability insurance in all areas except the United States and Canada; the University will reimburse for this expense.

5. Cluster Travel Agency Car Rental Policies

a. Travelers will be offered car rental reservations at discounted corporate or specially-negotiated rates.

b. Rental cars will be confirmed through the cluster travel agency reservation system and confirmation information will be printed on the travel itinerary. The CTA will provide the traveler with the name of the rental agency, pick-up date, pick-up city, and confirmation number for the rental.

6. University-owned Vehicles

a. Travel over 500 miles one way must be approved in advance by the Office of Planning and Budgets. Within the limits of availability and the criteria outlined under **Private Car** above, University-owned vehicles may be used for any authorized travel. University-owned vehicles may not be used by student clubs, student organizations, non-University groups, or by employees engaged in private consulting.

b. Procedures

1) If the vehicle is a departmental vehicle and the trip is local or is short enough so that no request will be made for subsistence, approval for travel may be handled by "signing out" and "signing in" in a record book in the department office. If a request for subsistence will be made, the Travel Voucher form should be completed.

2) If a Motor Pool vehicle is requested, the completed authorization part of the Travel Voucher serves as a vehicle request as well as authorization for the trip. It does not, however, guarantee that a vehicle will be available. Priority decisions with respect to vehicle requests will be made by the Manager of Automotive Services.

c. For further information on Motor Pool policies, see Section 245 of the Manual of Business Procedures.

7. Charter Air Service

a. Charter air service may be authorized when it reduces travel costs and travel time. This must be documented on the Travel Voucher.

b. Reimbursement for private qualified aircraft travel will be made on the basis of personal car mileage or commercial airfare; whichever is less.

c. Approved charter/aircraft companies may be used when a preapproved **AIRCRAFT/CHARTER COMPANY QUALIFICATION FORM** is on file in the University Travel Office.

F. Lodging

1. General Information

a. Lodging rooms should be single rate with hotel or motel original receipt.

b. If two or more MSU travelers share a room, request individual room receipts, if available. If not, submit the reimbursement vouchers together for processing.

c. If the other occupant(s) who shares a room is not an employee, request the single rate be noted on the receipt.

d. If lodging is complimentary (e.g. staying with family, friends, etc.), documentation is required in order to pay per diem. The traveler should indicate date(s) of lodging, address of lodging, and name of lodging provider.

2. Cluster Travel Agency Hotel Policies

a. Travelers will be offered the lowest rack rates for all lodging reservations. In addition, the cluster travel agency will use corporate, consortium, or University-negotiated discounts, where appropriate, in order to obtain any available lower rate for a standard room at a requested property.

b. Travelers not requesting a specific lodging property and travelers who may request a specific property which is not available for their desired travel dates may be offered at least two (2) choices of hotels, by either comparative cost or by requested location (e.g. near airport, convention center, downtown, etc.).

c. When obtaining lodging reservations for the University traveler, the cluster travel agency will provide the traveler with the hotel address, telephone number, per diem rate, and reservation confirmation number.

d. University travelers will be offered the MSU Traveler Preference Profile Forms in order to notify the cluster travel agency of travel preferences. The cluster travel agency will then be required to maintain all information, including travelers' hotel preferences, in a computer-stored personal account record (PAR).

e. Room guarantees and deposits, not required by hotel policy, will only be made at the request of the University traveler and will be the responsibility of the traveler. The University will not be liable for any financial arrangements made for individual travelers.

f. Cancellations for lodging reservations will be the responsibility of the traveler. For their own protection when canceling guaranteed reservations, the traveler should make note of the name of the person through whom the cancellation was made.

G. Reimbursement

1. Travel reimbursements will be based on travel by the usual direct route for the authorized mode of travel. If the traveler plans to use a less direct route or more expensive mode of travel than authorized, bearing the extra costs him/herself, these plans should be noted on a separate sheet attached to the Travel Voucher (Stores stock number 140-27860). Additional cost resulting from stops for personal reasons will not be reimbursed.

2. Claims for reimbursement of expenses incurred with the use of University vehicles must be supported by receipts.

3. Original receipts and original ticket stubs are required for reimbursement of all travel expenses except as noted on the Reimbursement Chart (see Exhibit 70-A).

4. The University does not reimburse for meals taken while not in overnight travel status -- travel to an out-of-town meeting and return on the same day.

5. The following persons are eligible for reimbursement:

a. Employees of the University.

b. Persons who are invited to the University (for lectures, consulting, recruiting, etc.) or who are asked to travel for the University. Meals and lodging furnished to guests in the local area and charged to University accounts must be furnished by on-campus facilities when available.

c. Graduate students. University general funds may not be used for travel to collect data primarily for theses and/or dissertations.

d. Undergraduate students employed by the University or representing the

University in intercollegiate athletics, scholastic or music competitions and other sanctioned University events.

6. Rates of Reimbursement

See Reimbursement Chart (see Exhibit 70-A) for rates of reimbursement and listing of receipts required. The unit administrator may authorize an amount less than full reimbursement.

7. Reimbursement for Nonrefundable Air Tickets

When changes in travel plans require cancellation or revision of airline tickets, the reason for the change must be documented on the voucher.

a. If an employee is unable to travel because of illness on the dates originally ticketed, or if an employee had an illness within his/her immediate family (spouse or children) on the dates originally ticketed, the employee is eligible for departmental reimbursement.

b. If an employee had a death in his/her family on the dates originally ticketed, MSU will follow the **Human Resource Policies and Procedures** Funeral Policy to determine whether the employee is eligible for departmental reimbursement.

c. If the Unit Administrator requests the employee to be performing other duties on the dates originally ticketed, the employee is eligible for departmental reimbursement.

d. When the scheduled MSU reimbursed trip is not taken, the nonrefundable airline ticket coupons still have a "value" and should not be discarded. Call the University Travel Office for procedures to follow to apply this value to future reimbursed travel.

8. Reimbursement for Tips

a. Tips for taxi or limousine service (not to exceed 20% of cost) are reimbursable.

b. Tips for business meals are reimbursable up to 20% of the meal cost. A restaurant receipt must be provided. Documentation must include the name(s) and business affiliation(s) of business guests (for whom the meal was purchased) and the business purpose of the meal expense.

c. Tips for individual meals are not separately reimbursable; these tips are provided for as a part of meal per diem.

d. Tips for lodging limited to $2 per occupancy (not per night) are reimbursable.

e. Tips and fees for personal baggage handling are not reimbursable except as specified in item d. directly above. Tips and fees for baggage handling of **excess accompanied business baggage** (referred to hereafter as "excess business

baggage") are separately reimbursable as follows:

1) For the purpose of this policy, **"business baggage"** is defined as non-personal, project materials such as computers, equipment, manuals, reports, office supplies, etc. **"Excess business baggage"** is defined as business baggage in excess of the weight, size, or number of pieces that is carried free by transportation companies. Currently, the airlines will permit up to two pieces of checked baggage at no additional charge. "Business baggage" transported as "excess business baggage" necessitates the purchase of a separate airline ticket for its transport.

2) The amount reimbursable for baggage handling tips is actual out-of-pocket cost limited to $1 per bag or box of "excess business baggage." Reimbursable tips for **"oversize business baggage"** is limited to actual out-of-pocket cost limited to $3 per box or trunk per handling. ("Oversize business baggage" is defined as "business baggage" in excess of the weight or size that is carried free by transportation companies.) Handling is reasonably anticipated at each link between origin and destination requiring the traveler to personally transfer the baggage.

3) "Excess business baggage" must be documented (content/business purpose) if related transportation cost or tip expense is submitted for reimbursement. In addition, "oversize business baggage" must be separately documented when reimbursement related to its transportation/handling is requested.

4) For Federally-sponsored project activities, some granting agencies require prior written approval for the expense of transporting "excess business baggage" **and** the associated tips and handling fees. If required, such prior written approval must be on file in the Office of Contract and Grant Administration.

III. LOCAL TRAVEL

A. General Information

Local travel is defined as travel within the home community of the traveler's place of employment, exclusive of on-campus travel.

When University business requires an employee or University representative to travel extensively in the local area, and a University vehicle is unavailable for such travel, reimbursement for expenses related to local travel may be authorized.

Departments must keep (on file) memorandum(s) approved by the department head that documents the responsibilities of employees eligible for local travel. The memorandum (s) will serve as the authorization until revised or canceled.

B. Reimbursement

1. On-campus travel is not reimbursable.

2. Local travel consistent with the criteria noted above may be reimbursed as follows:

a. Transportation. Reimbursement will be based upon the University mileage rate. Sufficient detail should be documented on the voucher to support mileage being reimbursed.

b. Meals. Reimbursement will not be made for meals taken in the local area except when attendance at a meal is necessary for participation in a conference or meeting. Business reasons for the exception must be stated and receipts are required in all instances.

c. Lodging. Reimbursement will not be made for lodging in the local area. However, employees whose home offices are elsewhere in the state are eligible for reimbursement for meals and lodging in the East Lansing area. On-campus facilities must be used when available.

3. Reimbursement for local travel will continue to be made by submission of a travel voucher. As a guideline, travel vouchers for local travel should be submitted **quarterly** or when expenses total a minimum of **$25.00**.

IV. FOREIGN TRAVEL

A. General Information

1. Foreign travel includes travel for which the destination is outside the United States. The United States is defined to include Alaska, Hawaii, Puerto Rico, Guam, the U.S. Virgin Islands, Canada and Mexico.

2. For travel supported by contracts and grants, the funding agreement must be reviewed for the definition of foreign travel. Travel from the point of origin and return is considered part of foreign travel. Even though most federal agencies do not consider travel to Mexico and Canada as foreign, air travel to these countries must comply with the Fly American Act.

3. MSU employees traveling overseas on University business must provide receipts for all currency exchange transactions. If receipts are unavailable, the traveler must certify in writing that all funds exchanged have been accounted for and business expense receipts presented must equal the amount received in local currency.

4. University employees are responsible for travel costs for both domestic and foreign travel and must request reimbursement via the Travel Voucher using original receipts. Airfare for non-University personnel may be prepaid by utilizing airfare/rail direct billing through the funding department or by Direct Payment Voucher.

5. Conference registration fees must be paid in advance using the MSU Mastercard

Purchasing Card wherever possible. If the MSU Purchasing Card cannot be used because the conference registrar will not accept it, or because the registration amount exceeds the MSU Purchasing Card transaction dollar limitation, a Direct Payment voucher may be used. This direct payment voucher must detail the attendee, date, and location of the conference. Travel vouchers submitted for conference-related travel **must** include copies of the conference agenda/materials (documentation specific items, such as meals, lodging and shuttle included in conference fee). Indicate "no meals included" if applicable.

B. Eligibility

All employees, persons who are invited to the University or who are asked to travel for the University, graduate students and undergraduate students employed by the Universit or representing the University in intercollegiate athletics, scholastics or music competitions and other sanctioned University events are eligible to travel. Exceptions must be approved in advance by the Office of Planning and Budgets

Aliens traveling on a "temporary visitor for business" visa may be reimbursed for their travel expenses (or travel expenses may be made directly on their behalf). Aliens traveling on a "temporary visitor for pleasure" visa **may not** have their travel expenses either reimbursed by the University or paid on their behalf.

C. Limitations and Exceptions

1. All travel must be authorized or approved in advance of departure. Each traveler must have a separate authorization which includes all funding sources.

2. The administrator responsible for the funds must sign the authorization part of the Travel Voucher in advance of the travel.

3. Foriegn travel authorizations must be approved by the Office of Contract and Grant Administration if the travel is funded by a grant or contract under account numbers 61-0000 through 61-9999.

D. Authorization

Authorization forms and policies for foreign travel are the same as in Domestic Travel. The original authorized travel voucher should be maintained in the respective department. The final completed travel voucher submitted to the MSU Travel Office for reimbursement does not have to have the authorizing signatures. Any foreign travel to be charged to contracts or grants under account number 61-0000 through 61-9999 must be approved by the Office of Contract and Grant Administration.

E. Transportation

1. Grants, cooperative agreements, and contracts supported by the U.S. Government require that travel be on United States Flag carriers by the most direct and expeditious route and at less than first class rates.

2. Travel must be at the lowest, logical (considering cost and time) available airfare unless the travel agency certifies such classes were not available. Lowest, logical airfare for travel is defined as travel in coach or economy. Airfare costs in excess of the lowest, logical available commercial restricted airfare (such as business class) may be selected for continuing flights exceeding five (5) hours of flight time to destinations outside the contiguous United States. This exception requires written justification and documentation of the cost benefit with specific prior approval by the Provost or associate/assistant provost, a vice president or associate/assistant vice president, dean or equivalent separately reporting position.

3. When travel is by ship, the fare may not exceed the cost of the lowest available airfare as authorized by the most direct and expeditious route. Per diem is not payable on board ship where meals and lodging are included in the fare. For U.S. government supported projects, use of an U.S. flag ship and prior approval are required.

4. When travel is by rail, the fare may not exceed the lowest available fare and most direct, expeditious route.

F. Reimbursement - Computation of Lodging and M&IE Per Diem Amounts

1. Reimbursement for lodging and subsistence will be made on a "lodgings-plus per diem system" in accordance with the U.S. Department of State rates. Per diem rates include a maximum amount for lodging expenses and a fixed allowance for meals and incidental expenses (M&IE). Per diem is the maximum daily allowance. Foreign countries (and localities within those countries) are assigned a daily rate by the U.S. Department of State. The rates are subject to their review and are updated each month. Rate information is available from the U.S. State Department web site at www.state.gov/www/perdiems/index.html or on the Office of Contract and Grant Administration and University Travel Office web sites.

2. Lodging includes expenses for overnight sleeping facilities; baths; personal use of the room during daytime; and service charges for fans, air conditioners, heaters and fires furnished in the room when such charges are not included in the room rate. The term "lodging" does not include accommodations on airplanes, trains, or steamers. Rather, these expenses are classified as transportation.

3. Actual lodging expenses (single occupancy) are reimbursed up to the published maximum. **DETAILED RECEIPTS FOR LODGING MUST BE SECURED TO VERIFY LODGING EXPENDITURES.** Any foreign currency exchange rate used in computing the amount of lodging expense to be reimbursed should be noted on the travel reimbursement voucher.

4. M&IE includes all charges for meals and related tips and taxes (specifically excluded are alcoholic beverage and entertainment expenses, and any expenses incurred for other persons); all fees and tips to wait staff, porters, baggage handlers, bell staff, hotel maids, dining room stewards and others on vessels and hotel servants in foreign countries; telegrams and telephone calls reserving hotel accommodations; laundry; cleaning and pressing of clothing; and transportation between places of lodging or business and places

where meals are taken.

While baggage handling tips for personal baggage are included in M&IE and are not separately reimbursable, baggage handling tips for "excess business baggage" may be reimbursable. Consult item II., E., 8., e. above for details.

5. M&IE is computed on a daily basis with the day divided into four quarters. They are: 12:01 a.m. to 6:00 a.m., 6:01 a.m. to noon, 12:01 p.m. to 6:00 p.m., and 6:01 p.m. to midnight. (A quarter day, although reflected here as beginning one minute after the hour, technically begins one second after the stated hour.) Times of departure and arrival must be listed in order to compute the allowable amount of M&IE per diem.

Prorating M&IE rate for partial days: When computing the M&IE per diem for a partial day, the calendar day (12:01 a.m. to midnight) is used as the basis. For each quarter day (or fraction thereof) that an employee is in travel status, one fourth of the applicable M&IE rate is allowable.

6. The applicable maximum per diem rate for each calendar day of travel is determined by the travel status and location of the employee at 12:00 midnight and whether or not lodging is required.

a. Day travel assignment begins: If lodging is required, the maximum per diem is the actual lodging cost incurred (limited by the maximum lodging allowance prescribed by the Federal government for the location of the lodging) plus the applicable M&IE rate prescribed for the location of the lodging prorated as provided in paragraph D., 5. above. The proration of M&IE per diem commences as of the beginning of the quarter day in which the traveler leaves home.

If lodging is not required, the per diem allowable is the **destination** M&IE prorated consistent with paragraph D., 5. above.

NOTE: If a domestic layover is required upon departure, lodging and per diem reimbursement will be based upon the University policy and procedure for domestic travel.

b. Travel days in-country (either en route or at a duty location): If lodging is required, the maximum per diem is the actual lodging cost incurred (limited by the maximum lodging allowance prescribed by the Federal government for the location of the lodging) plus the applicable M&IE rate prescribed for the location of the lodging.

If lodging is not required, the maximum per diem is the applicable M&IE rate prescribed for the duty location, or the destination rate if the traveler is en route to a new duty location.

c. Day of return from travel assignment: If lodging is required, the maximum per diem is the actual lodging cost incurred (limited by the maximum lodging allowance prescribed by the Federal government for the location of the lodging) plus the applicable M&IE rate prescribed for the location of the lodging.

If lodging is not required, the maximum per diem is the M&IE rate applicable to the preceding calendar day prorated as provided in paragraph D., 5. above. The proration of M&IE terminates as of the end of the quarter day in which the traveler arrives home.

NOTE: If a domestic layover is required upon return, lodging and per diem reimbursement will be based upon the University policy and procedure for domestic travel.

7. When lodging is furnished at no cost to the employee, the maximum per diem rate is the M&IE rate for the locality where the no cost lodging is taken. When lodging cost is paid directly by the University, the combined lodging cost plus the M&IE amount cannot exceed the published U.S. Department of State total daily maximum rate for the locality.

8. For international travel, when meals are furnished without charge, the M&IE claim should be reduced by an amount commensurate with the relative proportion that meal represents to the daily M&IE per diem allowance. The proportions are:

Breakfast	15%
Lunch	25%
Dinner	40%
Full Day	80%
Incidentals*	20%

*If all meals are furnished without charge, incidentals are still allowable.

9. If a staff member travels by an indirect route for personal reasons, per diem will normally be paid only for the time it would take to travel by the most direct route.

10. Sample work sheets are provided (see Exhibits 70-F and 70-G) to use in computing and scheduling international travel expenses for per diem, lodging and other expenses. Use of these work sheets is not mandatory but may be useful in determining the correct travel reimbursement amounts. These work sheets **do not** replace the travel reimbursement voucher which must be properly completed in order to obtain reimbursement for travel expenses. Work sheets may be copied from Exhibits 70-F and 70-G.

G. Travel Vouchers.

1. An international travel scenario is included, with completed forms, to illustrate the computation of per diem and lodging expense reimbursement claims (see Exhibits 70-H, 70-I, and 70-J). **NOTE**: If more than one account number is to be charged and if specific travel expenses must be charged to a particular account, the various costs claimed should be marked, e.g. using an asterisk, to indicate the appropriate account.

2. In case of indirect routing for personal reasons, the extra transportation costs will be at the traveler's expense and the additional time should be charged as vacation.

3. All original airline passenger receipts, accompanied by an invoice from the travel agency showing the amount actually paid for the ticket, and any unused flight coupons, must be attached to the Travel Voucher. Tickets and coupons are necessary to provide audit documentation. Itemized original receipts for lodging must also be attached to the travel voucher, along with any documentation available for verifying expenses. The U.S. dollar equivalent for expenses claimed should be listed on the Travel Voucher with a notation of the foreign currency exchange rate used.

4. Taxi expenses are allowable for travel related to business. For example, taxis between hotel and airport are allowable; taxis from hotel to a restaurant to eat a meal or taxis for sight-seeing trips are **not** allowable.

5. Dates and times of departure and arrival should be listed across from the amount claimed for per diem. This is necessary to establish the correct quarter-day allocation.

6. In order to expedite the processing of Travel Vouchers, the actual lodging expenses (see item D., 1. above) should be highlighted on the lodging receipt. Other incidental expenses charged to the room are not considered lodging expenses. If actual lodging expenses exceed the published maximum, travelers should not claim the excess.

H. Source of Funds for Foreign Travel

1. Travel related to overseas projects of the University. Such travel is authorized, arranged and supported through the Office of International Studies and Programs.

2. Travel by faculty members to participate as officers in international organizations. Applications for support from this fund should be addressed to the Dean of International Studies and Programs.

3. Travel supported by the International Centers and Institutes. The International Centers and Institutes may support a limited amount of foreign travel if it is essential to their operation.

4. Travel to participate in international meetings or to do research in foreign areas. Applications for support from this fund should be addressed to the Dean of International Studies and Programs.

5. Travel supported by contracts, gifts or grants from outside agencies. Reimbursement may be made for necessary foreign travel from contract, gift or grant funds provided that the agreements by which the University has accepted the funds cover such travel and that such travel does not interfere with the performance of the normal duties of the traveler.

6. Travel supported by All-University Research grants. Foreign travel may be supported by an All-University Research project to the extent that foreign travel was included in the project application and approved by the All-University Research Committee.

7. Travel supported by cost-of-education allowances. With justification, the cost-of-education allowance which has been allocated to a college or department may be used to support foreign travel by faculty or graduate students. Cost-of-education allowances are usually designated for underwriting costs and improving the quality of graduate education rather than for the benefit of an individual. They should not be used for foreign travel unless the unit has sufficient funds to meet other more urgent needs related to graduate programs.

8. Travel related to teaching courses in foreign areas. Such courses are normally in one of the following categories:

a. Courses supported by outside agencies. Travel related to such courses is essentially the same as travel supported by gifts, grants or contracts.

b. MSU courses taught overseas:

1) If the revenues from off-campus credit courses in foreign areas are credited to the general fund, the corresponding expenditures for travel and teaching may be charged to the general fund.

2) If the revenues from off-campus courses in foreign areas are credited to a revolving fund, as is normally the case for non-credit offerings, the corresponding expenditures must be carried by the revolving fund.

3) "Courses abroad" taught by MSU faculty primarily for MSU students. If the students, or an outside agency, underwrite the cost of transporting the course to a foreign area and providing the necessary physical facilities, the regular salary of the instructor may be paid from the general fund. In addition, the University may provide operational funds to the extent that such funds would have been required had the course been taught on campus. The net cost to the University should not be greater than if the course were taught on campus.

9. Travel by persons invited to the University or asked to travel for the University may be supported by the general fund or other appropriate funds. Meals and lodging furnished to such guests while in the local area and charged to University accounts must be furnished by on-campus facilities, if available.

I. All-University Research Funds

1. Funds made available under the All-University Research grants may be used to include foreign travel subject to the administration of such funds as indicated below.

2. Faculty wishing to use All-University Research funds to cover travel costs will be expected to apply, in addition, for such international funds as may be available from off-campus sources such as foundations and government agencies.

3. The application for international travel funds which is to be supported by an All-

University Research grant should include information on points to which the individual will travel and the research which will be conducted at each point. Reimbursement will be limited to round-trip tourist fare, for MSU faculty members only, and for most direct routing, unless exceptions are made by the dean. In many instances there will be insufficient funds under All-University Research grants to cover the total transportation cost. The balance, additional travel costs, as well as other costs, are to be borne by the faculty member or other approved sources.

4. The All-University Research Project involving international travel is to be carefully screened by the respective unit administrator and the dean of the college before submission of the application to the Vice President for Research Development and Graduate Studies. With the approval of the Office of Research Development and Graduate Studies, the grant will be given a project number and an account number, which should be noted on the travel application request.

J. Special Foreign Travel Fund (SFTF)

1. Purposes - The SFTF is meant to:

a. Fund faculty participation in international congresses, meetings, and performances, or showings held outside of the United States.

b. Supplement departmental and/or college funds available to faculty.

c. Serve to equalize MSU units' ability to support international travel by their faculty.

2. Policies Governing the SFTF

a. All MSU faculty are eligible for SFTF support. However, higher priority will be given to faculty appointed in the tenure system.

b. An individual may not receive more than one SFTF award within a 24-month period.

c. SFTF support is for faculty attendance at international congresses, meetings, performances and showings held outside the United States.

d. Normally, SFTF support may be used for air **transportation expenses from Lansing only**. It cannot be used for per diem and related meeting costs.

e. The SFTF is intended to be a source of last resort. Applicants are thus urged to first explore and secure support from other sources whenever possible, such as departmental or college funds; NSF or NIH grant monies, other grant monies, foundations, and/or personal resources.

f. The SFTF is intended to be supplemental in nature. Normally, departments and colleges must **match** part or all of the SFTF grant made to a faculty member. Grant funds dedicated to travel costs can be used for matching SFTF grants. Only

funds allocated to offset **travel costs** will be considered as being matching monies; that is, funds allocated for conference fees and subsistence costs **cannot be used to match** SFTF grants.

g. SFTF support may not be sought for retroactive reimbursement of travel expenses.

h. If two or more faculty members from the same department or major academic unit apply for support to attend the same meeting, the maximum award will generally be no more than 120% of the full round trip cost for one person, to be split among the individuals in a manner recommended by the relevant unit administrator.

i. Complete applications will be reviewed three times each calendar year: in February, June and October. The **deadlines** for submitting completed applications are: **February 1**, **June 1**, and **October 1**. The review and rating committee will review applications by the 15th of each of the applicable months. Applicants will be notified as to the decision made by the last day of each of these applicable months.

j. A SFTF review committee will review eligible applications. This committee consists of the Dean of International Studies and Programs, or designee, one other Dean, a representative of the Provost's Office and a representative of the Vice President for Research and Graduate Studies.

k. The Dean of International Studies and Programs, or designee, will use the advice of the review committee to make final decisions on award recipients and levels of funding.

l. The Dean of International Studies and Programs, or designee, will notify applicants, their Chairpersons or Directors, and Deans of the decisions made and provide information on procedures for using the award to those who received them.

m. Individuals who receive a SFTF award are required to submit a brief report of their travel and international meeting experience on returning to MSU.

3. Procedures

a. Interested faculty should obtain an application and guidelines from the Office of the Dean, International Studies and Programs. SFTF applicants must provide evidence of an invitation to present a competitive paper, keynote address, juried artistic exhibition, or performance in a major recital hall. Applicants anticipating receiving evidence of this kind but lacking it at the application deadline are encouraged to apply and submit the letter as soon as it is received. In such cases, reimbursement is conditioned on the submission of the letter of invitation.

b. The application should be completed and signed by the applicant, the chair, and the dean.

c. The original and four copies of the completed application and all attachments should be submitted to the Dean of International Studies and Programs by the appropriate deadline.

d. Applications are reviewed three times each year. The three deadlines for submitting applications are: February 1, June 1, and October 1. Unless dictated by early deadlines for responding to meeting organizers, applications for SFTF support should be submitted as follows:

1) Applications for meetings in March through August should be submitted by the February 1 deadline;

2) Applications for meetings in July through December should be submitted by the June 1 deadline;

3) Applications for meetings in November through April should be submitted by the October 1 deadline.

V. OTHER INFORMATION

A. Travel Advances

1. General Information

Regular Faculty, Academic staff, Administrative Professionals and Clerical Technical of Michigan State University who are expected to travel annually on behalf of the University are eligible to be considered for a Corporate Card. Use of this corporate card by the employee for business travel purposes only will eliminate the need for most travel advances. Information on how to obtain a card may be found on the Travel Office website: http://ctlr.msu.edu/travel/

Travel advances cannot be obtained by one person to cover multiple individuals' expenses.

No advance will be issued to cover conference registration fees or hotel deposit fees. Conference fees must be paid by MSU Mastercard Purchasing Card wherever possible (see item I.,C.,11. above).

No advance will be issued for stipends, honorariums or consulting fees.

2. Graduate Students and Employees Not Eligible for a Corporate Card

a. Graduate students and all employees not eligible for the Corporate Card are eligible for a travel advance.

b. The minimum amount allowed for a travel advance for eligible travelers is $350. A lesser amount can be obtained ONLY if reimbursable expenses on the Travel

Voucher will be $350 or more. If the travel authorization section of the Travel Voucher limits reimbursement on expenditures to less than $350, the traveler is not eligible for a travel advance. Accounts are monitored for misuse of the $350 minimum. Misuse will result in loss of the privilege of obtaining travel advances. The minimum amount for a graduate student is $100.

c. No advance (domestic or international) will be issued to a traveler more than 30 calendar days prior to the departure date on the Travel Voucher in order to comply with IRS regulations unless an exception is granted for unusual circumstances. In cases where transportation reservations are made through the "cluster travel agencies" and payment is required more than 30 days in advance of the trip to insure that the reservations are at the lowest possible fare, the airfare should be direct billed to a MSU account number.

d. The amount of each advance is to be determined by the unit administrator. The advance is to cover reimbursable travel costs (excluding airfare) and should not exceed estimated expenditures. Any limitations on the reimbursement amount must be set by the unit prior to issuance of an advance.

e. No advance will be made for travel to be charged against an agency account (account numbers 31-3500 through 31-4999).

f. When a trip is canceled, for any reason, the travel advance must be repaid **immediately**. If the trip is rescheduled, a new Travel Voucher and advance must be issued. Failure to promptly repay the advance upon trip cancellation will be considered misuse and grounds for cancellation of travel advance privileges.

g. NO ADVANCE WILL BE ISSUED TO A TRAVELER HAVING AN EXISTING PAST DUE ADVANCE. FURTHERMORE, ANY TRAVELER WHO HAS A CORPORATE CARD WILL NOT BE ELIGIBLE FOR AN ADVANCE.

3. Undergraduate Students and Non-MSU Personnel Eligibility

a. Undergraduate students on approved travel are not eligible for travel advances. An exception is made when a faculty or staff member is willing to be responsible for the advance. The minimum amount for an advance for an undergraduate student is $100. The student must be registered for the current semester. The faculty or staff member must accompany the student to the University Travel office and request the exception. For more information see item 5., d. below.

b. Non-Michigan State University personnel (visiting professors, retirees, visiting research associates, community volunteers, etc.) on approved travel are eligible for advances when reimbursable travel expenses are expected to exceed $350 and the request is for at least $350. The nonemployee must pick up the advance in person. When the person is not available to pick up the advance, a faculty or staff member may request an advance in their name for the nonemployee. The faculty or staff member will be held responsible for the repayment of the advance. A jointly payable check to the non-MSU person and the staff member will be issued.

In all cases in which an advance is not repaid and becomes uncollectible, the unit administrator's signature guarantees repayment from departmental funds. Delinquent advances may be reported to a credit bureau and assigned to an external agency for collection.

c. Independent contractors conducting business with Michigan State University are **not** eligible for travel advances.

4. Employees Who are Eligible for a Corporate Card

If the authorized travel is international and it can reasonably be assumed that dependence on the Corporate Card will not meet the traveler's needs, then a request for a travel advance may be made. MSU travelers on extended foreign travel who do not expect to return home before the Corporate Card bill is received should call the Travel Office for an alternate option. A travel advance may be obtained **no more than 7 calendar days prior to departure** unless an exception is granted for unusual circumstances. The minimum advance, based on estimated reimbursable non-transportation expenses, is $350.

5. Obtaining an Advance

a. Travel advances may be obtained by presenting the signed original copy of the Travel Voucher with the authorization section completed to the Travel Advance Section of the University Travel Office, 370 Administration Building. A valid student ID card or Faculty/Staff ID, along with a pictured ID is required. Office hours are 8:15 a.m. to 4:45 p.m. Monday through Friday, phone 353-4882. Graduate assistants also need to present appointment papers. The social security number, visa status, or student number of the traveler is required on the authorization part of the Travel Voucher.

b. Faculty, staff or graduate students requesting an advance must do so in person. No third-party advances will be issued unless the traveler is away from the East Lansing area through the departure date. In this case, the advance will be issued as a check made payable to the traveler **only** and will require their endorsement prior to deposit.

c. A non-interest bearing promissory note will be issued for each advance by the Travel Advance Section. This note specifies the repayment date. When the traveler is away from the East Lansing area **and** requests an additional advance, the original authorization must be presented again to the Travel Advance Section and signed for the employee by the unit administrator.

d. If an advance is requested for approved undergraduate student travel, the authorization part of the Travel Voucher must be prepared in the name of the student(s) and a faculty or staff member responsible for the student(s). The promissory note will be issued to the faculty or staff member who may then cash it and distribute it to the student(s). The faculty or staff member will be held responsible for the repayment of the advance.

e. Advances may be received in either of the following two ways:

1) Cash - the promissory note may be exchanged for cash in the Cashier's Office. If exchange of the note is done by a person other than the traveler, it will be issued by check only, made payable to the traveler.

2) Check - the promissory note for any amount may be exchanged for a cashier's check in the Cashier's Office.

6. Repayment of an Advance

a. All travel advances are **due no later** than 30 days after the date the trip is completed (return date). Due dates may be extended on a case by case basis upon approval of a written request submitted to the Travel Advance Section **prior to the original due date**. Failure to promptly repay a travel advance may result in the traveler incurring taxable income for the outstanding amount. Repayment of the unpaid advance will remain an obligation of the traveler.

b. If a travel advance is not paid by the due date, the amount may be deducted from the employee's payroll or stipend check. If payroll or stipend deductions are required to repay a traveler's advance, loss of the travel advance privilege may result.

c. The unit administrator's signature guarantees repayment of a travel advance from departmental funds if the appropriate vouchers are not submitted. The advance will remain an obligation of the traveler until the completed Travel Voucher is submitted.

d. Payments may be made in person in the Cashier's Office, 110 Administration Building, or by mail to the University Travel Office, 370 Administration Building.

7. Graduate Fellow Advance

a. A Graduate Fellow advance is available for graduate students going overseas to collect data for their doctoral dissertations under grants and contracts administered by MSU. In general, the period of travel is usually six months to one year. The advance will provide operating funds for such items as travel expenses, data collection expenses, assistant fees, clerical assistance, etc., whose costs are reimbursable under grants or contracts. The amount of the advance will normally be equal to three months estimated reimbursable expenditures where it is possible to mail replenishment vouchers back to MSU campus. The repayment date of the advance will be 30 days after the return to campus. In cases where a Fellow extends his/her travel en route to campus, the advance repayment date will be extended 30 days from the departure date from the research location.

b. Requests for the advance should be in letter form addressed to the Director of Contract and Grant Administration. The letter should contain the following

information:

1) Name and social security number of the Graduate Fellow

2) Dates of departure and return

3) Research location

4) Grant or contract account, account name, account number

5) Amount of estimated expenditures per month by expenditure type

6) Amount of advance requested

7) Requested payment date

8) Signature of unit administrator

c. After approval, the advance may be obtained from the University Travel Office by the Graduate Fellow.

B. Travel Vouchers

1. Voucher Forms

a. If reimbursement is requested, travel expense claims should be itemized in the expense reimbursement section of the Travel Voucher form obtainable from the MSU Travel Office web site: ctlr.msu.edu/travel or General Stores, stock number 140-27860. The web site form may be completed using computer spreadsheet.

b. Each traveler must submit a separate Travel Voucher for his/her own expenses unless the travel is team travel.

c. Travel Vouchers may be completed via web site download and computer spreadsheet program. The Travel Vouchers may also be typed and all copies submitted according to instructions printed on the reverse side of the pink copy of the Travel Voucher form. The complete name and address of the payee must be included. If the payee is on campus, the address must conform to requirements established by the Campus Mail Service.

2. Preparation of Vouchers

a. Travel Vouchers for reimbursement are to be submitted to the Travel Office within 30 days after return from a trip. Additionally, Travel Vouchers should be submitted for reimbursement within the fiscal year to which they relate when practicable.

b. If more than one account number is to be charged, the various costs claimed should be marked, e.g. using an asterisk, to indicate the appropriate account.

c. The expense reimbursement section of the Travel Voucher must show detailed itemization of the travel and the type and cost of the accommodations used. If claiming expenses for business guests, give name(s) of person(s), position(s) and specific business purpose.

d. Meal per diem will be paid only if the business trip includes an overnight stay. If an overnight stay has been required and documented, and the traveler was in travel status during an entire day, the meal per diem may be lumped together for the three meals and claimed as one amount for the entire day. For one business trip, per diem is also reimbursable for partial travel days which bracket an overnight stay. For such partial days, the per diem attributable to individual meal periods (e.g. BR, LU or DI) should be itemized on the travel reimbursement voucher.

e. Tips for taxi or limousine service (not to exceed 20% of cost) should be listed on the left side of the voucher with other transportation expenses and labeled accordingly (e.g. Tips -- taxi). Each payment of a taxi/limousine tip should be listed adjacent to the expense for the taxi/limousine transportation. Other permissible tips should be listed on the right side of the voucher with other subsistence and miscellaneous expenditures.

f. Original ticket receipts (travel agency invoices also required for international travel), unused flight coupons, and other original receipts are to be stapled to the original Travel Voucher. **If airfare has been directly billed to the MSU account number, complete the "Airfare/Rail Direct Bill" portion of the voucher and add the airline ticket invoice number at the top of the voucher. Direct Bill airfare totals are not a part of reimbursments.**

g. Refer to the Reimbursement Chart (see Exhibit 70-A) for reimbursement rates.

h. If the traveler's reimbursable expenses were limited to an amount less than actual, this limit amount should be clearly noted in the travel authorization section and below the "Total Claim" space of the voucher and labeled as "Limit."

i. The final total and the signatures of the traveler and the persons approving the claim should be on the FIRST page of the Travel Voucher. If the traveler is not an employee of the University, write "Non-MSU" in the signature block of the voucher.

j. If it is not possible for the payee to sign the Travel Reimbursement Voucher due to the payee being out of the area or otherwise unavailable for an extended period of time, it is acceptable for the payee to sign a faxed copy of the fully completed voucher. The signed voucher must reflect the detailed and total claim submitted on their behalf. The departments should attach this faxed copy (marked as "COPY") to the original, which will state "Faxed Signature Attached" in the payee signature space prior to submitting the voucher for payment.

In unusual circumstances, when the department is unable to obtain the certification of the payee either by original signature or by fax:

1. The payee may submit an endorsement of the claim made on their behalf using e-mail. The payee must acknowledge the business purpose, items purchased and voucher amount in their e-mail. This e-mail should be printed out and attached to the original voucher, which will state "E-mail Attached" in the payee signature space. Or,

2. Someone administratively senior to the payee may sign in the payee signature space along with the statement "Signing for Payee." [Please note: By signing, the "signer" certifies that they have received verbal authorization to file the claim on behalf of the payee.]

k. Travel Vouchers and the applicable receipts are forwarded to the MSU Travel Office, 370 Administration Building, 353-4882. If voucher is completed on computer, please make one (1) extra copy of voucher (two (2) extra copies if the travel is out of state) and submit all copies to the MSU Travel office.

l. The Travel Office audits all Travel Vouchers. If a travel advance related to a Travel Voucher being processed has not yet been repaid, the Travel Advance Section will deduct the amount owed and refund the difference or bill for the balance due.

m. After audit, the Travel Office forwards the voucher to Accounting for verification of authorized signatures and correctness of account numbers. Accounting prepares a check and inserts the check number on the voucher.

n. The Travel Voucher is distributed as follows:

Original	Retained by Accounting Office.
Copy 1	Sent to payee with check.
Copy 2	After audit, this copy is sent to the Office of Planning and Budget

Travel Voucher

o. The check is mailed to the payee at the address indicated on the voucher.

p. Weekly Voucher Check Summary Report. Each week the Accounting Department distributes a report which summarizes, by account number, all checks written for that week. For each check, the summary report indicates the payee name, check number, pay date, type of voucher, account number and object code charged and the amount.

C. Report of Out-of-State Travel

1. General Policy

Employees returning from foreign or out-of-state travel, either with or without reimbursement, are required to complete this section of the Travel Voucher.

2. Purpose

The Report on Out-of-State Travel serves several purposes:

a. It provides the permanent travel records for the Office of Planning and Budgets and the University Archives.

b. It provides the basic data from which the Office of Planning and Budgets compiles the annual report of out-of-state and foreign travel.

c. Each traveler is asked to indicate on the travel report the major purpose for which the trip was undertaken, as follows:

1) **Travel in support of professional improvement**. This includes attendance at meetings of professional societies, institutes, workshops, training courses, etc. (The traveler may present a paper, or serve on a committee at a national meeting, but the basic purpose of the meetings is professional improvement.) Travel in this category also includes visits to other institutions for the purpose of "keeping up to date" on methods, materials, procedures, policies, etc.

2) **Travel in support of instructional programs**. This includes travel to plan, coordinate, recruit faculty or secure resources for, or conduct programs of instruction for University students.

3) **Travel in support of research**. This includes travel to plan, coordinate, secure resources for, or conduct research programs. It also includes attendance at meetings or symposia in which the discussion involves a limited portion of the discipline and is centered primarily around the research interests of the participants.

4) **Travel in support of the public service programs of the University**. This includes travel to serve as a resource person at meetings of industrial, governmental, educational, grower or lay groups. It includes serving on federal panels, site visits and accreditation visits, and it includes many of the University Outreach and MSU Extension Service programs.

5) **Travel in support of administration**. This includes travel related primarily to the administrative or supportive functions of the University rather than to the disciplinary programs.

6) **Travel in support of intercollegiate competition**. This includes travel in support of or in connection with intercollegiate athletic contests, music or art competitions, debates, forensic programs, judging contests or other sanctioned University events.

7) **Travel in support of international programs**. Travel may be either foreign or domestic, but is concerned with programs designed to improve

conditions in foreign countries or to improve relationships with foreign countries.

8) **Miscellaneous**. Travel not defined in other categories.

D. Insurance

1. Insurance on Vehicles - Refer to Section 35 Office of Risk Management & Insurance in the Manual of Business Procedures.

2. Travel Accident Insurance - Please refer to MSU Human Resource Staff Benefits.

3. Reporting Accidents - Refer to Section 35 III., E Office of Risk Management & Insurance in the Manual of Business Procedures.

E. Travel under Contract, Gift and Grant Funds

1. When travel is funded under contract, gift or grant funds, all requests for authorization and reimbursement must be in accordance with the regulations of the University, or research grant or contract, whichever is the most restrictive.

2. Travel must be restricted to those who are closely associated with the contract, gift or grant. Unit administrators and deans must make sure that travel authorizations and Travel Vouchers clearly state the relationship of the travel to the contract, gift or grant. Expenditures disallowed for failure to conform to contract gift or grant regulations are charged against departmental or college budgets.

3. Employees whose international travel is funded by the U.S. Agency for International Development (AID) **contracts** must be covered by Medical Emergency Evacuation insurance through the MEDEX Assistance Program purchased from the vendor specified by AID. This requirement does NOT apply to AID Grants or Cooperative Agreements; employees traveling under these funding instruments are automatically covered by the University's Emergency Medical Evacuation insurance.

For AID **contract**-funded international travel, the following procedure should be followed. At least three weeks prior to departure, an application to enroll in the MEDEX Assistance Program should be prepared and sent to the Office of Contract and Grant Administration for approval. The application should include the MSU account number to which the insurance should be charged. (Contracts which require this coverage, allow the expense to be charged to the contract.) Upon approval, Contract and Grant Administration will forward the application to the Office of Risk Management and Insurance for processing.

Applications may be obtained from the Office of Risk Management and Insurance (5-5022).

VI. EXHIBITS

Exhibit 70-A. Reimbursement Chart

Exhibit 70-B. Federal Key Cities - Meal Per Diem Rates

Exhibit 70-C. In-State (One -Way) Mileage Chart

Exhibit 70-D. Out-of-State (One-Way) Mileage Chart

Exhibit 70-E. Travel ~~Authorization Form~~ Voucher

Exhibit 70-F. International Travel Per Diem And Lodging Reimbursement Work Sheet

Exhibit 70-G. Work Sheet for International Travel Expense Other Than Lodging and M&IE

Exhibit 70-H. International Travel Scenario

Exhibit 70-I. Completed Travel Voucher/Work Sheets (Foreign)

Exhibit 70-J. International Travel Per Diem and Lodging Reimbursement Work Sheet

Exhibit 70-K. Direct Billing Application



70 done 10/1/01 SF Section 70 ✓

c. The unit administrator's signature guarantees repayment of a travel advance from departmental funds if the appropriate vouchers are not submitted. The advance will remain an obligation of the traveler until the completed Travel Voucher is submitted.

d. Payments may be made in person in the Cashier's Office, 110 Administration Building, or by mail to the University Travel Office, 370 Administration Building.

7. Graduate Fellow Advance

a. A Graduate Fellow advance is available for graduate students going overseas to collect data for their doctoral dissertations under grants and contracts administered by MSU. In general, the period of travel is usually six months to one year. The advance will provide operating funds for such items as travel expenses, data collection expenses, assistant fees, clerical assistance, etc., whose costs are reimbursable under grants or contracts. The amount of the advance will normally be equal to three months estimated reimbursable expenditures where it is possible to mail replenishment vouchers back to MSU campus. The repayment date of the advance will be 30 days after the return to campus. In cases where a Fellow extends his/her travel en route to campus, the advance repayment date will be extended 30 days from the departure date from the research location.

b. Requests for the advance should be in letter form addressed to the Director of Contract and Grant Administration. The letter should contain the following information:

1) Name and social security number of the Graduate Fellow

2) Dates of departure and return

3) Research location

4) Grant or contract account, account name, account number

5) Amount of estimated expenditures per month by expenditure type

6) Amount of advance requested

7) Requested payment date

8) Signature of unit administrator

c. After approval, the advance may be obtained from the University Travel Office by the Graduate Fellow.

B. Travel Vouchers

1. Voucher Forms

a. If reimbursement is requested, travel expense claims should be itemized in the expense reimbursement section of the Travel Voucher form obtainable from the MSU Travel Office web site: ctlr.msu.edu/travel or General Stores, stock number 140-27860. The web site form may be completed using computer spreadsheet.

b. Each traveler must submit a separate Travel Voucher for his/her own expenses unless the travel is team travel.

c. Travel Vouchers may be completed via web site download and computer spreadsheet program. The Travel Vouchers may also be typed and all copies submitted according to instructions printed on the reverse side of the pink copy of the Travel Voucher form. The complete name and address of the payee must be included. If the payee is on campus, the address must conform to requirements established by the Campus Mail Service.

TRAVEL

Section 70, V.B.

2. Preparation of Vouchers

a. Travel Vouchers for reimbursement are to be submitted to the Travel Office within 30 days after return from a trip. Additionally, Travel Vouchers should be submitted for reimbursement within the fiscal year to which they relate when practicable.

b. If more than one account number is to be charged, the various costs claimed should be marked, e.g. using an asterisk, to indicate the appropriate account.

c. The expense reimbursement section of the Travel Voucher must show detailed itemization of the travel and the type and cost of the accommodations used. If claiming expenses for business guests, give name(s) of person(s), position(s) and specific business purpose.

d. Meal per diem will be paid only if the business trip includes an overnight stay. If an overnight stay has been required and documented, and the traveler was in travel status during an entire day, the meal per diem may be lumped together for the three meals and claimed as one amount for the entire day. For one business trip, per diem is also reimbursable for partial travel days which bracket an overnight stay. For such partial days, the per diem attributable to individual meal periods (e.g. BR, LU or DI) should be itemized on the travel reimbursement voucher.

e. Tips for taxi or limousine service (not to exceed 20% of cost) should be listed on the left side of the voucher with other transportation expenses and labeled accordingly (e.g. Tips -- taxi). Each payment of a taxi/limousine tip should be listed adjacent to the expense for the taxi/limousine transportation. Other permissible tips should be listed on the right side of the voucher with other subsistence and miscellaneous expenditures.

f. Original ticket receipts (travel agency invoices also required for international travel), unused flight coupons, and other original receipts are to be stapled to the original Travel Voucher. **If airfare has been directly billed to the MSU account number, complete the "Airfare/Rail Direct Bill" portion of the voucher and add the airline ticket invoice number at the top of the voucher. Direct Bill airfare totals are not a part of reimbursments.**

g. Refer to the Reimbursement Chart (see Exhibit 70-A) for reimbursement rates.

h. If the traveler's reimbursable expenses were limited to an amount less than actual, this limit amount should be clearly noted in the travel authorization section and below the "Total Claim" space of the voucher and labeled as "Limit."

i. The final total and the signatures of the traveler and the persons approving the claim should be on the FIRST page of the Travel Voucher. If the traveler is not an employee of the University, write "Non-MSU" in the signature block of the voucher.

j. If it is not possible for the payee to sign the Travel Reimbursement Voucher due to the payee being out of the area or otherwise unavailable for an extended period of time, it is acceptable for the payee to sign a faxed copy of the fully completed voucher. The signed voucher must reflect the detailed and total claim submitted on their behalf. The departments should attach this faxed copy (marked as "COPY") to the original, which will state "Faxed Signature Attached" in the payee signature space prior to submitting the voucher for payment.

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1. The payee may submit an endorsement of the claim made on their behalf using e-mail. The payee must acknowledge the business purpose, dates of travel, travel destination, and voucher amount in their e-mail. This e-mail should be printed out and attached to the original voucher, which will state "E-mail Attached" in the payee signature space. Or,

2. Someone administratively senior to the payee may sign in the payee signature space along with the statement "Signing For Payee." [Please note: By signing, the "signer" certifies that they have received verbal authorization to file the claim on behalf of the payee.]

S: Common\Tonpl M&P Signature Mod Draft

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b. If more than one account number is to be charged, the various costs claimed should be marked, e.g. using an asterisk, to indicate the appropriate account.

c. The expense reimbursement section of the Travel Voucher must show detailed itemization of the travel and the type and cost of the accommodations used. If claiming expenses for business guests, give name(s) of person(s), position(s) and specific business purpose.

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j. Travel Vouchers and the applicable receipts are forwarded to the MSU Travel Office, 370 Administration Building, 353-4882. If voucher is completed on computer, please make two (2) extra copies of voucher and submit all copies to the MSU Travel office.

k. The Travel Office audits all Travel Vouchers. If a travel advance related to a Travel Voucher being processed has not yet been repaid, the Travel Advance Section will deduct the amount owed and refund the difference or bill for the balance due.

l. After audit, the Travel Office forwards the voucher to Accounting for verification of authorized signatures and correctness of account numbers. Accounting prepares a check and inserts the check number on the voucher.

m. The ~~non-computerized~~ Travel Voucher is distributed as follows:

Original	~~White~~	Retained by Accounting Office.
	~~Golden~~	~~Retained by the Travel Advance Office when a travel advance is issued.~~
Copy 2	~~Yellow~~	After audit, this copy is sent to the Office of Planning and Budgets. for out of state travel.
	~~Pink~~	~~Retained by the originating department for their records.~~
Copy 1	~~Blue~~	Sent to payee with check.

n. The check is mailed to the payee at the address indicated on the voucher.

o. Weekly Voucher Check Summary Report. Each week the Accounting Department distributes a report which summarizes, by account number, all checks written for that week. For each check, the summary report indicates the payee name, check number, pay date, type of voucher, account number and object code charged and the amount.

C. Report of Out-of-State Travel

1. General Policy

Employees returning from foreign or out-of-state travel, either with or without reimbursement, are required to complete this section of the Travel Voucher.

2. Purpose

The Report on Out-of-State Travel serves several purposes:

a. It provides the permanent travel records for the Office of Planning and Budgets and the University Archives.

b. It provides the basic data from which the Office of Planning and Budgets compiles the annual report of out-of-state and foreign travel.

c. Each traveler is asked to indicate on the travel report the major purpose for which the trip was undertaken, as follows:

1) **Travel in support of professional improvement**. This includes attendance at meetings of professional societies, institutes, workshops, training courses, etc. (The traveler may present a paper, or serve on a committee at a national meeting, but the basic purpose of the meetings is professional improvement.) Travel in this category also includes visits to other institutions for the purpose of "keeping up to date" on methods, materials, procedures, policies, etc.

2) **Travel in support of instructional programs**. This includes travel to plan, coordinate, recruit faculty or secure resources for, or conduct programs of instruction for University students.

3) **Travel in support of research**. This includes travel to plan, coordinate, secure resources for, or conduct research programs. It also includes attendance at meetings or symposia in which the discussion involves a limited portion of the discipline and is centered primarily around the research interests of the participants.

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7) **Travel in support of international programs**. Travel may be either foreign or domestic, but is concerned with programs designed to improve conditions in foreign countries or to improve relationships with foreign countries.

8) **Miscellaneous**. Travel not defined in other categories.

D. Insurance

1. Insurance on Vehicles - Refer to Section 35 Office of Risk Management & Insurance in the Manual of Business Procedures.

2. Travel Accident Insurance - Please refer to MSU Human Resource Staff Benefits.

3. Reporting Accidents - Refer to Section 35 III., E Office of Risk Management & Insurance in the Manual of Business Procedures.

E. Travel under Contract, Gift and Grant Funds

1. When travel is funded under contract, gift or grant funds, all requests for authorization and reimbursement must be in accordance with the regulations of the University, or research grant or contract, whichever is the most restrictive.

2. Travel must be restricted to those who are closely associated with the contract, gift or grant. Unit administrators and deans must make sure that travel authorizations and Travel Vouchers clearly state the relationship of the travel to the contract, gift or grant. Expenditures disallowed for failure to conform to contract gift or grant regulations are charged against departmental or college budgets.

3. Employees whose international travel is funded by the U.S. Agency for International Development (AID) **contracts** must be covered by Medical Emergency Evacuation insurance through the MEDEX Assistance Program purchased from the vendor specified by AID. This requirement does NOT apply to AID Grants or Cooperative Agreements; employees traveling under these funding instruments are automatically covered by the University's Emergency Medical Evacuation insurance.

For AID **contract**-funded international travel, the following procedure should be followed. At least three weeks prior to departure, an application to enroll in the MEDEX Assistance Program should be prepared and sent to the Office of Contract and Grant Administration for approval. The application should include the MSU account number to which the insurance should be charged. (Contracts which require this coverage, allow the expense to be charged to the contract.) Upon approval, Contract and Grant Administration will forward the application to the Office of Risk Management and Insurance for processing.

Applications may be obtained from the Office of Risk Management and Insurance (5-5022).

VI. EXHIBITS

Exhibit 70-A. Reimbursement Chart

Exhibit 70-B. Federal Key Cities - Meal Per Diem Rates

Exhibit 70-C. In-State (One -Way) Mileage Chart

Exhibit 70-D. Out-of-State (One-Way) Mileage Chart

Exhibit 70-E. Travel Authorization Form

Exhibit 70-F. International Travel Per Diem And Lodging Reimbursement Work Sheet

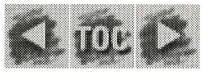
Exhibit 70-G. Work Sheet for International Travel Expense Other Than Lodging and M&IE

Exhibit 70-H. International Travel Scenario

Exhibit 70-I. Completed Travel Voucher/Work Sheets (Foreign)

Exhibit 70-J. International Travel Per Diem and Lodging Reimbursement Work Sheet

Exhibit 70-K. Direct Billing Application



SECTION 74: INVOICE PROCESSING SYSTEM

I. GENERAL

The invoice processing system is used to process payments for all items obtained by purchase order (excluding purchase order drafts).

II. PROCEDURES

A. Upon receipt of a vendor invoice, Accounts Payable will enter the invoice into the procurement system. The invoice will then be audited against the corresponding purchase order.

B. Once the invoice is matched by the system, approved and scheduled for payment, a copy of the invoice along with a Negative Confirmation form (Exhibit XXX is forwarded to the department for review.

C. If Accounts Payable is notified through the system audit that the invoice submitted by the supplier is at variance with the terms of the University purchase order, a copy of the invoice is forwarded to the Purchasing Department buyer for resolution.

   All variances must be resolved. This may require a change order to the original purchase order, acceptance of the variance by the ordering and Purchasing departments, adjust the invoice to conform to the purchase order terms, or return of the invoice to the vendor for resolution.

D. Three days before the scheduled due date of the invoice, a check is created to pay the appropriate vendor for the purchase. A Weekly Department Invoice Summary report is provided for each departmental account that invoice payments were issued to during the period.

E. Upon receipt of the invoice and negative confirmation, the ordering department should verify receipt of materials or services covered by the vendor invoice.

   1. If the materials or services have been satisfactorily received, the department should retain the invoice copy for their records. No further action is required. The invoice will be paid just prior to the scheduled due date indicated.

2. If payment should not be made (damaged goods, incomplete shipment, etc.), the department should immediately contact the Accounts Payable department to stop the check creation process and follow up with the appropriate buyer in the Purchasing Department to resolve the issue.

   Without Purchasing approval, AP will only hold the check until the scheduled due date.

F. Applicable credits and discounts, if any, will be deducted by Accounts Payable prior processing payments for the particular vendor.

G. For any changes to the PO, a change order must be processed through the Purchasing Department. This includes increasing or decreasing the original order quantity, adding or deleting line items, changing specifications, changing account number, etc.

H. Accounts Payable office maybe contacted via phone 353-2011, e-mail directly to invoice auditor, or web page, http://ctlr.msu.edu/acctg/invoiceconf.asp

III. EXHIBITS

Exhibit 74-A. Negative Confirmation

INVOICE PAYMENT NOTIFICATION (REALITY! SYSTEM)
PROMPT DEPARTMENTAL *REVIEW* REQUIRED
Instructions for Processing

Please examine the payment(s) listed on the enclosed report(s).

The invoice itemized on ***each report*** is scheduled to be paid in time to reach the supplier by the Scheduled Due Date noted on the report. If payment should proceed, no response from you is required.

The Purchasing Department obtains the best payment terms from vendors and the Controller's Office pays suppliers based on those terms. Accordingly, the listed payments are due and will be paid by the Scheduled Date unless you advise us not to make payment.

If the invoice should NOT be paid, you must notify Accounts Payable and the buyer (noted to the right side of the report) at least five days before the Scheduled Due Date.

1. You may notify Accounts Payable via our "Invoices" web page at *http://ctlr.msu.edu/acctg/invoiceconf.asp*.

   Please provide all information requested. We will follow up with you. Or,

2. You may telephone us at (517) 353-2011 to alert us to a problem with the transaction. Ask for the auditor named in the rightmost column of the report.

Accounts Payable
360 Administration Bldg
East Lansing, MI 48824-1046

done 5/1/02 SY

VII. NONRESIDENT ALIEN PAYEES

Payments to nonresident alien payees of compensation, rents, royalties, prizes, awards, scholarships/fellowships for non-enrolled students, allowances, and reimbursement of undocumented travel expenses are subject to special Internal Revenue Service rules. See section 77 concerning payments to nonresident aliens.

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MICHIGAN STATE
UNIVERSITY

September 20, 2001

TO: MAU Budget Personnel

FROM: David B. Brower, Controller

SUBJECT: **DISBURSEMENT VOUCHER PROCESSING ISSUES**

The attached "Voucher Processing Issues" document will address certain processing requirements relating to disbursement vouchers; specifically, the signatures required to authorize them and the number of voucher copies that are to be submitted for processing.

The signatures of payees and approvers serve an important internal control function supporting the payment of disbursement vouchers. In order to meet accountability documentation standards, the payee submitting the voucher is expected to personally sign the voucher. Unfortunately, a growing number of vouchers submitted for processing lack the payee's signature. The attached notice summarizes the existing signature requirements. It also announces special signature procedures for use in unique situations that will help units deal with obtaining/providing the signature of payees who are not physically present to provide their signature.

The availability and increasing use of downloadable disbursement voucher forms via the Controller's Office Web site http://ctlr.msu.edu/download and other local sources has diminished the use of pre-printed forms available through University Stores. Unfortunately, many of the vouchers submitted using downloaded templates lack sufficient copies and notation as "COPY". This results in delayed processing for all vouchers. This reminder highlights the need to submit disbursement vouchers with sufficient, properly identified copies.

Please review Section 75 of the *Manual of Business Procedures* for detailed policies and procedures for processing disbursement vouchers. The Manual is available on our Web site at http://ctlr.msu.edu/mbp.

Our long-term goal is to provide an online facility for preparing and submitting disbursement "vouchers" including routing, authorization, documentation and storage. Until then, we hope the incremental technology we can make available to you is beneficial.

Thank you for your assistance with this matter.

Encl.

OFFICE OF THE
CONTROLLER
Michigan State University
305 Administration Building
East Lansing, MI
48824-1046
517/355-5020
FAX: 517/432-5269

http://ctlr.msu.edu

MSU is an affirmative-action, equal-opportunity institution.

Controller's Office
Voucher Processing Issues
September 19, 2001

Please review the following requirements. Vouchers not meeting these requirements may be returned.

A. Payee Signatures

The payee signature is required on travel and reimbursement vouchers as it indicates their concurrence with the amount and content of the voucher submitted. The Manual of Business Procedures stipulates that only in instances of payments to non-MSU payees is the signature not required. (Even in these cases, while not required, it is preferable that the payee signs the voucher.)

If it is not possible for the payee to sign the travel/reimbursement voucher due to the payee being out of the area or otherwise unavailable for an extended period of time, it is acceptable for the payee to sign a faxed copy of the fully completed voucher. The signed voucher must reflect the detailed and total claim submitted on their behalf. The departments should attach this faxed copy (marked as "COPY") to the original, which will state "Faxed Signature Attached" in the payee signature space prior to submitting the voucher for payment.

In unusual circumstances, when the department is unable to obtain the certification of the payee either by original signature or by fax:

1. The payee may submit an endorsement of the claim made on their behalf using e-mail. For travel reimbursements, the payee must acknowledge the business purpose, dates of travel, travel destination, and voucher amount in their e-mail. For other reimbursements, the business purpose and voucher amount must be acknowledged. This e-mail should be printed out and attached to the original voucher, which will state "E-mail Attached" in the payee signature space. Or,

2. Someone administratively senior to the payee may sign in the payee signature space along with the statement "Signing For Payee." [Please note: By signing, the "signer" certifies that they have received verbal authorization to file the claim on behalf of the payee.]

B. Departmental Approval Signatures

All vouchers require an **original signature** of an authorized signer for the account(s) charged.

Before travel commences the travel authorization part of the travel voucher should be submitted to and approved by someone administratively senior to the traveler. The original authorized travel voucher should be maintained in the respective department. The final completed travel voucher submitted to the MSU Travel Office for reimbursement must be signed by an authorized signer in the "Reviewed and Verified" space.

Reimbursement vouchers must have the approval and signature of an authorized signer who is administratively senior to the payee in the "Administrative Senior" space.

C. Missing Voucher Copies

Please provide sufficient copies of vouchers when submitting them for processing. When copies are missing, Controller's Office staff must delay processing those vouchers to make sufficient copies to complete the voucher sets. Vouchers submitted without sufficient copies on an ongoing basis may be returned to the submitting department to complete the voucher sets. ALSO NOTE: When providing the necessary copies, please **mark them clearly as copies to prevent them from being processed as originals, resulting in duplicate payments.**

Direct payment vouchers require one original and one copy.
Multiple check vouchers require one original and one copy.
Reimbursement vouchers require one original and one copy.
Travel reimbursement vouchers require one original and one copy (plus one additional copy if for out-of-state travel).

MICHIGAN STATE UNIVERSITY
RECEIVED
APR 19 2002
OFFICE OF THE GENERAL COUNSEL

Greg Baker
5-5000

MICHIGAN STATE UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR

(This Contract form should be completed before work commences)

Michigan State University (referred to in the Contract as University) enters into a binding agreement with:

Contractor: Phone No.:

Address (home address, if individual):

City: State: Zip Code:

U.S. Citizen: Yes ◯ No ◯ If No, Country of Citizenship: _____ and Residence: _____

If No, are you a non-resident alien? _____ Visa Type _____ Resident alien? _____

Incorporated: Yes ◯ No ◯ If Yes, Profit ◯ Nonprofit ◯. If No, pick type of business Sole Proprietorship and give name of Partner or Sole Proprietor, if different from Contractor above: _____

U.S. Social Security Number or U.S. Federal Employer Identification Number: _____

Subject to backup withholding: Yes ◯ No ◯

REPORTING PURPOSES ONLY COPY TO PURCHASING WHEN CONTRACT IS WITH WOMAN/MINORITY-OWNED VENDOR (EVEN IF < OR = $10,000).
51% Ownerships:

Woman Owned ◯ **Minority Owned:** African Amer. ◯ Hispanic Amer. ◯ Native Amer. ◯ Asian-Pacific Amer. ◯ Asian-Indian Amer. ◯

NATURE OF SERVICES TO BE RENDERED: **PERFORMED AT (LOCATION):**

PERFORMANCE SCHEDULE:

Starting date: Ending date: Total hours:

COMPENSATION INFORMATION:

Account(s) to be charged: Payment terms:

Rate of Pay: (indicate hourly, daily, total project, etc.) $

Services shall not exceed: $ Expenses shall not exceed: $

Nature of Expenses:

DEPARTMENTAL CONTACT PERSON:

The Contractor should communicate with the following departmental representative regarding this contract:

Name: Phone No.:

Address:

The Department's responsibility for supporting the performance of services is limited to the following:

CONDITIONS AND ROUTING PROCEDURE:

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **NONRESIDENT ALIEN**. If the Contractor is a nonresident alien performing services in the United States or it's territories, the Contractor agrees that proof of visa status (I94 Form) documenting authorization to receive payment for work performed along with a U.S social security number will be provided to the University prior to payment by the University.
3. **ACCESS TO RECORDS**. The Contractor shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS**. Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract, reserving a right to the University to use such subject matter for any non-commercial uses. . **(Continued on next page...)**

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) B	Total Payments (A + B)
Personal Services	$		$ 0.00
Expenses			0.00
Total	$ 0.00	0.00	$ 0.00

This is a Renewal Yes ◯ No ◯

5. **TERMINATION**. Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
6. **UNIVERSITY EMPLOYEES**. The Contractor will not hire any employee of the University to perform any services covered by this agreement without prior written approval from the Office of the Provost for academic employees or from the Assistant Vice President for Human Resources for non-academic employees
7. **CONFIDENTAL INFORMATION**. The Contractor shall not publish or otherwise disclose, except to the University and except matters of public record, any information or data obtained in the course of performance of this Contract from private individuals, organizations, or public agencies, in a publication by which the information or data furnished by any particular person or establishment can be identified, except with the written consent of such person or establishment.
8. **ACKNOWLEDGMENT OF SPONSORSHIP**. The Contractor agrees that in any publication acknowledgment shall be made of sponsorship by the University and/or other sponsor by use of the following statement: "This work was performed under the sponsorship of THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY and (insert any other sponsor). This work does not necessarily represent the views of the University or the sponsoring agency." If the publication is copyrighted, the statement, "Reproduction of this article, with the customary credit to the source, is permitted." Shall be added. With the exception of acknowledging sponsorship of research, the name of the University may not be used in publications, news releases, advertising, speeches, technical papers, photographs, and other releases of information regarding this Contract or data developed under this Contract without written approval of the University.
9. **CONFLICT OF INTEREST**. The Contractor affirms that to the best of his/her knowledge there exists no actual or potential conflict between Contractor's family, business, or financial interests and his/her services under this Contract, and in the event of change in either his/her private interests or services under this Contract, he/she will inform the University regarding possible conflict of interest which may arise as a result of such change.
10. **TOTAL AGREEMENT**. This Contract contains the entire agreement between the parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. This Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
11. **ASSIGNMENT/TRANSFER/SUBCONTRACTING**. The Contractor shall not assign, transfer, subcontract, or otherwise give to or impose on any other party any obligation or right of the Contractor under this Contract, without the prior written consent of the University.
12. **INDEMNIFICATION**. The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) for any such reason, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student**.

Signature: Date:

MICHIGAN STATE UNIVERSITY ACCEPTANCE:

The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of $10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: Date:

Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

Signature: Date:

Dean or Vice President or designate

Signature: Date:

Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

Signature: Date:

Purchasing Department for contracts greater than $10,000. (See section 76 of the Manual of Business Procedures for guidance).

Procedure for routing of Contract

The Contract form should be completed before work commences.

1. Originating department for Contractor's signature and authorized signer for account to be charged.
2. Appropriate Dean or Vice President, if required.
3. Contract and Grant Administration, if charging accounts 61-0000 to 61-9999.
4. Purchasing Department, if required (see section 76 of the University's Manual of Business Procedures for guidance).
5. Originating department, maintain until completion of services.
6. At completion of services (or for each partial payment), originating department acknowledges performance, forwards original contract with the Direct Payment Voucher (for partial payments send original contract with the first payment and copies thereafter), original travel receipts, Contractor's signed invoice and other documentation, to Accounts Payable in the Controller's Office for payment.

Copy Distribution:

Original to Accounts Payable
Copy to Originating Department
Copy to Contractor
Copy to Purchasing when contract is with Woman/ Minority-owned vendor (even if < or = $10,000).

Please refer to Section 76 of the Manual of Business Procedures for specific procedures on determining employee versus independent contractor status and processing of payments. Contact the Accounts Payable Department (5-0331) to determine proper payment procedure of nonresident alien Contractors and available tax treaty provisions.

From: "Loraine J. Hudson" <ljh@msu.edu>
To: <brower@msu.edu>
Date: 4/2/02 2:37PM
Subject: Wording on Professional Services Contract

Hello Dave:

We talked about an adjustment to the wording on MSU's standard Professional Services Contract. Here is some revised wording for the Ownership of Work Products section.

Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the perfomance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract.

Thanks,

Lori

From: Dave Brower
To: Hudson, Loraine J.
Date: 4/20/02 2:27PM
Subject: Re: [Fwd: Wording on Professional Services Contract]

Loraine -

The revised wording noted below to Item 4, Ownership of Work Products, on the back of the Independent Contractor form, is fine. In reviewing this suggested revision, the only change is dropping the phrase ",....reserving the right to the University to use such subject matter for any non-commercial uses."

By means of this e-mail, I am requesting that Marge Toomey update the Manual of Business Procedures form (76-C) to reflect this revised wording asap.

David Brower
Assistant Vice President,
Chief Financial Officer and Controller
Michigan State University
Phone - 517/355-5020
Fax - 517/432-5269
E-Mail - brower@ctlr.msu.edu

>>> "Loraine J. Hudson" <ljh@msu.edu> 04/17/02 05:00PM >>>
Hi Dave - I just got the newsletter from Accounting containing reminders about the use of Professional Services contracts, which made me wonder about the issue below. Is the wording change I suggested underway, or were there other issues or concerns you wanted to discuss?

Many thanks,

Lori

-------- Original Message --------
Subject: Wording on Professional Services Contract
Date: Tue, 02 Apr 2002 14:45:26 -0500
From: "Loraine J. Hudson" <ljh@msu.edu>
To: brower@msu.edu

Hello Dave:

We talked about an adjustment to the wording on MSU's standard Professional Services Contract. Here is some revised wording for the Ownership of Work Products section.

Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the perfomance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising

from this contract.

Thanks,

Lori

CC: Evon, Dan; Lynn, Pat; Sober, Greg; Toomey, Marge

Section 75 ✓

done 9/28/2001

DIRECT PAYMENT

Section 75.I.C.

C. Preparation

1. The voucher must be typed by the initiating department, giving the complete name and address of the payee, the department name, account number(s), object code(s) and amount(s) to be charged. Payee tax identification is required for reportable payments (see below).
2. Special preparation is required if the payment is reportable to the Internal Revenue Service.
    a. If the payment represents rents, royalties, prizes or awards, advertising or compensation for services rendered by a nonemployee (including payment for related parts or materials) or reimbursement of undocumented travel expenses of a nonemployee (individual, sole proprietorship or partnership) the payment must be reported to the Internal Revenue Service on IRS Form 1099 MISC. (See the following paragraph for special case of payments for medical services and legal services.) In these instances, the payee's home or personal business address and social security number or federal employer identification number (FEIN) must be shown on the Direct Payment Voucher.
    b. For a sole proprietor or individual, the name of the individual (owner) and their social security number or federal employer identification number (FEIN) **must** be given. For reportable payments to partnerships, the FEIN is the appropriate tax identification number. For all payees, the business entity classification must also be clearly stated on the voucher (individual, sole proprietor, partnership or corporation). The University generally does not have to report these payments made to corporations.
    c. Payment for medical services and legal services must be reported on IRS Form 1099 MISC for all payees including corporations. For these payments, the payee's FEIN must be provided.
    d. If the payee is a nonprofit organization, none of the above-listed payments must be reported. If the payee is a nonprofit organization, this disclosure must be made on the Direct Payment Voucher. Documentation of this status can be obtained by having the payee complete an IRS Form W-9, Request for Taxpayer Identification Number and Certification to be submitted with the Direct Payment Voucher. An example of this form is provided in exhibit 75-B which may be copied for departmental use.
3. Only one person or company can be paid on a single voucher unless the check is to be made jointly payable.
4. The purpose for payment must be indicated in detail in the body of the voucher and should include dates, where applicable, such as in the case of performers or memberships.
5. All check mailing instructions and wire transfer instructions need to be highlighted in the body of the voucher. For Special Handling of voucher or check, see section VI.
6. Sales tax should not be included in the total payment as the University is sales tax exempt. The exception to this would be when proceeds have been collected from participants or a taxable agency account is being used (non-MSU funds), in which case Sales Tax should be included.
7. Any detail, including invoices or contracts explaining the reason for the payment, should be stapled to the original or white copy.
8. If the MSU Purchasing Card cannot be used to pay conference fees, the voucher must detail the attendee, date, and location of the conference. **Copies of the original conference materials (documenting specific items, such as meals included in the conference fee) must accompany any related travel reimbursement voucher**.
9. Material to accompany the check, if any, should be attached to the 2nd or blue copy.
10. The voucher must be signed by an authorized signer for the account(s) being charged. Please sign this voucher using blue ink to help distinguish the original from copies.
11. A Direct Payment Voucher of $25,000 or more must be cosigned by someone administratively higher unless the voucher is signed by a dean or an officer of the University. For personal service payments, see section 76 for further signature authorization requirements.

II. MULTIPLE CHECK VOUCHER

A. Purpose

This voucher facilitates payments of a common nature to more than one payee (e.g. fee refunds, payments to conference participants, etc.) and eliminates the need to prepare a separate voucher for each payee. (Note: Refunds of $2.00 or less will not be issued.)

B. Form

Multiple Check Voucher forms (see exhibit 75-C) may be obtained from Stores, stock order #140-25700. Downloadable forms are available from the Controller's Office web site at http://ctlr.msu.edu/download. When departments are using downloaded forms, be sure to mark your copies using either a red rubber stamp or red marker with the word "COPY" in the lower right corner of the form.

C. Preparation

1. The form must be typed by the initiating department giving the complete name and address of each payee, the department name, account number and object code to be charged. If the payee is on campus, the address must conform to requirements established by the Campus Mail Service. If the payments represent compensation to individuals for services performed as independent contractors, the social security number and home address of each payee must be included on the form in order to comply with IRS regulations. See Section 76 for the criteria for independent contractor status.

2. If more than one page is necessary, separate Multiple Check Vouchers must be prepared with the total indicated on each multiple check voucher submitted.

3. Multiple Check Vouchers may only be charged to one account and one object code.

4. Receipts, where applicable (conference receipts, etc.), should be stapled to the top white copy.

5. The Multiple Check Voucher must be signed by an authorized signer. Please sign the voucher using blue ink to help distinguish the original from copies.

D. Routing

1. The original (white) and the 1st copy (blue) should be forwarded to Accounts Payable (see item D.2 below for Contract and Grant accounts). The initiating department should retain a copy (pink) for their files.

2. Multiple Check Vouchers with charges to research grant accounts (account numbers in the range 61-0000 through 61-9999) **must** be forwarded to the Office of Contract and Grant Administration, 301 Administration Building, for approval. Contract and Grant Administration will forward the voucher to Accounts Payable.

3. After approval, Accounts Payable will forward the voucher to Accounting for payment.

4. Accounting compares the signature on the Multiple Check Voucher to the signature on authorized signature forms.

5. Accounting will assign voucher check numbers and prepare a check for each payee listed.

6. The checks are mailed directly to the payees.

7. The paid voucher is retained in the Accounting Department.

Dept 75 DPV

E. Routing

1. Departments should retain a copy (pink) and forward the original and one copy to Accounts Payable for verification and approval.

2. A Direct Payment Voucher charged to a research grant account (account numbers in the range 61-0000 through 61-9999) **must** be forwarded to the Office of Contract and Grant Administration, 301 Administration Building, for approval. Contract and Grant Administration will forward the voucher to Accounts Payable.

3. After audit, Accounts Payable will forward the voucher to Accounting for payment.

4. Accounting compares the signature on the Direct Payment Voucher to the signature on authorized signature forms.

5. Accounting will assign a voucher check number and prepare the check.

6. The check is mailed directly to the payee with the blue copy.

7. The paid voucher is distributed as follows:

Original (white) - Accounting Department First Copy (green) - Internal Revenue Service tax reporting file
Second Copy (blue) - Payee

II. MULTIPLE CHECK

Section 75.III.C. (Reimbursement Vouchers)

C. Preparation

1. The form must be typed by the initiating department giving the complete name and address of the payee, the department name, account number(s) and object code(s) to be charged.
If the payee is on campus, the address must conform to requirements established by the Campus Mail Service. THE PURPOSE OF THE EXPENDITURE MUST BE NOTED ON THE VOUCHER.
2. Several purchases may be listed on one voucher. A Reimbursement Voucher will not be prepared until the total to be reimbursed exceeds $2.00.
3. An original paid receipt showing date of purchase and amount of payment should be attached to the original voucher for each purchase. If no receipt is available and the amount is less than $25.00, the purchaser's signature is required in the signature column. If no receipt is available for an expenditure greater than $25.00, a memo explaining the purchase and the reason why a receipt is not available must accompany the voucher. This memo must be signed by the purchaser and approved by the chairperson or director of the department.
4. The voucher requires the signature of the person to be reimbursed and the signature of someone administratively senior to the payee who is also an authorized signer for the account(s) charged. It is generally not appropriate for the payee to also authorize their own reimbursement. However, deans and vice presidents may authorize their own reimbursement. Please sign the voucher using blue ink to help distinguish the original from copies.
5. If it is not possible for the payee to sign the Reimbursement Voucher due to the payee being out of the area or otherwise unavailable for an extended period of time, it is acceptable for the payee to sign a faxed copy of the fully completed voucher. The signed voucher must reflect the detailed and total claim submitted on their behalf. The departments should attach this faxed copy (marked as "COPY") to the original, which will state "Faxed Signature Attached" in the payee signature space prior to submitting the voucher for payment.

In unusual circumstances, when the department is unable to obtain the certification of the payee either by original signature or by fax:

a. The payee may submit an endorsement of the claim made on their behalf using e-mail. The payee must acknowledge the business purpose, items purchased and voucher amount in their e-mail. This e-mail should be printed out and attached to the original voucher, which will state "E-mail Attached" in the payee signature space. Or,

b. Someone administratively senior to the payee may sign in the payee signature space along with the statement "Signing For Payee." [Please note: By signing, the "signer" certifies that they have received verbal authorization to file the claim on behalf of the payee.]

6. MSU employees traveling overseas on University business must provide receipts for all currency exchange transactions. If receipts are unavailable, the employee must certify in writing that all funds exchanged have been accounted for and business expense receipts presented must equal the amount received in local currency.

D. Routing

1. Departments should retain a copy (pink) and forward the other copies to Accounts Payable, 360 Administration Building, for verification and approval.

2. A Reimbursement Voucher with charges to research grant accounts (account numbers in the range 61-0000 through 61-9999) **must** be forwarded to the Office of Contract and Grant Administration, 301 Administration Building, for approval. Contract and Grant Administration will forward the voucher to Accounts Payable.

3. After approval, Accounts Payable will forward the voucher to Accounting for payment.

4. Accounting compares the signature on the reimbursement voucher to the signature on authorized signature forms.

5. Accounting will assign a voucher check number and prepare the check.

6. Checks are mailed directly to the persons to be reimbursed.

7. The paid voucher is distributed as follows:

Original (White) - Accounting Department First Copy (blue) - Payee

75

DRAFT Proposed changes to the MBP Update reimbursement section done 5/4/18

B. Travel Vouchers

1. Voucher Forms

a. If reimbursement is requested, travel expense claims should be itemized in the expense reimbursement section of the Travel Voucher form obtainable from the MSU Travel Office web site: ctlr.msu.edu/travel or General Stores, stock number 140-2786. The web site form may be completed using computer spreadsheet.

b. Each traveler must submit a separate Travel Voucher for his/her own expenses unless the travel is team travel.

c. Travel Vouchers may be completed via web site download and computer spreadsheet program. The Travel Vouchers may also be typed and all copies submitted according to instructions printed on the reverse side of the pink copy of the Travel Voucher form. The complete name and address of the payee must be included. If the payee is on campus, the address must conform to requirements established by the Campus Mail Service.

2. Preparation of Vouchers

a. Travel Vouchers for reimbursement are to be submitted to the Travel Office within 30 days after return from a trip. Additionally, Travel Vouchers should be submitted for reimbursement within the fiscal year to which they relate when practicable.

? b. 2 Pmt

Generally, reimbursements will be issued by check. If the traveler has a "Direct Deposit Authorization" on file in the Payroll Department, they may request direct deposit of their reimbursement to the bank account they have stipulated on their payroll "Direct Deposit Authorization" form. Selection of direct deposit reimbursement is accomplished by marking the "Direct Deposit Requested" checkbox at the top of the reimbursement form, (available only on the Controller's Office downloadable Travel Voucher form located at ctlr.msu.edu/travel) and providing their social security number in the appropriate space on the form. The choice of either check or direct deposit method of payment is at the option of the traveler.

? c. etc ↓

b. If more than one account number is to be charged, the various costs claimed should be marked, e.g. using an asterisk, to indicate the appropriate account.

c. The expense reimbursement section of the Travel Voucher must show detailed itemization of the travel and the type and cost of the accommodations used. If claiming expenses for business guests, give name(s) of person(s), position(s) and specific business purpose.

d. Meal per diem will be paid only if the business trip includes an overnight stay. If an overnight stay has been required and documented, and the traveler was in travel status during an entire day, the meal per diem may be lumped together for the three meals and claimed as one amount for the entire day. For one business trip, per diem is also reimbursable for partial travel days which bracket an overnight stay. For such partial days, the per diem attributable to individual meal periods (e.g. BR, LU or DI) should be itemized on the travel reimbursement voucher.

e. Tips for taxi or limousine service (not to exceed 20% of cost) should be listed on the left side of the voucher with other transportation expenses and labeled accordingly (e.g. Tips -- taxi). Each payment of a taxi/limousine tip should be listed adjacent to the expense for the taxi/limousine transportation. Other permissible tips should be listed on the right side of the voucher with other subsistence and miscellaneous expenditures.

f. Original ticket receipts (travel agency invoices also required for international travel), unused flight coupons, and other original receipts are to be stapled to the original Travel Voucher. **If airfare has been directly billed to the MSU account number, complete the "Airfare/Rail Direct Bill" portion of the voucher and add the airline ticket invoice number at the top of the voucher. Direct Bill airfare totals are not a part of reimbursements.**

g. Refer to the Reimbursement Chart (see Exhibit 70-A) for reimbursement rates.

h. If the traveler's reimbursable expenses were limited to an amount less than actual, this limit amount should be clearly noted in the travel authorization section and below the "Total Claim" space of the voucher and labeled as "Limit."

i. The final total and the signatures of the traveler and the persons approving the claim should be on the FIRST page of the Travel Voucher. If the traveler is not an employee of the University, write "Non-MSU" in the signature block of the voucher.

j. If it is not possible for the payee to sign the Travel Reimbursement Voucher due to the payee being out of the area or otherwise unavailable for an extended period of time, it is acceptable for the payee to sign a faxed copy of the fully completed voucher. The signed voucher must reflect the detailed and total claim submitted on their behalf. The departments should attach this faxed copy (marked as "COPY") to the original, which will state "Faxed Signature Attached" in the payee signature space prior to submitting the voucher for payment.

In unusual circumstances, when the department is unable to obtain the certification of the payee either by original signature or by fax:

1. The payee may submit an endorsement of the claim made on their behalf using e-mail. The payee must acknowledge the business purpose, dates of travel, travel destination and voucher amount in their e-mail. This e-mail should be printed out and attached to the original voucher, which will state "E-mail Attached" in the payee signature space. Or,

2. Someone administratively senior to the payee may sign in the payee signature space along with the statement "Signing for Payee." [Please note: By signing, the "signer" certifies that they have received verbal authorization to file the claim on behalf of the payee.]

k. Travel Vouchers and the applicable receipts are forwarded to the MSU Travel Office, 370 Administration Building, 353-4882. If voucher is completed on computer, please submit: (1) original voucher and (2) one copy (plus an additional copy if the travel is out of state).

l. The Travel Office audits all Travel Vouchers. If a travel advance related to a Travel Voucher being processed has not yet been repaid, the Travel Advance Section will deduct the amount owed and refund the difference or bill for the balance due.

m. After audit, the Travel Office forwards the voucher to Accounting for verification of authorized signatures and correctness of account numbers. Accounting prepares a check or direct deposit and inserts the check number or direct deposit number on the voucher.

n. The Travel Voucher is distributed as follows:

Original	Retained by Accounting Office.
Copy 1	Sent to payee with check or Direct Deposit Notification form.
Copy 2	After audit, this copy is sent to the Office of Planning and Budgets for out-of-state reports.

o. The check or Direct Deposit Notification form is mailed to the payee at the address indicated on the voucher.

If the payee has requested direct deposit of their reimbursement, the payment will be deposited to the bank account specified on their "Direct Deposit Authorization" form on file in the Payroll Department. Their bank account will be credited two bank business days after the reimbursement is processed by the Accounting Department.

p. Weekly Voucher Check Summary Report. Each week the Accounting Department distributes a report via Infopac that summarizes, by account number, all checks and direct deposits issued for that week. For each ~~check~~ transaction, the summary report indicates the payee name, check number or direct deposit number, pay date, type of voucher, account number and object code charged and the amount.

III. REIMBURSEMENT VOUCHER

A. Purposes

1. To reimburse a petty cash fund.
2. To reimburse individuals who use their own funds for legitimate University business purposes.
3. Use of this voucher does not replace the normal purchasing procedure and therefore cannot be used in situations which require a requisition and purchase order. This voucher must not be used for a transaction after a purchase order has been issued - a duplicate payment to the vendor may result.
4. Use of the MSU Purchasing card is recommended when permitted by MSU Policy and where accepted by suppliers.
5. Magazine subscriptions may only be reimbursed if the publisher will not accept payment by MSU Purchasing Card. See I.A.2.e and I.A.3. earlier in this section
6. Purchases made by individuals from their own funds have a limited reimbursement of $500 for any one item, receipt or invoice.
7. Reimbursement is limited to material or services obtained directly by the individual making the purchase (such as material picked up from a vendor in the local area).
8. Under no circumstances are purchases made by individuals to be delivered to or through the University's Receiving Department. Purchases delivered in this manner (without a purchase order number) are not readily identifiable and cause severe delivery problems.
9. Items that individuals cannot purchase directly and then seek reimbursement for include:
    a. Physical plant supplies including paint, plumbing, electrical, heating, ventilating and air conditioning or other building supplies where federal, state, local or University building codes apply.
    b. Purchase of hazardous materials including cleaning solvents, controlled substances, radioactive materials, weapons and ammunition.

B. Form

The three-part Reimbursement Voucher forms (see exhibit 75-D) may be obtained from Stores, stock order #140-26460. Downloadable forms are available from the Controller's Office web site at http://ctlr.msu.edu/download. When departments are using downloaded forms, be sure to mark your copies using either a red rubber stamp or red marker with the word "COPY" in the lower right corner of the form.

C. Preparation

1. The form must be typed by the initiating department giving the complete name and address of the payee, the department name, account number(s) and object code(s) to be charged.
If the payee is on campus, the address must conform to requirements established by the Campus Mail Service. THE PURPOSE OF THE EXPENDITURE MUST BE NOTED ON THE VOUCHER.

Generally, reimbursements will be issued by check. If the payee has a "Direct Deposit Authorization" on file in the Payroll Department, they may request direct deposit of their reimbursement to the bank account they have stipulated on their payroll "Direct Deposit Authorization" form. Selection of direct deposit reimbursement is accomplished by marking the "Direct Deposit Requested" checkbox at the top of the reimbursement form, and providing their social security number in the appropriate space on the form. The choice of either check or direct deposit method of payment is at the option of the payee.

2. Several purchases may be listed on one voucher. A Reimbursement Voucher will not be prepared until the total to be reimbursed exceeds $2.00.
3. An original paid receipt showing date of purchase and amount of payment should be attached to the original voucher for each purchase. If no receipt is available and the amount is less than $25.00, the purchaser's signature is required in the signature column. If no receipt is available for an expenditure greater than $25.00, a memo explaining the purchase and the reason why a receipt is not available must accompany the voucher. This memo must be signed by the purchaser and approved by the chairperson or director of the department.
4. The voucher requires the signature of the person to be reimbursed and the signature of someone administratively senior to the payee who is also an authorized signer for the account(s) charged. It is generally not appropriate for the payee to also authorize their own reimbursement. However, deans and vice presidents may authorize their own reimbursement. Please sign the voucher using blue ink to help distinguish the original from copies.
5. If it is not possible for the payee to sign the Reimbursement Voucher due to the payee being out of the area or otherwise unavailable for an extended period of time, it is acceptable for the payee to sign a faxed copy of the fully completed voucher. The signed voucher must reflect the detailed and total claim submitted on their

behalf. The departments should attach this faxed copy (marked as "COPY") to the original, which will state "Faxed Signature Attached" in the payee signature space prior to submitting the voucher for payment.
In unusual circumstances, when the department is unable to obtain the certification of the payee either by original signature or by fax:

a. The payee may submit an endorsement of the claim made on their behalf using e-mail. The payee must acknowledge the business purpose, items purchased and voucher amount in their e-mail. This e-mail should be printed out and attached to the original voucher, which will state "E-mail Attached" in the payee signature space. Or,

b. Someone administratively senior to the payee may sign in the payee signature space along with the statement "Signing for Payee." [Please note: By signing, the "signer" certifies that they have received verbal authorization to file the claim on behalf of the payee.]

D. Routing

1. Departments should retain a copy and forward the other copy to Accounts Payable, 360 Administration Building, for verification and approval.
2. A Reimbursement Voucher with charges to research grant accounts (account numbers in the range 61-0000 through 61-9999) **must** be forwarded to the Office of Contract and Grant Administration, 301 Administration Building, for approval. Contract and Grant Administration will forward the voucher to Accounts Payable.
3. After approval, Accounts Payable will forward the voucher to Accounting for payment.
4. Accounting compares the signature on the reimbursement voucher to the signature on authorized signature forms.
5. Accounting will process the transaction and assign a ~~voucher~~ check number or direct deposit number as appropriate.
6. A check or Direct Deposit Notification form is mailed to the payee at the address indicated on the voucher.

If the payee has requested direct deposit of their reimbursement, the payment will be deposited to the bank account specified on their "Direct Deposit Authorization" form on file in the Payroll Department. Their bank account will be credited two bank business days after the reimbursement is processed by the Accounting Department.

7. The paid voucher is distributed as follows:
   Original - Accounting Department
   Copy – Sent to the payee along with the check or Direct Deposit Notification form.

IV. TRAVEL VOUCHER (SEE SECTION 70)

Travel regulations in general are written in Section 70. These regulations include procedures for use and preparation of Travel Vouchers.

V. WEEKLY VOUCHER CHECK SUMMARY

Each week the Accounting Department distributes a report via Infopac that summarizes, by account number, all checks and direct deposit reimbursements issued for that week. For each ~~check~~ transaction, the summary report indicates the payee name, check number or direct deposit number, pay date, type of voucher, account number and object code charged and the amount.

VI. SPECIAL HANDLING

Departments requesting special handling of their voucher checks or direct deposit reimbursements are assessed a processing fee of $10 per voucher and must contact Accounts Payable directly. (Multiple check vouchers are charged $10 for the first check and $2 for each additional check.) Special handling situations subject to the fee include checks requiring expedited handling (e.g. "in-by-ten, out-by-four"), "call when ready" and pick up.

V. NONRESIDENT ALIEN INDEPENDENT CONTRACTORS

A. A nonresident alien IC who is to be paid for services rendered in the United States, must have been issued a visa which permits him/her to receive compensation. (For example, nonresident alien contractors holding a Type B visa may not be paid compensation.) The nonresident alien must provide proof of this work/compensation authorization by a copy of a validated Form I94 which the department must submit with the Direct Payment Voucher. It is also mandatory that the IC provide a U.S. social security number. If a social security number has not yet been assigned, the contractor must have applied for one. Proof of application from the Social Security Administration must be provided with the Direct Payment Voucher. Departments should clear the engagement of nonresident alien IC's with the Office for International Students and Scholars before employing them for a compensated work engagement (353-1720).

B. All payments to alien contractors should be formalized on a PSC. The University is required to collect the information specified on the PSC (visa type/number, country of citizenship and residence, U.S. resident alien/nonresident alien status, U.S. social security number or U.S. employer ID number, nature of services rendered, location where work is performed). The PSC provides a consistent format for collecting this information.

C. Unless exempted by a current tax treaty with an individual IC's country of citizenship, payments for services rendered by the IC are subject to federal ~~income tax withholding of 30%~~ and state income tax withholding of 4.2%. Nonresident alien partnerships or corporations may be exempt if payments to them are attributable to their engaging in a trade or business in the United States. Tax treaty information can be obtained from the Accounts Payable Department, 353-2011.

D. A listing of countries whose citizens may be eligible for limited exemption under tax treaty is provided (see Exhibit 76-E). The actual treaty may not exempt any or all of the payment you may anticipate making to your nonresident alien IC. In order to learn the details of the tax treaty provisions for a particular country, please call Accounts Payable at 353-2011. If the country of residence for your nonresident alien is not listed on Exhibit 76-E, the payment made to the IC will be subject to income tax withholding.

E. In order for an individual IC to claim exemption from income tax withholding under a current tax treaty, the contractor must complete IRS Form 8233, *Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual* (see Exhibit 76-F).

1. IRS Form 8233 can be obtained from the Accounts Payable Department, 360 Administration Bldg., 353-2011. Departments may also make copies of the sample for their use.

2. The contractor should complete IRS Form 8233 through item 5 and sign where indicated.

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SECTION 76: INDEPENDENT CONTRACTORS

I. DETERMINING EMPLOYMENT STATUS
II. INDEPENDENT CONTRACTOR STATUS DETERMINATION AND DOCUMENTATION FORM (ICSDD)
III. INDEPENDENT CONTRACTOR PROFESSIONAL PERSONAL SERVICES CONTRACT (PSC)
  A. Form
  B. Purpose
  C. Restrictions
  D. Preparation, Processing and Routing
IV. PAYMENT PROCESSING
~~V. NONRESIDENT ALIEN INDEPENDENT CONTRACTORS~~
VI. EXHIBITS

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SECTION 76: INDEPENDENT CONTRACTORS

I. DETERMINING EMPLOYMENT STATUS

Michigan State University must comply with Internal Revenue Service (IRS) regulations in our role as an employer. Failure to do so can result in assessments of taxes, penalties and interest. One University responsibility in this regard is the accurate categorization of workers as either employees or as independent contractors (IC), with the corresponding tax withholding and reporting functions inherent in each category of worker. Categorizing a worker as an IC exposes the University to the greatest amount of risk in this regard, since the IRS assumes that all workers are employees unless it can be documented otherwise.

A. Employee

1. Every individual performing services for the University and compensated by the University is presumed to be an employee unless she/he can meet the criteria of IC status (discussed in item I.B.). Generally, every individual who performs services that are subject to the will and control of the University as to both **what** must be done and **how** it must be done, is an employee. It does not matter that the University allows the employee considerable discretion and freedom of action, as long as the University has the **legal right** to control both the method and the result of the services.

2. University policy requires that the following workers be compensated as employees:

a. Anyone teaching a credit or non credit course offered by the University to the public.

b. Anyone currently employed by the University who performs additional services outside his/her regular job description (discussed in Section 55 of this manual).

c. Anyone currently enrolled as a University student.

d. Any Michigan State University graduate employed by the department in which they earned their most recent degree (within three months of completing their degree).

3. The status of any worker not falling into one of the above categories must be evaluated based on the IRS common law rules for distinguishing between employees and IC's. The *Independent Contractor Status*

employer ID number. The sole proprietor's **individual name** must always be provided in addition to a business name. The IRS requires that the University report these payments at the end of each calendar year on Form 1099-MISC.

C. Documentation on the Direct Payment Voucher should include a full description and the dates of the services rendered and/or products provided.

D. Attachments to the Direct Payment Voucher should include:

1. Invoice requirements

a. For contracts less than $600 (with or without a PSC), no invoice is required for payments unless it is charged to a Contract and Grant account (61-0000 through 61-5999). Payments against this range of accounts require an invoice in all instances due to federal regulations.

b. For contracts greater than or equal to $600, invoices are required for any partial payments. An invoice will not be required for those contracts where only one payment is issued once the entire contract has been satisfied (rather than a series of payments).

c. For any payments charged against Contract and Grant accounts (61-0000 through 61-9999), the supporting invoice must be signed by the contractor.

2. Original receipts and tickets for travel expenses reimbursed. If documented by these original receipts and tickets, any portion of the payment to the IC that is designated as reimbursement for travel expenses is not included in the amount reported to the IRS on Form 1099-MISC.

3. If applicable, the original copy of the PSC, documentation on the bidding and selection process or sole source justification, and the completed ICSDD form must also be attached.

E. When partial payments against a contract are being made, a copy of the fully executed PSC must be attached to the Direct Payment Voucher with each payment. The first partial payment against the contract **must** be accompanied by the original PSC form. Copies of the PSC reflecting all required approvals **must** accompany subsequent payments. The bottom section on the front side of the contract must be completed indicating the current payment, prior payment(s) and total payments.

F. By policy, the University does not differentiate between honoraria and contractual payments of fees charged for services rendered. Therefore, all payments for services rendered are authorized, processed and documented consistently.

G. A table is provided (see Exhibit 76-D) which summarizes documentation required for Direct Payment Voucher payments to IC's.

V. NONRESIDENT ALIEN INDEPENDENT CONTRACTORS

A. A nonresident alien IC who is to be paid for services rendered in the United States, must have been issued a visa which permits him/her to receive compensation. (For example, nonresident alien contractors holding a Type B visa may not be paid compensation.) The nonresident alien must provide proof of this work/compensation authorization by a copy of a validated Form I94 which the department must submit with the Direct Payment Voucher. It is also mandatory that the IC provide a U.S. social security number. If a social security number has not yet been assigned, the contractor must have applied for one. Proof of application from the Social Security Administration must be provided with the Direct Payment Voucher. Departments should clear the engagement of nonresident alien IC's with the Office for International Students and Scholars before employing them for a compensated work engagement (353-1720).

B. All payments to alien contractors should be formalized on a PSC. The University is required to collect the

information specified on the PSC (visa type/number, country of citizenship and residence, U.S. resident alien/nonresident alien status, U.S. social security number or U.S. employer ID number, nature of services rendered, location where work is performed). The PSC provides a consistent format for collecting this information.

C. Unless exempted by a current tax treaty with an individual IC's country of citizenship, payments for services rendered by the IC are subject to federal income tax withholding of 30% and state income tax withholding of 4.1% (effective 1/2002). Nonresident alien partnerships or corporations may be exempt if payments to them are attributable to their engaging in a trade or business in the United States. Tax treaty information can be obtained from the Accounts Payable Department, 353-2011.

D. A listing of countries whose citizens may be eligible for limited exemption under tax treaty is provided (see Exhibit 76-E). The actual treaty may not exempt any or all of the payment you may anticipate making to your nonresident alien IC. In order to learn the details of the tax treaty provisions for a particular country, please call Accounts Payable at 353-2011. If the country of residence for your nonresident alien is not listed on Exhibit 76-E, the payment made to the IC will be subject to income tax withholding.

E. In order for an individual IC to claim exemption from income tax withholding under a current tax treaty, the contractor must complete IRS Form 8233, *Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual* (see Exhibit 76-F).

1. IRS Form 8233 can be obtained from the Accounts Payable Department, 360 Administration Bldg., 353-2011. Departments may also make copies of the sample for their use.

2. The contractor should complete IRS Form 8233 through item 5 and sign where indicated.

3. Generally, payees holding a Type F (student) or Type J (researcher/scholar) visa who are applying for exemption must also complete a supporting statement to satisfy IRS requirements. The completed statement should be stapled to the completed IRS Form 8233. The statement required will vary by country. Please call Accounts Payable at 353-2011 to obtain guidance.

4. The contractor's U.S. social security number must be provided. If a U.S. SSN has not been assigned, the contractor must have applied for a social security number. Proof of application from the Social Security Administration must be attached to IRS Form 8233.

5. IRS Form 8233 must accompany the Direct Payment Voucher and the PSC, and other required documentation and be forwarded to the Accounts Payable Department, 360 Administration Building.

6. The Accounts Payable Department will review and finalize IRS Form 8233 and mail it to the IRS.

7. The exemption from withholding must be approved by the IRS before payment is made. It takes approximately 15 days for the IRS to respond to a request to exempt payment from withholding.

8. If the payee chooses not to avail him/herself of available tax treaty benefits, a statement documenting this and signed by the payee must be included with the Direct Payment Voucher (or on the face of it).

F. Foreign fiduciaries, partnerships or corporations engaged in a trade or business in the United States may claim exemption from withholding by completing IRS Form 4224, *Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States* (see Exhibit 76-G). This exemption does not apply to compensation for personal services performed by an individual.

1. IRS Form 4224 can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also make copies of the sample for their use.

2. IRS Form 4224 must be completed in duplicate by the contractor and should accompany the Direct

Payment Voucher, the PSC, and other required documentation and be forwarded to the Accounts Payable Department, 360 Administration.

3. The contractor's U.S. tax identification number (TIN) must be provided. If a U.S. TIN has not been assigned, the contractor must have applied for an employer identification number (EIN). Proof of application from the Internal Revenue Service must be attached to IRS Form 4224.

G. If the payment is determined to be exempt from withholding, a check will be issued for the gross amount of the Direct Payment Voucher.

H. If the payment is determined **not** to be exempt from withholding, a check will be issued for the net amount of the Direct Payment Voucher after deducting taxes. Departmental accounts will be charged for the federal and state income tax withheld using a Journal Voucher entry prepared by Accounts Payable.

I. IRS Form 1042S, *Foreign Person's U.S. Source Income Subject to Withholding*, is issued annually to each nonresident alien IC, whether or not the individual has taxes withheld. Form 1042S, which is issued by the Payroll Department no later than March 15, reports all payments made during the previous calendar year. Questions about Form 1042S should be addressed to the Payroll Department, 355-5010.

VI. EXHIBITS

Exhibit 76-A. Independent Contractor (IC) Status - Determination and Documentation (ICSDD) Procedure Form

Exhibit 76-B. Independent Contractor (IC) Status - Determination and Documentation (ICSDD) Guidelines For Completion of ICSDD Form

Exhibit 76-C. Independent Contractor (IC) - Professional Personal Services Contract (PSC)

Exhibit 76-D. Direct Payment Voucher Documentation Required For Payments To Independent Contractors

~~Exhibit 76-E. Nonresident Alien Independent Contractors~~

~~Exhibit 76-F. Nonresident Alien Independent Contractor -~~ IRS Form 8233 - Exemption From Withholding On Compensation For Independent Personal Services of a Nonresident Alien Individual

~~Exhibit 76-G. Nonresident Alien In~~dependent Contractor - IRS Form 4224 - Exemption From Withholding Of ~~Tax On Income Effectiv~~ely Connected With The Conduct Of A Trade Or Business In The United States

Revised

Direct Payment Voucher Documentation Required for Payments To Independent Contractors				
Direct Payment Voucher effecting payment against	ICSDD	PSC	Contractor Invoice	Original Travel Expense Receipts
One contract for < $600 total	Optional	Optional	Optional (1)	
One contract for < $600, but multiple, separate contracts ≥ $600 in total	Required	Optional	Optional (1)	
Any contract ≥ $600	Required	Required	Required (2)	
Special documentation required for contract categories listed above:				
Any contract including reimbursement for travel expenses	See Above	See Above	See Above	Required for non-taxable reporting of travel expense reimbursements
Any contract for any amount with nonresident alien (including honoraria)	See Above	Required (3)	See Above	

Documentation on the Direct Payment Voucher should include a full description and the dates of the services rendered and/or products provided.

(1) For Federal Contract and Grant accounts (61-0000 through 61-5999) an invoice is required in all cases. An invoice is optional for all other accounts.

(2) Under certain circumstances, an invoice will not be required to accompany the voucher to issue payment. Payments qualifying for this treatment would be:

a. Any payment of less than $600 (except for Contract and Grant accounts in the range 61-0000 through 61-5999).

b. Those payments effecting settlement for satisfactory completion of a contract where only one payment is issued once the entire contract has been satisfied (rather than a series of partial payments).

(3) All payments to alien contractors should be formalized on a PSC. The University is required to collect the information specified on the PSC (visa type/number, country of citizenship and residence, U.S. resident alien/nonresident alien status, nature of services rendered, location where work is performed). The PSC provides a consistent format for collecting this information. See Manual of Business Procedures Section 77 for additional details.

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MBP Section 76

Section 76 III D 5 Independent Contractors

D. Preparation, Processing and Routing

1. The contract must be typed by the initiating department.
2. Only one person or company can be paid on a single contract.
3. All applicable sections of the contract must be completed.
4. The contract must be routed in the following order for acceptance and signature to:
   a. The independent contractor. (When the PSC executed between the department and the contractor will be faxed between the parties to obtain signatures, the contractor must sign, date and return both the front and back sides of the form to acknowledge agreement with the contract terms.)
   b. An authorized signer on the account being charged.
   c. The dean or vice president (or designee within the dean/vice president office) for contracts between $5,000 and $10,000 (services).
   d. Contract and Grant Administration, if charging accounts 61-0000 through 61-9999.
   e. The Purchasing Department for contracts (services) greater than $10,000
   or in any instances when the PSC form is not used or its contractual terms are modified by the department. Documentation of the reasonableness of the cost of the service obtained and the selection process used to choose the IC must be submitted along with the PSC.

REVISED SECTION!!!

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5. Copies of the completed contract form with all required signatures are distributed as follows:
   a. One copy of the signed contract is given to the contractor.
   b. One copy of the signed contract remains in the originating department.
   c. For all contracts that document contractor status as woman or minority owned (51% ownership) a copy must be sent to the Purchasing Department. If the contract is greater than $10,000, Purchasing will make the required copy when the contract is submitted for approval. For those contracts less than or equal to $10,000 the department should send Purchasing a separate copy of the signed contract.
   d. At the completion of the services, the original signed contract, along with a Direct Payment Voucher and the appropriate documentation, should be sent to Accounts Payable, 360 Administration Bldg., for payment. (See IV.E. below for documenting partial payments.)

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MICHIGAN STATE UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR

(This Contract form should be completed before work commences)

Michigan State University (referred to in the Contract as University) enters into a binding agreement with:

Contractor: Phone No.:

Address (home address, if individual):

City: State: Zip Code:

U.S. Citizen: Yes ◯ No ◯ If No, Country of Citizenship: _____ and Residence: _____

If No, are you a non-resident alien? _____ Visa Type _____ Resident alien? _____

Incorporated: Yes ◯ No ◯ If Yes, Profit ◯ Nonprofit ◯. If No, pick type of business Sole Proprietorship and give name of Partner or Sole Proprietor, if different from Contractor above: _____

U.S. Social Security Number or U.S. Federal Employer Identification Number: _____

Subject to backup withholding: Yes ◯ No ◯

REPORTING PURPOSES ONLY (COPY TO PURCHASING)

51% Ownerships:

Woman Owned ◯ **Minority Owned:** African Amer. ◯ Hispanic Amer. ◯ Native Amer. ◯ Asian-Pacific Amer. ◯ Asian-Indian Amer. ◯

NATURE OF SERVICES TO BE RENDERED: **PERFORMED AT (LOCATION):**

PERFORMANCE SCHEDULE:

Starting date: Ending date: Total hours:

COMPENSATION INFORMATION:

Account(s) to be charged: Payment terms:

Rate of Pay: (indicate hourly, daily, total project, etc.) $

Services shall not exceed: $ Expenses shall not exceed: $

Nature of Expenses:

DEPARTMENTAL CONTACT PERSON:

The Contractor should communicate with the following departmental representative regarding this contract:

Name: Phone No.:

Address:

The Department's responsibility for supporting the performance of services is limited to the following:

CONDITIONS AND ROUTING PROCEDURE:

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **NONRESIDENT ALIEN.** If the Contractor is a nonresident alien performing services in the United States or it's territories, the Contractor agrees that proof of visa status (I94 Form) documenting authorization to receive payment for work performed along with a U.S social security number will be provided to the University prior to payment by the University.
3. **ACCESS TO RECORDS.** The Contractor shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS.** Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract, reserving a right to the University to use such subject matter for any non-commercial uses. . **(Continued on next page...)**

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) B	Total Payments (A + B)
Personal Services	$		$ 0.00
Expenses			0.00
Total	$ 0.00	0.00	$ 0.00

This is a Renewal Yes ◯ No ◯

5. **TERMINATION**. Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
6. **UNIVERSITY EMPLOYEES**. The Contractor will not hire any employee of the University to perform any services covered by this agreement without prior written approval from the Office of the Provost for academic employees or from the Assistant Vice President for Human Resources for non-academic employees
7. **CONFIDENTAL INFORMATION**. The Contractor shall not publish or otherwise disclose, except to the University and except matters of public record, any information or data obtained in the course of performance of this Contract from private individuals, organizations, or public agencies, in a publication by which the information or data furnished by any particular person or establishment can be identified, except with the written consent of such person or establishment.
8. **ACKNOWLEDGMENT OF SPONSORSHIP**. The Contractor agrees that in any publication acknowledgment shall be made of sponsorship by the University and/or other sponsor by use of the following statement: "This work was performed under the sponsorship of THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY and (insert any other sponsor). This work does not necessarily represent the views of the University or the sponsoring agency." If the publication is copyrighted, the statement, "Reproduction of this article, with the customary credit to the source, is permitted." Shall be added. With the exception of acknowledging sponsorship of research, the name of the University may not be used in publications, news releases, advertising, speeches, technical papers, photographs, and other releases of information regarding this Contract or data developed under this Contract without written approval of the University.
9. **CONFLICT OF INTEREST**. The Contractor affirms that to the best of his/her knowledge there exists no actual or potential conflict between Contractor's family, business, or financial interests and his/her services under this Contract, and in the event of change in either his/her private interests or services under this Contract, he/she will inform the University regarding possible conflict of interest which may arise as a result of such change.
10. **TOTAL AGREEMENT**. This Contract contains the entire agreement between the parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. This Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
11. **ASSIGNMENT/TRANSFER/SUBCONTRACTING**. The Contractor shall not assign, transfer, subcontract, or otherwise give to or impose on any other party any obligation or right of the Contractor under this Contract, without the prior written consent of the University.
12. **INDEMNIFICATION**. The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) for any such reason, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student.**

Signature: Date:

MICHIGAN STATE UNIVERSITY ACCEPTANCE:

The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of $10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: Date:

Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

Signature: Date:

Dean or Vice President or designate

Signature: Date:

Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

Signature: Date:

Purchasing Department for contracts greater than $10,000. (See section 76 of the Manual of Business Procedures for guidance).

Procedure for routing of Contract

The Contract form should be completed before work commences.

1. Originating department for Contractor's signature and authorized signer for account to be charged.
2. Appropriate Dean or Vice President, if required.
3. Contract and Grant Administration, if charging accounts 61-0000 to 61-9999.
4. Purchasing Department, if required (see section 76 of the University's Manual of Business Procedures for guidance).
5. Originating department, maintain until completion of services.
6. At completion of services (or for each partial payment), originating department acknowledges performance, forwards original contract with the Direct Payment Voucher (for partial payments send original contract with the first payment and copies thereafter), original travel receipts, Contractor's signed invoice and other documentation, to Accounts Payable in the Controller's Office for payment.

Copy Distribution:

Original to Accounts Payable
Copy to Originating Department
Copy to Contractor
Copy to Purchasing if < or = $10,000 & Woman/minority-owned contractor.

Please refer to Section 76 of the Manual of Business Procedures for specific procedures on determining employee versus independent contractor status and processing of payments. Contact the Accounts Payable Department (5-0331) to determine proper payment procedure of nonresident alien Contractors and available tax treaty provisions.

Word

MICHIGAN STATE UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR

(This Contract form should be completed before work commences)

Michigan State University (referred to in the Contract as University) enters into a binding agreement with:

Contractor: Phone No.:

Address (home address, if individual):

City: State: Zip Code:

U.S. Citizen: Yes No If No, Country of Citizenship: _____ and Residence: _____

If No, are you a non-resident alien? _____ Visa Type _____ Resident alien? _____

Incorporated: Yes No If Yes, Profit Nonprofit _____ If No, circle type of business (Partnership/Sole Proprietorship) and give name of Partner or Sole Proprietor, if different from Contractor above: _____

U.S. Social Security Number or U.S. Federal Employer Identification Number: _____

Subject to backup withholding: Yes No

REPORTING PURPOSES ONLY (COPY TO PURCHASING)

51% Ownerships:

Woman Owned ☐ **Minority Owned:** African Amer. ☐ Hispanic Amer. ☐ Native Amer. ☐ Asian-Pacific Amer. ☐ Asian-Indian Amer. ☐

NATURE OF SERVICES TO BE RENDERED:

PERFORMED AT (LOCATION):

PERFORMANCE SCHEDULE:

Starting date: Ending date: Total hours:

COMPENSATION INFORMATION:

Account(s) to be charged: Payment terms:

Rate of Pay: (indicate hourly, daily, total project, etc.) $

Services shall not exceed: $ Expenses shall not exceed: $

Nature of Expenses:

DEPARTMENTAL CONTACT PERSON:

The Contractor should communicate with the following departmental representative regarding this contract:

Name: Phone No.:

Address:

The Department's responsibility for supporting the performance of services is limited to the following:

CONDITIONS AND ROUTING PROCEDURE:

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **NONRESIDENT ALIEN**. If the Contractor is a nonresident alien performing services in the United States or it's territories, the Contractor agrees that proof of visa status (I94 Form) documenting authorization to receive payment for work performed along with a U.S social security number will be provided to the University prior to payment by the University.
3. **ACCESS TO RECORDS**. The Contractor shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS**. Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract, reserving a right to the University to use such subject matter for any non-commercial uses. . **(Continued on next page...)**

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) B	Total Payments (A + B)
Personal Services	$_____	_____	$_____
Expenses	_____	_____	_____
Total	$_____	_____	$_____

This is a Renewal Yes ☐ No ☐

5. **TERMINATION**. Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
6. **UNIVERSITY EMPLOYEES**. The Contractor will not hire any employee of the University to perform any services covered by this agreement without prior written approval from the Office of the Provost for academic employees or from the Assistant Vice President for Human Resources for non-academic employees
7. **CONFIDENTAL INFORMATION**. The Contractor shall not publish or otherwise disclose, except to the University and except matters of public record, any information or data obtained in the course of performance of this Contract from private individuals, organizations, or public agencies, in a publication by which the information or data furnished by any particular person or establishment can be identified, except with the written consent of such person or establishment.
8. **ACKNOWLEDGMENT OF SPONSORSHIP**. The Contractor agrees that in any publication acknowledgment shall be made of sponsorship by the University and/or other sponsor by use of the following statement: "This work was performed under the sponsorship of THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY and (insert any other sponsor). This work does not necessarily represent the views of the University or the sponsoring agency." If the publication is copyrighted, the statement, "Reproduction of this article, with the customary credit to the source, is permitted." Shall be added. With the exception of acknowledging sponsorship of research, the name of the University may not be used in publications, news releases, advertising, speeches, technical papers, photographs, and other releases of information regarding this Contract or data developed under this Contract without written approval of the University.
9. **CONFLICT OF INTEREST**. The Contractor affirms that to the best of his/her knowledge there exists no actual or potential conflict between Contractor's family, business, or financial interests and his/her services under this Contract, and in the event of change in either his/her private interests or services under this Contract, he/she will inform the University regarding possible conflict of interest which may arise as a result of such change.
10. **TOTAL AGREEMENT**. This Contract contains the entire agreement between the parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. This Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
11. **ASSIGNMENT/TRANSFER/SUBCONTRACTING**. The Contractor shall not assign, transfer, subcontract, or otherwise give to or impose on any other party any obligation or right of the Contractor under this Contract, without the prior written consent of the University.
12. **INDEMNIFICATION**. The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) for any such reason, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student**.

Signature: Date:

MICHIGAN STATE UNIVERSITY ACCEPTANCE:

The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of $10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: Date:

Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

Signature: Date:

Dean or Vice President or designate

Signature: Date:

Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

Signature: Date:

Purchasing Department for contracts greater than $10,000. (See section 76 of the Manual of Business Procedures for guidance).

Procedure for routing of Contract

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3. Contract and Grant Administration, if charging accounts 61-0000 to 61-9999.
4. Purchasing Department, if required (see section 76 of the University's Manual of Business Procedures for guidance).
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Copy Distribution:
White to Accounts Payable
Copy to Originating Department
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Please refer to Section 76 of the Manual of Business Procedures for specific procedures on determining employee versus independent contractor status and processing of payments. Contact the Accounts Payable Department (5-0331) to determine proper payment procedure of nonresident alien Contractors and available tax treaty provisions.

Excel

MICHIGAN STATE UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR

(This Contract form should be completed before work commences)

Michigan State University (referred to in the Contract as University) enters into a binding agreement with:

Contractor: _____ Phone No.: _____

Address: _____
(Home address, if individual)

City: _____ State: _____ Zip Code: _____

U.S. Citizen: Yes _____ No _____ If No, Country of Citizenship: _____ and Residence: _____

If No, are you a non-resident alien? _____ Visa Type _____ Resident alien? _____

Incorporated: Yes _____ No _____ If Yes, Profit _____ Nonprofit _____ If No, circle type of business (Partnership/Sole Proprietorship) and give name of Partner or Sole Proprietor, if different from Contractor above: _____

U.S. Social Security Number or U.S. Federal Employer Identification Number : _____

Subject to backup withholding: Yes _____ No _____

REPORTING PURPOSES ONLY (COPY TO PURCHASING)

51% Ownership:

Woman Owned ___ **Minority Owned:** African Amer. ___ Hispanic Amer. ___ Native Amer. ___

Asian-Indian American ___ Asian-Pacific Amer. ___

NATURE OF SERVICES TO BE RENDERED: **PERFORMED AT (LOCATION):**

PERFORMANCE SCHEDULE:

Starting date: _____ Ending date: _____ Total hours: _____

COMPENSATION INFORMATION:

Account(s) to be charged: _____ Payment terms: _____

Rate of Pay: $ _____ (indicate hourly, daily, total project, etc.)

Services shall not exceed: $ _____ Expenses shall not exceed: $ _____

Nature of Expenses: _____

DEPARTMENTAL CONTACT PERSON:

The Contractor should communicate with the following departmental representative regarding this contract:

Name: _____ Phone No.: _____

Address: _____

The Department's responsibility for supporting the performance of services is limited to the following: _____

CONDITIONS AND ROUTING PROCEDURE:

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **NONRESIDENT ALIEN.** If the Contractor is a nonresident alien performing services in the United States or it's territories, the Contractor agrees that proof of visa status (I94 Form) documenting authorization to receive payment for work performed along with a U.S. social security number will be provided to the University prior to payment by the University.
3. **ACCESS TO RECORDS.** The Contractor shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS.** Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract, reserving a right to the University to use such subject matter for any non-commercial uses. (Continued on next page. . .)

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) (B)	Total Payments (A + B)
Personal Services	$	$	$
Expenses			
Total	$	$	$

This is a Renewal Yes ☐ No ☐

5. **TERMINATION.** Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
6. **UNIVERSITY EMPLOYEES.** The Contractor will not hire any employee of the University to perform any services covered by this agreement without prior written approval from the Office of the Provost for academic employees or from the Assistant Vice President for Human Resources for non-academic Employees.
7. **CONFIDENTIAL INFORMATION.** The Contractor shall not publish or otherwise disclose, except to the University and except matters of public record, information or data obtained in the course of performance of this Contract from private individuals, organizations, or public agencies, in a publication by which the information or data furnished by any particular person or establishment can be identified, except with the written consent of such person or establishment.
8. **ACKNOWLEDGMENT OF SPONSORSHIP.** The Contractor agrees that in any publication acknowledgment shall be made of sponsorship by the University and/or other sponsor by use of the following statement: "This work was performed under the sponsorship of THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY and (insert any other sponsor). This work does not necessarily represent the views of the University or the sponsoring agency." If the publication is copyrighted, the statement, "Reproduction of this article, with the customary credit to the source, is permitted." shall be added. With the exception of acknowledging sponsorship of research, the name of the University may not be used in publications, news releases, advertising, speeches, technical papers, photographs, and other releases of information regarding this Contract or data developed under this Contract without written approval of the University.
9. **CONFLICT OF INTEREST.** The Contractor affirms that to the best of his/her knowledge there exists no actual or potential conflict between Contractor's family, business, or financial interests and his/her services under this Contract, and in the event of change in either his/her private interest or service under this Contract, he/she will inform the University regarding possible conflict of interest which may arise as a result of such change.
10. **TOTAL AGREEMENT.** This Contract contains the entire agreement between the parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. The Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
11. **ASSIGNMENT/TRANSFER/SUBCONTRACTING.** The Contractor shall not assign, transfer, subcontract, or otherwise give to or impose on any other party any obligation or right of the Contractor under this Contract, without the prior written consent of the University.
12. **INDEMNIFICATION.** The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) for any such reason, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student.**

Signature: _____ Date: _____

MICHIGAN STATE UNIVERSITY ACCEPTANCE:

The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of 10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: _____ Date: _____
Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

Signature: _____ Date: _____
Dean or Vice President or designate.

Signature: _____ Date: _____
Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

Signature: _____ Date: _____
Purchasing Department for contracts greater than $10,000. (See section 76 of the Manual of Business Procedures for guidance).

Procedure for routing of Contract:

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Copy to Originating Department
Copy to Contractor
Copy to Purchasing if < or = $10,000 & Woman/minority-owned contractor.

Please refer to Section 76 of the Manual of Business Procedures for specific procedures on determining employee versus independent contractor status and processing of payments. Contact the Accounts Payable Department (5-0331) to determine proper payment procedure of nonresident alien Contractors and available tax treaty provisions.

Excel Version Revised 03/01

MICHIGAN STATE
UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR
(This Contract form should be completed before work commences)

Michigan State University (referred to in the Contract as University) enters into a binding agreement with:

Contractor: Phone No.:

Address (home address, if individual):

City: State: Zip Code:

U.S. Citizen: Yes ◯ No ◯ If No, Country of Citizenship: _____ and Residence: _____
If No, are you a non-resident alien? _____ Visa Type _____ Resident alien? _____

Incorporated: Yes ◯ No ◯ If Yes, Profit ◯ Nonprofit ◯. If No, pick type of business Sole Proprietorship and give name of Partner or Sole Proprietor, if different from Contractor above: _____

U.S. Social Security Number or U.S. Federal Employer Identification Number: _____

Subject to backup withholding: Yes ◯ No ◯

REPORTING PURPOSES ONLY ~~(COPY TO PURCHASING)~~ (COPY TO PURCHASING IF ≤ $10,000)

51% Ownerships:

Woman ◯ ◯ Minority Owned ◯ African Amer. ◯ Hispanic Amer. ◯ Native Amer. ◯ Asian-Pacific Amer. ◯ Asian-Indian Amer. ◯

NATURE OF SERVICES TO BE RENDERED: **PERFORMED AT (LOCATION):**

PERFORMANCE SCHEDULE:
Starting date: Ending date: Total hours:

COMPENSATION INFORMATION:
Account(s) to be charged: Payment terms:
Rate of Pay: (indicate hourly, daily, total project, etc.) $
Services shall not exceed: $ Expenses shall not exceed: $
Nature of Expenses:

DEPARTMENTAL CONTACT PERSON:
The Contractor should communicate with the following departmental representative regarding this contract:
Name: Phone No.:
Address:
The Department's responsibility for supporting the performance of services is limited to the following:

CONDITIONS AND ROUTING PROCEDURE:

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **NONRESIDENT ALIEN**. If the Contractor is a nonresident alien performing services in the United States or it's territories, the Contractor agrees that proof of visa status (I94 Form) documenting authorization to receive payment for work performed along with a U.S social security number will be provided to the University prior to payment by the University.
3. **ACCESS TO RECORDS**. The Contractor shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS**. Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract, reserving a right to the University to use such subject matter for any non-commercial uses. . **(Continued on next page...)**

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) B	Total Payments (A + B)
Personal Services	$		$ 0.00
Expenses			0.00
Total	$ 0.00	0.00	$ 0.00

This is a Renewal Yes ◯ No ◯

5. **TERMINATION**. Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
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10. **TOTAL AGREEMENT**. This Contract contains the entire agreement between the parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. This Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
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12. **INDEMNIFICATION**. The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) for any such reason, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student**.

Signature: Date:

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The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of $10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: Date:

Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

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Dean or Vice President or designate

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Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

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Purchasing Department for contracts greater than $10,000. (See section 76 of the Manual of Business Procedures for guidance).

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~~Copy~~ Distribution:

Original ~~White~~ -Accounts Payable

Copy ~~Pink~~ -Originating Department

~~-Department~~

Copy ~~Yellow~~ -Contractor

Copy To -Purchasing (≤ $10,000 & woman/minority-owned contractor).

Please refer to Section 76 of the Manual of Business Procedures for specific procedures on determining employee versus independent contractor status and processing of payments. Contact the Accounts Payable Department (5-0331) to determine proper payment procedure of nonresident alien Contractors and available tax treaty provisions.

~~Renewal yes ___ no ___~~

MICHIGAN STATE UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR

(This Contract form should be completed before work commences)

Michigan State University (referred to in this Contract as University) enters into a binding agreement with:

Contractor: _____ Phone No.: _____

Address: _____ (Home address, if individual)

City: _____ State: _____ Zip Code: _____

U.S. Citizen: Yes ____ No ____ If No, Country of Citizenship: _____ and Residence: _____

If No, are you a non-resident alien? _____ Visa Type _____ Resident alien? _____

Incorporated: Yes ____ No ____ If Yes, Profit ____ Nonprofit ____ If No, circle type of business (Partnership/Sole Proprietorship) and give name of Partner or Sole Proprietor, if different from Contractor above: _____

U.S. Social Security Number or U.S. Federal Employer Identification Number _____

Subject to backup withholding: Yes ____ No ____

NATURE OF SERVICES TO BE RENDERED:

PERFORMED AT (LOCATION):

REPORTING PURPOSES ONLY
(51% Ownership):
Woman Owned ____
Minority Owned ____
Asian Indian ___ Hispanic ___
Black ___ Native ___
Eskimo ___ Oriental ___
COPY TO PURCHASING

PERFORMANCE SCHEDULE:

Starting date: _____ Ending date: _____ Total Hours _____

COMPENSATION INFORMATION:

Account(s) to be charged: _____ Payment terms: _____

Rate of Pay _____ (indicate hourly, daily, total project, etc.)

Services shall not exceed: $ _____ Expenses shall not exceed: $ _____

Nature of Expenses: _____

DEPARTMENTAL CONTACT PERSON:

The Contractor should communicate with the following departmental representative regarding this contract:

Name: _____ Phone No.: _____

Address: _____

The Department's responsibility for supporting the performance of services is limited to the following: _____

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the reverse of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the above Social Security Number or Federal Employer Identification Number is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student.**

Signature: _____ Date: _____

When the signed Contract is faxed between the parties, the Contractor must sign and date the front and the terms on the reverse side of the form. A signature/date space is provided at the bottom of the page on the reverse side.

MICHIGAN STATE UNIVERSITY ACCEPTANCE:

The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of $10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: _____ Date: _____
Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

Signature: _____ Date: _____
Dean or Vice President or designate.

Signature: _____ Date: _____
Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

Signature: _____ Date: _____
Purchasing Department for contracts greater than $10,000 (See section 76 of the Manual of Business Procedures for guidance).

SEE REVERSE FOR CONDITIONS AND ROUTING PROCEDURE. *Renewal yes ___ no ___

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) B	Total Payments (A + B)
Personal Services	$	$	$
Expenses			
Total	$	$	$

O-21797

MSU is an Affirmative Action/Equal Opportunity Institution

Stock#14026010

From: "Pam George" <Pam.George@usdwp.msu.edu>
To: <Toomey@ctlr.msu.edu>
Date: 3/28/01 1:09PM
Subject: Re: Independent Contractor Service Contract

Marge,

It looks great to me. I don't have a problem eliminating the hard copy. However, I will check with Desiree and Bob Eash and let you know their opinions as well.

Thanks for all of the assistance.
Pam

Pamela D. George
Purchasing Director
102 Angell Building
East Lansing MI 48824-1234
Phone: 517-355-0357
Fax: 517-353-2024

>>> "Marge Toomey" <Toomey@ctlr.msu.edu> 03/28/01 10:56AM >>>
I had the revisions Desiree faxed to me made to the forms on our web site. The web address (Controller Forms Download) is provided below.

The forms are in Word, Excel and PDF format.

Let me know of any further modifications.

http://www.ctlr.msu.edu

Once you are at the web site, at the top of the page, click on Forms Download, choose Accounting/Accounts Payable, then scroll down to ex76c and look at each form in each of the three formats.

NOTE: My suggestion is to do away with the inventoried forms at Stores. I know Purchasing has no concern with just having the form available on the web; Greg has some concerns and I will review ordering stats (from Jan Rouse) with him.

Please advise me on what the next step will be.

3-2024

MICHIGAN STATE
UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR
(This Contract form should be completed before work commences)

Michigan State University (referred to in the Contract as University) enters into a binding agreement with:

Contractor: Phone No.:

Address (home address, if individual):

City: State: Zip Code:

U.S. Citizen: Yes ◯ No ◯ If No, Country of Citizenship: _____ and Residence: _____
If No, are you a non-resident alien? _____ Visa Type _____ Resident alien? _____

Incorporated: Yes ◯ No ◯ If Yes, Profit ◯ Nonprofit ◯ If No, pick type of business Sole Proprietorship and give name of Partner or Sole Proprietor, if different from Contractor above: _____

U.S. Social Security Number or U.S. Federal Employer Identification Number: _____

Subject to backup withholding: Yes ◯ No ◯

NATURE OF SERVICES TO BE RENDERED: **PERFORMED AT (LOCATION):**

PERFORMANCE SCHEDULE:

Starting date: Ending date: Total hours:

COMPENSATION INFORMATION:

Account(s) to be charged: Payment terms:

Rate of Pay: (indicate hourly, daily, total project, etc.) $

Services shall not exceed: $ Expenses shall not exceed: $

Nature of Expenses:

DEPARTMENTAL CONTACT PERSON:

The Contractor should communicate with the following departmental representative regarding this contract:

Name: Phone No.:

Address:

The Department's responsibility for supporting the performance of services is limited to the following:

CONDITIONS AND ROUTING PROCEDURE:

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **NONRESIDENT ALIEN**. If the Contractor is a nonresident alien performing services in the United States or it's territories, the Contractor agrees that proof of visa status (I94 Form) documenting authorization to receive payment for work performed along with a U.S social security number will be provided to the University prior to payment by the University.
3. **ACCESS TO RECORDS**. The Contractor shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS**. Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract, reserving a right to the University to use such subject matter for any non-commercial uses.
5. **TERMINATION**. Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
6. **UNIVERSITY EMPLOYEES**. The Contractor will not hire any employee of the University to perform any services covered by this agreement without prior written approval from the Office of the Provost for academic employees or from the Assistant Vice President for Human Resources for non-academic employees. **(Continued on next page...)**

move to next

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) B	Total Payments (A + B)
Personal Services	$		$ 0.00
Expenses			0.00
Total	$ 0.00	0.00	$ 0.00

This is a Renewal yes — No —

7. **CONFIDENTAL INFORMATION**. The Contractor shall not publish or otherwise disclose, except to the University and except matters of public record, any information or data obtained in the course of performance of this Contract from private individuals, organizations, or public agencies, in a publication by which the information or data furnished by any particular person or establishment can be identified, except with the written consent of such person or establishment.
8. **ACKNOWLEDGMENT OF SPONSORSHIP**. The Contractor agrees that in any publication acknowledgment shall be made of sponsorship by the University and/or other sponsor by use of the following statement: "This work was performed under the sponsorship of THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY and (insert any other sponsor). This work does not necessarily represent the views of the University or the sponsoring agency." If the publication is copyrighted, the statement, "Reproduction of this article, with the customary credit to the source, is permitted." Shall be added. With the exception of acknowledging sponsorship of research, the name of the University may not be used in publications, news releases, advertising, speeches, technical papers, photographs, and other releases of information regarding this Contract or data developed under this Contract without written approval of the University.
9. **CONFLICT OF INTEREST**. The Contractor affirms that to the best of his/her knowledge there exists no actual or potential conflict between Contractor's family, business, or financial interests and his/her services under this Contract, and in the event of change in either his/her private interests or services under this Contract, he/she will inform the University regarding possible conflict of interest which may arise as a result of such change.
10. **TOTAL AGREEMENT**. This Contract contains the entire agreement between the parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. This Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
11. **ASSIGNMENT/TRANSFER/SUBCONTRACTING**. The Contractor shall not assign, transfer, subcontract, or otherwise give to or impose on any other party any obligation or right of the Contractor under this Contract, without the prior written consent of the University.
12. **INDEMNIFICATION**. The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) for any such reason, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student**.

Signature: _____ Date: _____

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The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of $10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: _____ Date: _____

Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

Signature: _____ Date: _____

Dean or Vice President or designate

Signature: _____ Date: _____

Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

Signature: _____ Date: _____

Purchasing Department for contracts greater than $10,000. (See section 76 of the Manual of Business Procedures for guidance).

Procedure for routing of Contract

The Contract form should be completed before work commences.

1. Originating department for Contractor's signature and authorized signer for account to be charged.
2. Appropriate Dean or Vice President, if required.
3. Contract and Grant Administration, if charging accounts 61-0000 to 61-9999.
4. Purchasing Department, if required (see section 76 of the University's Manual of Business Procedures for guidance).
5. Originating department, maintain until completion of services.
6. At completion of services (or for each partial payment), originating department acknowledges performance, forwards original contract with the Direct Payment Voucher (for partial payments send original contract with the first payment and copies thereafter), original travel receipts, Contractor's signed invoice and other documentation, to Accounts Payable in the Controller's Office for payment.

Copy Distribution:

White -Accounts Payable
Pink -Originating
-Department
Yellow -Contractor

Please refer to Section 76 of the Manual of Business Procedures for specific procedures on determining employee versus independent contractor status and processing of payments. Contact the Accounts Payable Department (5-0331) to determine proper payment procedure of nonresident alien Contractors and available tax treaty provisions.

From: Greg Sober
To: Georgep@msu.edu; quinney@msu.edu; Toomey, Marge
Date: 3/29/01 7:38AM
Subject: Re: Independent Contractor Service Contract

Should we include a statement like "Check all that apply" ?

>>> Marge Toomey 03/28/01 10:56AM >>>
I had the revisions Desiree faxed to me made to the forms on our web site. The web address (Controller Forms Download) is provided below.

The forms are in Word, Excel and PDF format.

Let me know of any further modifications.

http://www.ctlr.msu.edu

Once you are at the web site, at the top of the page, click on Forms Download, choose Accounting/Accounts Payable, then scroll down to ex76c and look at each form in each of the three formats.

NOTE: My suggestion is to do away with the inventoried forms at Stores. I know Purchasing has no concern with just having the form available on the web; Greg has some concerns and I will review ordering stats (from Jan Rouse) with him.

Please advise me on what the next step will be.

MICHIGAN STATE UNIVERSITY

DIRECT PAYMENT VOUCHER

INSTRUCTIONS:

1. Prepare typewritten in quadruplicate and obtain required signatures.
2. Refer to manual of Business Procedure for correct preparation.
3. Send first **three copies** to Accounts Payable. Room 360, Administration Building.

DISTRIBUTION:

WHITE - Controller's Office
GREEN - Return to Department with Check Number
BLUE - Remittance Advice (to be returned with check)
PINK - Department Copy

PAYEE	ACCOUNT TO BE CHARGED		
NAME	DEPARTMENT		
ADDRESS	ADDRESS		
	ACCOUNT NUMBER	OBJECT CLASS	AMOUNT
TAX ID	21-3068	071	
PURPOSE: This voucher is to be used when the issue of a requistion and purchase order is not possible because of the nature of the payment			

PLEASE BE EXPLICIT IN THE REASON FOR EXPENDITURE WHERE A REFUND IS INVOLVED. GIVE THE RECEIPT NUMBER THAT RECORDED PAYMENT.	AMOUNT
add: UNIT CODE 76200	
add: VOUCHER PREPARED BY	
TOTAL PAYMENT	$0.00

I CERTIFY THIS PAYMENT IS APPROPRIATE, CORRECT, AND MADE IN ACCORD WITH UNIVERSITY POLICY AND PROCEDURE.

APPROVED _____ (UNIT ADMINISTRATOR) _____ (DATE)

TELEPHONE EMAIL

BUDGET APPROVAL / DATE	AUDIT	CHECK NUMBER AND DATE

140-24780 (REV. 4-92)

MICHIGAN STATE UNIVERSITY

REIMBURSEMENT VOUCHER

INSTRUCTIONS:

1. Refer to Manual of Business Procedure Section 75.
2. Send white and blue copies to Accounts Payable, 360 Administration Building.

DISTRIBUTION:

White--Controller's Office
Blue--Mailed to payee with check.
Pink--Department copy

PAYEE

Name _____

Dept. _____

Room/Building _____

PURPOSE:

ACCOUNT TO BE CHARGED

Department _____

Account Name _____

Account Number	Object Class	Amount
Total		$0.00

DATE	ITEM DESCRIPTION		TOTAL	SIGNATURE (Required when lacking receipt--items $25 or less)
	add: Unit Code			
	add: voucher prepared by			

I CERTIFY THE EXPENSES CLAIMED HEREIN WERE NECESSARY AND REASONABLE IN CARRYING OUT MY UNIVERSITY RESPONSIBILITIES AND ARE REIMBURSABLE UNDER UNIVERSITY POLICY

Signed _____ _____
Payee's Signature Date

Approved _____ _____
Administrative Senior Date

Telephone Fax

Contracts & Grants	Accounts Payable	Accounting

TOTAL CLAIM $0.00

CHECK NUMBER and DATE

MSU is an Affirmative Action/Equal Opportunity Institution

Stock # 140-2646

0-19183

MICHIGAN STATE
UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR
(This Contract form should be completed before work commences)

Michigan State University (referred to in the Contract as University) enters into a binding agreement with:

Contractor: Phone No.:

Address (home address, if individual):

City: State: Zip Code:

U.S. Citizen: Yes ◯ No ◯ If No, Country of Citizenship: _____ and Residence: _____

If No, are you a non-resident alien? _____ Visa Type _____ Resident alien? _____

Incorporated: Yes ◯ No ◯ If Yes, Profit ◯ Nonprofit ◯. If No, pick type of business Sole Proprietorship and give name of Partner or Sole Proprietor, if different from Contractor above: _____

U.S. Social Security Number or U.S. Federal Employer Identification Number: _____

Subject to backup withholding: Yes ◯ No ◯

REPORTING PURPOSES ONLY COPY TO PURCHASING WHEN CONTRACT IS WITH WOMAN/MINORITY-OWNED VENDOR (EVEN IF < OR = $10,000).
51% Ownerships:

Woman Owned ◯ **Minority Owned:** African Amer. ◯ Hispanic Amer. ◯ Native Amer. ◯ Asian-Pacific Amer. ◯ Asian-Indian Amer. ◯

NATURE OF SERVICES TO BE RENDERED: **PERFORMED AT (LOCATION):**

PERFORMANCE SCHEDULE:
Starting date: Ending date: Total hours:

COMPENSATION INFORMATION:
Account(s) to be charged: Payment terms:
Rate of Pay: (indicate hourly, daily, total project, etc.) $
Services shall not exceed: $ Expenses shall not exceed: $
Nature of Expenses:

DEPARTMENTAL CONTACT PERSON:
The Contractor should communicate with the following departmental representative regarding this contract:
Name: Phone No.:
Address:
The Department's responsibility for supporting the performance of services is limited to the following:

CONDITIONS AND ROUTING PROCEDURE:

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **NONRESIDENT ALIEN**. If the Contractor is a nonresident alien performing services in the United States or it's territories, the Contractor agrees that proof of visa status (I94 Form) documenting authorization to receive payment for work performed along with a U.S social security number will be provided to the University prior to payment by the University.
3. **ACCESS TO RECORDS**. The Contractor shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS**. Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract, reserving a right to the University to use such subject matter for any non-commercial uses. . **(Continued on next page...)**

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) B	Total Payments (A + B)
Personal Services	$		$ 0.00
Expenses			0.00
Total	$ 0.00	0.00	$ 0.00

This is a Renewal Yes ◯ No ◯

5. **TERMINATION**. Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
6. **UNIVERSITY EMPLOYEES**. The Contractor will not hire any employee of the University to perform any services covered by this agreement without prior written approval from the Office of the Provost for academic employees or from the Assistant Vice President for Human Resources for non-academic employees
7. **CONFIDENTAL INFORMATION**. The Contractor shall not publish or otherwise disclose, except to the University and except matters of public record, any information or data obtained in the course of performance of this Contract from private individuals, organizations, or public agencies, in a publication by which the information or data furnished by any particular person or establishment can be identified, except with the written consent of such person or establishment.
8. **ACKNOWLEDGMENT OF SPONSORSHIP**. The Contractor agrees that in any publication acknowledgment shall be made of sponsorship by the University and/or other sponsor by use of the following statement: "This work was performed under the sponsorship of THE BOARD OF TRUSTEES OF MICHIGAN STATE UNIVERSITY and (insert any other sponsor). This work does not necessarily represent the views of the University or the sponsoring agency." If the publication is copyrighted, the statement, "Reproduction of this article, with the customary credit to the source, is permitted." Shall be added. With the exception of acknowledging sponsorship of research, the name of the University may not be used in publications, news releases, advertising, speeches, technical papers, photographs, and other releases of information regarding this Contract or data developed under this Contract without written approval of the University.
9. **CONFLICT OF INTEREST**. The Contractor affirms that to the best of his/her knowledge there exists no actual or potential conflict between Contractor's family, business, or financial interests and his/her services under this Contract, and in the event of change in either his/her private interests or services under this Contract, he/she will inform the University regarding possible conflict of interest which may arise as a result of such change.
10. **TOTAL AGREEMENT**. This Contract contains the entire agreement between the parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. This Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
11. **ASSIGNMENT/TRANSFER/SUBCONTRACTING**. The Contractor shall not assign, transfer, subcontract, or otherwise give to or impose on any other party any obligation or right of the Contractor under this Contract, without the prior written consent of the University.
12. **INDEMNIFICATION**. The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) for any such reason, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student**.

Signature: Date:

MICHIGAN STATE UNIVERSITY ACCEPTANCE:

The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of $10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: Date:

Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

Signature: Date:

Dean or Vice President or designate

Signature: Date:

Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

Signature: Date:

Purchasing Department for contracts greater than $10,000. (See section 76 of the Manual of Business Procedures for guidance).

Procedure for routing of Contract

The Contract form should be completed before work commences.

1. Originating department for Contractor's signature and authorized signer for account to be charged.
2. Appropriate Dean or Vice President, if required.
3. Contract and Grant Administration, if charging accounts 61-0000 to 61-9999.
4. Purchasing Department, if required (see section 76 of the University's Manual of Business Procedures for guidance).
5. Originating department, maintain until completion of services.
6. At completion of services (or for each partial payment), originating department acknowledges performance, forwards original contract with the Direct Payment Voucher (for partial payments send original contract with the first payment and copies thereafter), original travel receipts, Contractor's signed invoice and other documentation, to Accounts Payable in the Controller's Office for payment.

Copy Distribution:

Original to Accounts Payable
Copy to Originating Department
Copy to Contractor
Copy to Purchasing when contract is with Woman/ Minority-owned vendor (even if < or = $10,000).

Please refer to Section 76 of the Manual of Business Procedures for specific procedures on determining employee versus independent contractor status and processing of payments. Contact the Accounts Payable Department (5-0331) to determine proper payment procedure of nonresident alien Contractors and available tax treaty provisions.

done 3-19 SL

Copy to Purchasing when contract is with woman/minority-owned vendor (even if < or = $10,000).

Copy to Purchasing when contract is with woman/minority-owned vendor (regardless of dollar amount).

MICHIGAN STATE UNIVERSITY

PROFESSIONAL PERSONAL SERVICES CONTRACT WITH INDEPENDENT CONTRACTOR

(This Contract form should be completed before work commences)

Michigan State University (referred to in the Contract as University) enters into a binding agreement with:

Contractor: Phone No.:

Address (home address, if individual):

City: State: Zip Code:

U.S. Citizen: Yes No If No, Country of Citizenship: and Residence:

If No, are you a non-resident alien? Visa Type Resident alien?

Incorporated: Yes No If Yes, Profit Nonprofit ____ If No, circle type of business (Partnership/Sole Proprietorship) and give name of Partner or Sole Proprietor, if different from Contractor above:

U.S. Social Security Number or U.S. Federal Employer Identification Number:

Subject to backup withholding: Yes No

REPORTING PURPOSES ONLY (COPY TO PURCHASING IF < OR = $10,000)

51% Ownerships:

Woman Owned ☐ **Minority Owned:** African Amer. ☐ Hispanic Amer. ☐ Native Amer. ☐ Asian-Pacific Amer. ☐ Asian-Indian Amer. ☐

NATURE OF SERVICES TO BE RENDERED:

PERFORMED AT (LOCATION):

PERFORMANCE SCHEDULE:

Starting date: Ending date: Total hours:

COMPENSATION INFORMATION:

Account(s) to be charged: Payment terms:

Rate of Pay: (indicate hourly, daily, total project, etc.) $

Services shall not exceed: $ Expenses shall not exceed: $

Nature of Expenses:

DEPARTMENTAL CONTACT PERSON:

The Contractor should communicate with the following departmental representative regarding this contract:

Name: Phone No.:

Address:

The Department's responsibility for supporting the performance of services is limited to the following:

CONDITIONS AND ROUTING PROCEDURE:

1. **INDEPENDENT CONTRACTOR.** The Contractor will act as an independent contractor under this Contract, and neither the Contractor nor any employee or agent of the Contractor is an employee of the University due to this Contract. The Contractor will provide the services and achieve the results specified by the University free from the direction or control of the University as to means and methods of performance.
2. **NONRESIDENT ALIEN**. If the Contractor is a nonresident alien performing services in the United States or it's territories, the Contractor agrees that proof of visa status (I94 Form) documenting authorization to receive payment for work performed along with a U.S social security number will be provided to the University prior to payment by the University.
3. **ACCESS TO RECORDS**. The Contractor shall maintain reasonable records, including evidence that the services actually were performed and the identity of all individuals paid for such services, and shall allow access to those records by the University, any sponsor, the State of Michigan, or the Comptroller General of the United States or their authorized representatives.
4. **OWNERSHIP OF WORK PRODUCTS**. Any discovery, patent, copyright, invention, work papers, software, software applications, written materials, publications, data, information, by-product or end-product arising as a direct result of the performance of this Contract shall be the sole property of the University. The University hereby grants to Contractor a non-exclusive royalty-free right and license to use for the Contractor's internal non-commercial research and development activities all unpublished data, know-how, materials and unpatented inventions or discoveries arising from this contract, reserving a right to the University to use such subject matter for any non-commercial uses. . **(Continued on next page...)**

Complete this section when processing payments for partial performance of services

	Current Payment (A)	Prior Payment(s) B	Total Payments (A + B)
Personal Services	$		$
Expenses			
Total	$		$

This is a Renewal Yes ☐ No ☐

5. **TERMINATION**. Either the University or the Contractor may terminate its obligations under this Contract by giving the other party prior written notice of such termination, specifying the intended date of termination; provided, however, that upon request from the University, the Contractor shall continue performance until the University can find a replacement contractor or for an additional thirty (30) days after the specified termination date, whichever is the shorter time period. Upon termination, an equitable settlement shall be made for actual costs incurred by the Contractor up to the date of termination.
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9. **CONFLICT OF INTEREST**. The Contractor affirms that to the best of his/her knowledge there exists no actual or potential conflict between Contractor's family, business, or financial interests and his/her services under this Contract, and in the event of change in either his/her private interests or services under this Contract, he/she will inform the University regarding possible conflict of interest which may arise as a result of such change.
10. **TOTAL AGREEMENT**. This Contract contains the entire agreement between the parties superseding any prior or concurrent agreements as to the services being provided, and no oral or written terms or conditions which are not contained in this Contract shall be binding. This Contract may not be changed except by mutual agreement of the parties reduced to writing and signed.
11. **ASSIGNMENT/TRANSFER/SUBCONTRACTING**. The Contractor shall not assign, transfer, subcontract, or otherwise give to or impose on any other party any obligation or right of the Contractor under this Contract, without the prior written consent of the University.
12. **INDEMNIFICATION**. The Contractor shall indemnify, defend and hold the University harmless from any charge, fine, penalty, or judgment arising out of, or in any way resulting from, the Contractor's performance under this Contract, and should the University be required to make payments or incur costs of defense (including reasonable attorney fees) for any such reason, the Contractor shall fully reimburse the University. The obligations of the Contractor under this paragraph 12 shall survive any termination of this Contract or completion of the Contractor's performance under this Contract.

CONTRACTOR ACCEPTANCE:

I agree to the terms above and on the first page of this Contract. The amount of the charges for services under this Contract does not exceed my normal and customary rate. I certify that the Social Security Number or Federal Employer Identification Number on the first page of this Contract is correct and I am not subject to backup withholding unless otherwise noted. **I am not a current University employee or enrolled as an MSU student**.

Signature: Date:

MICHIGAN STATE UNIVERSITY ACCEPTANCE:

The service to be provided is necessary, the cost for the service is reasonable, and the service cannot now be provided by current University employees. The department has retained documentation of the reasonableness of the cost and the selection process employed to secure the most qualified contractor available for contracts of $10,000 or less. Documentation of same is attached for all contracts for amounts greater than $10,000.

Signature: Date:

Authorized signer for account to be charged (also responsible for attaching documentation of bidding procedures followed or sole source justification).

Signature: Date:

Dean or Vice President or designate

Signature: Date:

Contract and Grant approval, if charging accounts 61-0000 to 61-9999.

Signature: Date:

Purchasing Department for contracts greater than $10,000. (See section 76 of the Manual of Business Procedures for guidance).

Procedure for routing of Contract

The Contract form should be completed before work commences.

1. Originating department for Contractor's signature and authorized signer for account to be charged.
2. Appropriate Dean or Vice President, if required.
3. Contract and Grant Administration, if charging accounts 61-0000 to 61-9999.
4. Purchasing Department, if required (see section 76 of the University's Manual of Business Procedures for guidance).
5. Originating department, maintain until completion of services.
6. At completion of services (or for each partial payment), originating department acknowledges performance, forwards original contract with the Direct Payment Voucher (for partial payments send original contract with the first payment and copies thereafter), original travel receipts, Contractor's signed invoice and other documentation, to Accounts Payable in the Controller's Office for payment.

Copy Distribution:

White to Accounts Payable
Copy to Originating Department
Copy to Contractor
Copy to Purchasing if < or = $10,000
Woman/minority-owned contractor

Please refer to Section 76 of the Manual of Business Procedures for specific procedures on determining employee versus independent contractor status and processing of payments. Contact the Accounts Payable Department (5-0331) to determine proper payment procedure of nonresident alien Contractors and available tax treaty provisions.

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MICHIGAN STATE
UNIVERSITY

April 29, 2002

TO: MAU Budget Personnel

FROM: Greg Sober

SUBJECT: **NONRESIDENT ALIEN PAYMENT PROCESSING UPDATE**

The Manual of Business Procedures has been updated to clarify issues relating to compensating certain nonresident aliens. (This information does not relate to payments to MSU employees or enrolled students.) Both the Immigration and Naturalization Service (INS), and the Internal Revenue Service (IRS) have promulgated a number of regulatory changes relating to issuing payments to nonresident aliens (NRA). The INS has provided relief in the area of international visitors admitted to the United States on B1, B2, (WB1 or WB2) visas. The IRS has introduced several new forms along with more stringent procedural requirements. A new Section 77 "Nonresident Alien (NRA) Independent Contractors and NRA Recipients of Honorarium, Rents, Royalties and Awards" is provided in the Manual of Business Procedures. Section 76 "Independent Contractors" has been modified by removing reference to nonresident aliens (all transactions with independent contractors are to conform to the requirements of Section 76.) A summary of the changes is provided below.

INS Allows Payment of Honorarium

Under very limited circumstances, NRA entering the USA with B1 (Visitor for Business) or B2 (Visitor for Tourism) visa status may be paid a non-contractual honorarium in appreciation for their providing personal service to MSU (similarly for those issued visas designated as WB1, WB, WB2 or WT). Previously, holders of these visas were not eligible to receive compensation of any kind. While the INS has not yet promulgated the regulations necessary to fully administer this, they have issued an advisory letter that we will use to enable our issuing payments under the enabling legislation.

Payment of an honorarium to these individuals must be formalized on a "Professional Personal Services Contract With Independent Contractor" form consistent with MSU policy. The partner form "Independent Contractor Determination and Documentation" must also be completed as specified by University policy. Finally, a new MSU form, "Certification for International Visitors Entering the U.S. With B1/WB1, Or B2/WB2 Visa Status" has been designed for use in documenting our compliance with the restrictions imposed by the INS when making honorarium payments to B1 or B2 international visitors. Please refer to Section 76 and Section 77 of the Manual of Business Procedures for specific guidance.

INS Allows Reimbursement of Travel Expenses

The INS relief also permits paying reimbursement of documented travel expenses to visitors entering with B2/WB2 visa status. (B1/WB1 visa holders were already eligible for these reimbursements). Note these expenses must be documented in accord with University travel regulations (Section 70 of the Manual of Business Procedures) to qualify.
The new MSU form, "Certification for International Visitors Entering the U.S. With B1/WB1, Or B2/WB2 Visa Status" must be completed to document compliance with INS restrictions.

Please note that INS has taken these preliminary steps pending their promulgation of regulations to enable the American Competitiveness and Workforce Improvement Act (ACWIA) of 1998. It may be necessary for MSU to modify procedures again to conform to the final regulations.

OFFICE OF THE
CONTROLLER

Accounting Department
Michigan State University
360 Administration Building
East Lansing, MI
48824-1046

Accounting Section
517/355-5000
FAX: 517/353-1706

Accounts Payable Section
517/353-2011
FAX: 517/353-1706

http://ctlr.msu.edu/acctg

MSU is an affirmative-action, equal-opportunity institution.

IRS Introduces New Forms

The IRS has introduced several new or revised forms and has mandated additional procedures. IRS Form 8233 has been updated. A more complex Form W-8ECI has replaced IRS Form 4224. A more complex Form W-8BEN has replaced Form 1001. A new form W-8EXP applicable to payments made to non-profit nonresident alien organizations is now required.

Perhaps the most significant change promulgated by the IRS is the new requirement that all NRA individuals compensated for rendering independent personal services must complete either an IRS Form 8233, "Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual", or an IRS Form W-8BEN, "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding". Previously, only those NRA applying for tax treaty benefits were required to complete an IRS form. On the bright side, the new IRS regulations facilitate paying a NRA who has not been issued a U.S. tax identification number (Social Security Number, Individual Tax Identification Number, or Employer Identification Number as appropriate). While tax treaty benefits cannot be extended without the benefit of a U.S. tax ID number, payment can still be made after withholding income taxes. Please refer to Section 77 of the Manual of Business Procedures for specific guidance.

Obtain Guidance In Advance

The Office for International Students and Scholars (OISS) should be consulted prior to extending any invitation to a nonresident alien. If you are not certain about whether a particular visa classification or set of circumstances allows for payment, OISS can help. Please contact Chris Bargerstock, Immigration Specialist, at 353-1720. If you have questions about honorarium or contractual fee payments, please call Phyllisia Pryor or Pat Lynn at 353-2011. If you need assistance on reimbursing documented travel expenses, please call the Travel Office at 353-4882.

MEM 0429 INS IRS UPDATE

SECTION 77: NONRESIDENT ALIEN (NRA) INDEPENDENT CONTRACTORS AND NRA RECIPIENTS OF HONORARIUM, RENTS, ROYALTIES AND AWARDS

I. OVERVIEW
II. GENERAL INS AND IRS REQUIREMENTS
III. IRS FORMS AND FILINGS
A. Individual recipients of compensation
B. Foreign fiduciaries, partnerships or corporations
C. Foreign tax-exempt organizations
D. Artists, athletes and entertainers
E. Recipients of scholarships, fellowships or royalty income
F. Recipients of rental income derived from property located in the U.S.
G. Payments of U.S. source income made to a U.S. agent for the benefit of a NRA payee
IV. PAYMENT PROCESSING AND REPORTING
V. PERIOD OF VALIDITY FOR IRS FORMS
VI. FREQUENTLY ASKED QUESTIONS
VII. EXHIBITS

SECTION 77: NONRESIDENT ALIEN (NRA) INDEPENDENT CONTRACTORS AND NRA RECIPIENTS OF HONORARIUM, RENTS, ROYALTIES AND AWARDS

I. OVERVIEW

Michigan State University carries out its mission on an international scale. As such, those with whom we collaborate include U.S. citizens/residents and those who are not. This section of the Manual pertains to issuing compensation and other payments to those individuals who are neither U.S. citizens nor U.S. residents. (This section will not address matters relating to compensating employees or issuing payments to enrolled students. For information on compensating employees, see Manual of Business Procedures Section 55 "Payroll Department". The Payroll Department Internet address is http://ctlr.msu.edu/payroll/int_info.htm. For information on issuing scholarships, fellowships or other awards to enrolled students, please call Student Accounts-Fees/Sponsored Aid/Fellowships at 355-5050.)

Issuing payments to international visitors and guests is a complex matter. The U.S. Immigration and Naturalization Service (INS) administers the immigration laws of the U.S. Immigration law refers to anyone who is not a U.S. citizen as an "alien".

Immigration law categorizes aliens into three groups.

A. Non-immigrants. These are aliens to whom the INS has given permission to reside temporarily in the United States. Generally, a non-immigrant has represented to the INS that he/she is a permanent resident of a foreign country to which he/she fully intends to return after a temporary stay in the U.S. The U.S. Internal Revenue Service (IRS) refers to these individuals as "nonresident aliens" (NRA). It is this category of alien that will be addressed in this Section.
B. Immigrants. These are aliens who have the right to reside permanently in the United States. Eventually, these aliens can earn a "green card" (INS Form I-551). A green card is tangible proof of immigrant status. The IRS refers to these individuals as "resident-aliens". Resident-aliens are paid in the same manner as U.S. citizens. Policies and procedures addressing payments to resident-aliens are included in other sections of the Manual.
C. Undocumented aliens. This category of alien is present in the U.S. illegally (either having entered without proper authorization, or due to having violated or overstayed the terms of their entry permit). This Section will not address payments to these individuals since they cannot be issued.

Successful completion of a payment transaction to a NRA is informed by INS and IRS federal government regulations and by MSU policy and procedure. Issuing payments to NRA individuals and companies for services rendered as independent contractors, guest lecturers, researchers, artists or performers; or as recipients of rents or royalties; or as recipients of scholarships/fellowships as non-enrolled students is a complex process to navigate successfully. In the course of planning for and completing these transactions, the University must meet the regulatory requirements of both the INS and the IRS.

A summary of requirements for payments to nonresident aliens is provided in table form in Exhibit 77-A. A series of diagrams that summarize transaction processing are presented in Exhibit 77-M.

II. GENERAL INS AND IRS REQUIREMENTS

A. Departments should clear the engagement of a NRA independent contractor with the Office for International Students and Scholars (OISS) Immigration Specialist BEFORE employing him/her for a compensated work engagement performed in the U.S. including payment of a contractual fee, non-binding honorarium, or undocumented travel expenses. The phone number for OISS is 353-1720. The Internet address for OISS is http://www.isp.msu.edu/oiss/. Accounts Payable should also be consulted to obtain guidance on the payment documentation required to satisfy INS and IRS rules, and to avoid misunderstandings relating to the payment. Accounts Payable may be reached by phone at 353-2011. Obtaining guidance in advance of inviting the NRA will help to ensure that payments you intend to make to the NRA are permissible and will avoid embarrassment or ill-will between your guest and your department.
B. A NRA who is to be paid either a contractual fee, a non-binding honorarium or reimbursement for undocumented travel expenses for services rendered in the United States, must have entered the United States under a visa status that permits him/her to receive compensation from MSU as an independent contractor, and must be within the visa's limitations. The NRA must provide proof of this work/compensation authorization by a copy of a validated INS Form I-94 "Arrival-Departure Record". A validated Form I-94 is proof of INS permission to enter the U.S., the date of entry, the place of arrival, the "class of admission" (which corresponds to the visa class), the length of time the traveler may remain in the United States, and any special conditions which may apply to the visit. The department must submit a copy of the validated Form I-94 with the Direct Payment Voucher (DPV).

1. A Canadian national might not be provided an I-94 if they are entering the U.S. as a B1 or B2 category visitor (see II.D. below). A Canadian national lacking a validated INS Form I-94 may complete the MSU "Substitute Form I-94 for Use By Certain B1 Or B2 Visitors From Canada" (see Exhibit 77-B).
2. A Native American visitor needs neither a visa status nor a Form I-94 to enter the U.S. However, as per the discussion that follows, a Native American payee is subject to income tax withholding. With a U.S. tax identification number and proper application, a Native American may obtain exemption as a resident of a treaty country if he/she provides his/her U.S. tax identification number on the application.

C. For payments to NRA who have entered the U.S. under a visa status that permits compensation (such as a J1) it is mandatory that the NRA provide the department with his/her U.S. social security number (SSN). If a SSN has not yet been assigned, the contractor must apply for one at the Social Security Administration on Form SS-5 "Application for Social Security Card" (see Exhibit 77-C1) or Form SS-5-FS (see Exhibit 77-C2) if applying from the NRA country of residence. A copy of the validated SS-5 (or SS-5-FS) can be submitted along with the DPV, I-94, and other payment documentation. Once the SSN has been assigned, the NRA must provide it to Accounts Payable.

D. Payments to NRA who have entered the U.S. under a B1 or B2 (or Waiver B1, WB1 or Waiver B2, WB2) visa status present unique challenges. (NOTE: The INS is still finalizing federal regulations relating to payments made to B1/B2 visitors.)

1. B1 and B2 visitors cannot be paid contractual compensation. Under very limited circumstances, they are permitted to receive non-binding honorarium, or reimbursement for documented or undocumented travel expenses. See Manual of Business Procedures Section 70 for travel expense reimbursement policies and procedures.
2. If a B1/B2 visitor is to be paid an honorarium, or reimbursed for undocumented travel expenses he/she must satisfy certain limitations imposed by the INS. The MSU form "Certification for International Visitors Entering the U.S. With B1/WB1 or B2/WB2 Visa Status" (see Exhibit 77-D) is provided to document and attest to the NRA's eligibility to receive such payments. The NRA and an authorized departmental person must sign the form. The limitations the NRA must satisfy are:

    a. The payment to the international visitor is an honorarium or reimbursement for documented or undocumented travel expenses.
    b. The payment relates to service that the international visitor performed for MSU that is considered to be usual academic activity (teaching, research, public service).
    c. The duration of the international visitor's stay at MSU does not exceed nine days.
    d. The international visitor has received similar payments from no more than five U.S. institutions or organizations during the previous six-month period.

3. For payments to NRA who have entered the U.S. under a B1 or B2 visa status, it is mandatory that the NRA provide either a U.S. SSN, or a U.S. Individual Tax ID Number (ITIN). If the NRA has neither a SSN nor an ITIN, the payee must apply for an ITIN on IRS Form W-7 "Application for IRS Individual Taxpayer Identification Number" (see Exhibit 77-E). If an IRS Acceptance Agent is available in the NRA's country of residence, they may be able to apply for the ITIN prior to coming to the

U.S. (refer to IRS W-7 instructions). (If the NRA does not have a U.S. social security number, he/she is not permitted to apply for one while visiting under a B1 or B2 visa.) Generally, application must be made by the NRA in person at an office of the IRS. Proof of application (copy of IRS Form W-7) must be provided with the DPV and other payment documentation. Once the ITIN has been assigned, the NRA must provide it to Accounts Payable.

E. Agreements to pay a contractual fee, non-binding honorarium, or undocumented travel expense reimbursement for personal services rendered in the United States must be formalized using the MSU form "Personal Services Contract With Independent Contractor" (PSC) and MSU form "Independent Contractor Status Determination and Documentation" (ICSDD). (See Manual of Business Procedures Section 76.II and 76.III for further discussion.)
F. Unless exempted by a current tax treaty with an NRA IC's country of residence, payments for services rendered, reimbursement of undocumented travel expenses, payment of rents, royalties or awards to an NRA are subject to federal income tax withholding of 30% and state income tax withholding of 4.1%.
G. A listing of countries whose residents may be eligible for limited exemption under tax treaty is provided (see Exhibit 77-F). The actual treaty may not exempt any or all of the payment you anticipate making to your nonresident alien IC. In order to learn the details of the tax treaty provisions for a particular country, please call Accounts Payable at 353-2011. If the country of residence for your nonresident alien is not listed on Exhibit 77-F, the payment made to the IC will be subject to income tax withholding.

III. IRS FORMS AND FILINGS

A. Individual recipients of compensation:

All individual recipients of compensation, honorarium or reimbursement of undocumented travel expenses for performance of personal services (excluding compensation as an employee), who choose to apply for tax treaty benefits must complete IRS Form 8233, "Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual" (see Exhibit 77-G). NRA IC's who do not qualify for tax treaty benefits (or those who choose not to apply for them) must complete (in part) an IRS Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding" (see Exhibit 77-H) in order to document their status as an NRA.

1. IRS Form 8233 and Form W-8BEN can be obtained from the Accounts Payable Department, 360 Administration Bldg., 353-2011. Departments may also download a copy of the forms and instructions for their use from the Controller's Office Web site at http://ctlr.msu.edu/download.
2. A contractor applying for tax treaty benefits must complete IRS Form 8233 through item 14 and sign where indicated.
3. A contractor not applying for treaty benefits should complete Form W-8BEN through item 8 and sign where indicated.
4. Generally, payees holding a Type F (student) or Type J (researcher/scholar) visa who are applying for treaty exemption must also complete a supporting statement to satisfy IRS requirements. The completed statement should be stapled to the completed IRS Form 8233. The statement required will vary by country. Please call Accounts Payable at 353-2011 to obtain guidance.
5. Payees holding a Type F (student) visa are seldom authorized to engage in

performing independent personal services for compensation. When "curricular practical training" is authorized, they must provide a copy of INS Form I-20 endorsed by the MSU Office for International Students and Scholars, or the Designated School Official (DSO) from their sponsoring U.S. university. When "optional practical training" is authorized, they must present INS Form I-688B, or I-766 issued and approved by INS.

6. Payees holding a Type J (researcher/scholar) visa must present a copy of INS Form IAP-66 endorsed by the Designated School Official from their sponsoring U.S. university. This approval is employer-specific, so MSU must be named as the approved employer.
7. The NRA contractor's U.S. tax identification number (U.S. social security number or U.S. Individual Tax ID Number - see discussion above at 77.II.C. and 77.II.D.3.) must be provided. If a U.S. tax identification number has not been assigned, the contractor must apply for one and provide proof of application to Accounts Payable. If neither a U.S. TIN nor proof of application for a TIN is provided, the NRA cannot apply for treaty benefits and the university must withhold income taxes from the payment.
8. IRS Form 8233 or Form W-8BEN (as appropriate), together with the DPV, I-94, PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration Building.
9. The Accounts Payable Department will review and finalize IRS Form 8233 and mail it to the IRS if the NRA has applied for tax treaty benefits.
10. If the NRA IC has applied for tax treaty benefits, the exemption from withholding must be approved by the IRS before payment is made. It takes 10 business days for the IRS to respond to a request to exempt payment from withholding.
11. If the payee chooses not to avail himself/herself of available tax treaty benefits, a statement documenting this and signed by the payee must be included with the DPV (or on the face of it).

B. Foreign fiduciaries, partnerships or corporations:

Foreign fiduciaries, partnerships or corporations engaged in a trade or business (and individuals providing something other than independent personal services such as rental operations – see III.A. above for individual personal services) in the United States are subject to income tax withholding. Internal Revenue Code Section 864 includes the provision of personal service in the U.S. in the definition of engaging in a trade or business in the U.S. Exemption from withholding may be accomplished by completing IRS Form W-8ECI, "Certificate of Foreign Person's Claim for Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States" (see Exhibit 77-I). Those NRA completing this form must file a U.S. income tax return. This exemption does not apply to compensation or reimbursement of undocumented travel expenses related to personal services performed by an individual. (Unless it relates to the conduct of a trade or business in the U.S., fiduciaries, partnerships and corporations receiving income should file IRS Form W-8BEN rather than the W-8ECI. This would relate to receipt of royalties earned in the U.S., for example.)

1. IRS Form W-8ECI can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Once the contractor completes IRS Form W-8ECI, the form together with the DPV,

PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration Building.

3. The contractor's U.S. tax identification number (TIN) must be provided. If a U.S.TIN has not been assigned, the contractor must apply to the IRS for an employer identification number (EIN) using Form SS-4 "Application for Employer Identification Number" (see Exhibit 77-J). Application may be submitted through the mail, by fax or by phone (refer to IRS SS-4 instructions). Individuals providing something other than personal services should apply for an ITIN from the IRS using IRS Form W-7. Proof of application must be provided to Accounts Payable. If a U.S. TIN is not provided, the university must withhold income taxes from the payment.

C. Foreign tax-exempt organizations:

Foreign tax-exempt organizations may be exempt from withholding. To obtain the benefit of tax-exempt status, these organizations must file IRS Form W-8EXP "Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding" (see Exhibit 77-K). This exemption does not apply to compensation or reimbursement of undocumented travel expenses related to personal services performed by an individual.

1. IRS Form W-8EXP can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Note that certain categories of declaration of tax-exempt entity status require written supporting statements from either the U.S. IRS or a U.S. attorney.
3. Once the contractor completes IRS Form W-8EXP, the form together with the DPV, PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration Building.
4. The contractor's U.S. employer ID number (EIN) must be provided. If a U.S. EIN has not been assigned, the contractor must apply to the IRS for one using Form SS-4 "Application for Employer Identification Number". Proof of application must be provided to Accounts Payable. If a U.S. EIN is not provided, the university must withhold income taxes from the payment.
5. If a foreign tax-exempt organization is not applying for exemption from withholding, they must complete IRS Form W-8BEN. See item E.1. through E.3. below.

D. Artists, athletes and entertainers:

1. Payments to NRA artists, athletes and entertainers can be problematic. This is a sub-category of independent personal services. Typically, payments to artists, athletes and performers are subject to 34.1% withholding.
2. This category of NRA can be an individual, partnership or corporation, or a tax-exempt organization. As a general rule, processing payment to the NRA will be determined by the nature of the entity (e.g., individual, corporation, non-profit entity). See previous paragraphs for processing requirements of each category.
3. For individuals who may be eligible for reduced withholding due to a tax treaty, if the tax treaty with their country of residence contains a separate article that applies to "artists, athletes and entertainers", that article takes precedence over the "independent personal services" article.
4. For individual performers not eligible for tax treaty benefits, or for other entities, a

reduced rate of federal withholding may be negotiated under an agreement prepared in accordance with IRS central withholding agreement procedure (see Exhibit 77-L) as stipulated in IRS Publication 515 "Withholding of Tax on Nonresident Aliens and Foreign Entities". This agreement will incorporate all United States performance engagements by the NRA for withholding purposes. The agreement must be signed by the Commissioner of the IRS, all NRA(s) covered by the agreement, and by each withholding agent (including Michigan State University).

5. If payment for the benefit of a NRA artist, athlete or entertainer is issued to a U.S. agent, withholding taxes must be deducted. See Section 77.III.G.

E. Recipients of scholarships, fellowships or royalty income:

Scholarships and fellowships for non-degree candidates engaged in study, training or research are subject to income tax withholding at a rate of 18.1% (14% Federal and 4.1% State). Royalties are subject to 34.1% income tax withholding. Recipients of scholarships or fellowships (not enrolled in a degree program engaged in study, training or research) or royalty income may be exempt from withholding. Fiduciaries, partnerships and corporations may also be eligible for reduced withholding on royalties. A listing of countries whose residents may be eligible for limited exemption of withholding from royalty income under tax treaty is provided (see Exhibit 77-F). The actual treaty may not exempt any or all of the royalty income you anticipate paying to the NRA. In order to learn the details of the tax treaty provisions for a particular country, please call Accounts Payable at 353-2011. If the country of residence for your NRA is not listed on Exhibit 77-F, the payment will be subject to income tax withholding.

Amounts of per diem for subsistence paid by the U.S. Government Agency for International Development (USAID) to NRA engaged in a training program in the U.S. are exempt from withholding even though the amounts may be subject to income taxation. Confirmation of USAID as the source of the scholarship must be documented by award correspondence.

The NRA recipient of a scholarship or fellowship award (including a USAID stipend) or royalty income must complete IRS Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Withholding" whether or not they apply for tax treaty benefits.

1. IRS Form W-8BEN can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Once the recipient completes IRS Form W-8BEN, the form together with the DPV, and other required documentation (including Form I-94 for scholarship/fellowship recipients) should be forwarded to the Accounts Payable Department, 360 Administration Building.
3. The income recipient's U.S. tax identification number (TIN) must be provided. If a U.S. TIN has not been assigned to an individual, the income recipient must apply to the IRS for a U.S. Individual Tax ID Number (ITIN) using an IRS Form W-7. If a U.S. ITIN is not provided, the university must withhold income taxes from the payment. Fiduciaries, partnerships and corporations and tax-exempt organizations must provide a U.S. Employer ID number to be eligible for any treaty benefits available providing for reduced withholding. These organizations may also request

exemption from tax withholding by submitting IRS Form W-8ECI or W-8EXP as appropriate, (see Section 77.III.B. and 77.III.C. above). If W-8ECI or W-8EXP are filed, exemption will not be based on tax treaty, but rather on exemption for conduct of a trade or business in the U.S. or based on their status as a tax-exempt organization.

F. Recipients of rental income derived from property located in the U.S.:

1. NRA recipients of rental income that is derived from property located in the U.S. are generally subject to income tax withholding. Withholding may be avoided if they complete IRS Form W-8ECI, "Certificate of Foreign Person's Claim for Exemption From Withholding ~~of Tax~~ on Income Effectively Connected With the Conduct of a Trade or Business in the United States" (Exhibit 77-I) and file the form with the university. A U.S. tax ID number is required.
2. See Section 77.III.B for instructions for completing Form W-8ECI.
3. If the NRA payee does not desire to or cannot complete Form W-8ECI, he/she may complete IRS Form W-8BEN to simply establish their status as a nonresident alien for tax purposes. Income taxes will be withheld from the payment.

G. Payments of U.S. source income made to a U.S. agent for the benefit of a NRA payee:

1. According to IRS Regulation 1.1441-1(b)(2)(ii), if the university makes a payment to a U.S. person (individual, partnership or corporation, etc.) with actual knowledge that the U.S. person is receiving the payment as an agent of an NRA individual, partnership, or corporation, the university must treat the payment as if it were made to the foreign person. This may occur relative to ~~artists~~ and entertainers. This IRS Regulation mandates that withholding taxes be deducted from the payment made to the agent and that the entire payment be reported on IRS Form 1042S in the name of the agent. The taxes withheld are refundable to neither the agent, nor to the NRA.
2. If payment must be made to an agent, making sure the contract(s) stipulate which payment(s) and the dollar amount(s) thereof are for the services of the agent, and which are to be passed through to the NRA recipient will be of benefit in avoiding an over withholding situation. Alternatively, if payment is made directly to the NRA, withholding may be avoided by the NRA submitting the appropriate IRS form noted in previous paragraphs (Form 8233, Form W-8ECSI and Form W-8EXP).

IV. PAYMENT PROCESSING AND REPORTING

A. Upon receipt of the disbursement voucher, relevant IRS form and supporting documentation, Accounts Payable will review eligibility for payment and any requested treaty benefits. If the payment is determined to be exempt from withholding, a check will be issued for the gross amount of the DPV.
B. If the payment is determined not to be exempt from withholding, a check will be issued for the net amount of the DPV after deducting taxes. Departmental accounts will be charged for the federal and state income tax withheld using a Journal Voucher Entry prepared by Accounts Payable.
C. If the payment is determined to be subject to income tax withholding and the department would like to gross up the payment to result in an agreed-upon net payment amount to the NRA, the additional payment amount will also be reportable income and subject to income tax withholding.

The formula for calculating the grossed-up amount is: (desired net amount) divided by 0.659 (which is 1.0 – 0.341) or, in the case of scholarship/fellowship, 0.819 (which is 1.0 – 0.181). This grossed-up amount will then be subject to income tax withholding at 34.1% (18.1% in the case of a scholarship/fellowship).

D. IRS Form 1042S, "Foreign Person's U.S. Source Income Subject to Withholding", is issued annually to each NRA IC, whether or not the individual has taxes withheld. Form 1042S, which is issued by the Payroll Department no later than March 15, reports all payments made during the previous calendar year. Questions about Form 1042S should be addressed to the Payroll Department, 355-5010. Payroll Department staff will refer inquiries to one of several sources for information on the underlying payments reported on the Form 1042S.

V. PERIOD OF VALIDITY FOR IRS FORMS

A. The IRS documents (8233, W-8BEN, W-8ECI and W-8EXP) filed by the payee have defined expiration dates.
B. IRS Form 8233 is valid starting on the date the form is signed through December 31 of the same calendar year.
C. IRS Form W-8BEN submitted with a U.S. TIN is valid until a change in circumstances makes information on the form invalid as long as one payment is issued annually to the NRA and is reported on IRS Form 1042-S. A W-8BEN submitted without a U.S. TIN is valid starting on the date the form is signed through December 31 of the same calendar year and continuing through the last day of the third succeeding calendar year unless a change in circumstances makes any information on the form incorrect.
D. IRS Form W-8ECI is valid starting on the date the form is signed through December 31 of the same calendar year and continuing through the last day of the third succeeding calendar year unless a change in circumstances makes any information on the form incorrect.
E. IRS Form W-8EXP submitted with a U.S. TIN is valid until a change in circumstances makes information on the form invalid as long as MSU issues one payment annually to the NRA and the payment is reported on IRS Form 1042-S. A W-8EXP submitted without a U.S. TIN is valid starting on the date the form is signed through December 31 of the same calendar year and continuing through the last day of the third succeeding calendar year unless a change in circumstances makes any information on the form incorrect. If the W-8EXP (without a U.S. TIN) has been submitted by an integral part of a foreign government, the form will remain in effect until a change in circumstances makes any information on the form incorrect.

VI. FREQUENTLY ASKED QUESTIONS

A. Where can I obtain guidance at MSU to ensure that I make the proper arrangements for a future visit of an international guest?
B. Are payments to all international visitors handled the same way?
C. What is a visa?
D. What is the INS Form I-94?
E. What is a U.S. tax identification number?
F. Can a nonresident alien avoid U.S. income tax withholding on taxable payments received from MSU?
G. Are Native Americans who live outside the U.S. considered to be NRA?
H. My NRA consultant tells me that MSU is his/her only client that requires this information. Is this true?
I. My NRA consultant is subject to income tax withholding. We don't want to cause hard feelings with the NRA by issuing a check that is netted down by the withholding taxes. How can we make

a payment that will result in him/her receiving a net check in the amount we originally agreed to pay?

VII. EXHIBITS

Exhibit 77-A. Table - Summary of Requirements for Payments to Nonresident Aliens

Exhibit 77-B. Substitute Form I-94 for Use By Certain B1 or B2 Visitors From Canada

Exhibit 77-C1. SSA Form SS-5 "Application for U.S. Social Security Card"

Exhibit 77-C2. SSA Form SS-5-FS "Application for U.S. Social Security Card" (used when applying from NRA country of residence)

Exhibit 77-D. Certification for International Visitors Entering the U.S. With B1/WB1 or B2/WB2 Visa Status

Exhibit 77-E. IRS Form W-7 "Application for IRS Individual Taxpayer Identification Number (ITIN)"

Exhibit 77-F. Table - Tax Treaty Summary

Exhibit 77-G. IRS Form 8233 "Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien"

Exhibit 77-H. IRS Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding"

Exhibit 77-I. IRS Form W-8ECI "Certificate of Foreign Person's Claim for Exemption From Withholding ~~of Tax~~ on Income Effectively Connected With the Conduct of a Trade or Business in the United States"

Exhibit 77-J. IRS Form SS-4 "Application for Employer Identification Number"

Exhibit 77-K. IRS Form W-8EXP "Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding"

Exhibit 77-L. Central Withholding Agreement Procedure (excerpt from IRS Publication 515)

Exhibit 77-M. Summary Transaction Diagrams

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SECTION 77: NONRESIDENT ALIEN (NRA) INDEPENDENT CONTRACTORS AND NRA RECIPIENTS OF HONORARIUM, RENTS, ROYALTIES AND AWARDS

I. OVERVIEW

Michigan State University carries out its mission on an international scale. As such, those with whom we collaborate include U.S. citizens/residents and those who are not. This section of the Manual pertains to issuing compensation and other payments to those individuals who are neither U.S. citizens nor U.S. residents. (This section will not address matters relating to compensating employees or issuing payments to enrolled students. For information on compensating employees, see Manual of Business Procedures Section 55 "Payroll Department". The Payroll Department Internet address is http://ctlr.msu.edu/payroll/int_info.htm. For information on issuing scholarships, fellowships or other awards to enrolled students, please call Student Accounts-Fees/Sponsored Aid/Fellowships at 355-5050.)

Issuing payments to international visitors and guests is a complex matter. The U.S. Immigration and Naturalization Service (INS) administers the immigration laws of the U.S. Immigration law refers to anyone who is not a U.S. citizen as an "alien".

Immigration law categorizes aliens into three groups.

A. Non-immigrants. These are aliens to whom the INS has given permission to reside temporarily in the United States. Generally, a non-immigrant has represented to the INS that he/she is a permanent resident of a foreign country to which he/she fully intends to return after a temporary stay in the U.S. The U.S. Internal Revenue Service (IRS) refers to these individuals as "nonresident aliens" (NRA). It is this category of alien that will be addressed in this Section.
B. Immigrants. These are aliens who have the right to reside permanently in the United States. Eventually, these aliens can earn a "green card" (INS Form I-551). A green card is tangible proof of immigrant status. The IRS refers to these individuals as "resident-aliens". Resident-aliens are paid in the same manner as U.S. citizens. Policies and procedures addressing payments to resident-aliens are included in other sections of the Manual.
C. Undocumented aliens. This category of alien is present in the U.S. illegally (either having entered without proper authorization, or due to having violated or overstayed the terms of their entry permit). This Section will not address payments to these individuals since they cannot be issued.

Successful completion of a payment transaction to a NRA is informed by INS and IRS federal government regulations and by MSU policy and procedure. Issuing payments to NRA individuals and companies for services rendered as independent contractors, guest lecturers, researchers, artists or performers; or as recipients of rents or royalties; or as recipients of scholarships/fellowships as non-enrolled students is a complex process to navigate successfully. In the course of planning for and completing these transactions, the University must meet the regulatory requirements of both the INS and the IRS.

A summary of requirements for payments to nonresident aliens is provided in table form in Exhibit 77-A. A series of diagrams that summarize transaction processing are presented in Exhibit 77-M.

II. GENERAL INS AND IRS REQUIREMENTS

A. Departments should clear the engagement of a NRA independent contractor with the Office for International Students and Scholars (OISS) Immigration Specialist BEFORE employing him/her for a compensated work engagement performed in the U.S. including payment of a contractual fee, non-binding honorarium, or undocumented travel expenses. The phone number for OISS is 353-1720. The Internet address for OISS is http://www.isp.msu.edu/oiss/~~index/html~~. Accounts Payable should also be consulted to obtain guidance on the payment documentation required to satisfy INS and IRS rules, and to avoid misunderstandings relating to the payment. Accounts Payable may be reached by phone at 353-2011. Obtaining guidance in advance of inviting the NRA will help to ensure that payments you intend to make to the NRA are permissible and will avoid embarrassment or ill-will between your guest and your department.
B. A NRA who is to be paid either a contractual fee, a non-binding honorarium or reimbursement for undocumented travel expenses for services rendered in the United States, must have entered the United States under a visa status that permits him/her to receive compensation from MSU as an independent contractor, and must be within the visa's limitations. The NRA must provide proof of this work/compensation authorization by a copy of a validated INS Form I-94 "Arrival-Departure Record". A validated Form I-94 is proof of INS permission to enter the U.S., the date of entry, the place of arrival, the "class of admission" (which corresponds to the visa class), the length of time the traveler may remain in the

United States, and any special conditions which may apply to the visit. The department must submit a copy of the validated Form I-94 with the Direct Payment Voucher (DPV).

1. A Canadian national might not be provided an I-94 if they are entering the U.S. as a B1 or B2 category visitor (see II.D. below). A Canadian national lacking a validated INS Form I-94 may complete the MSU "Substitute Form I-94 for Use By Certain B1 Or B2 Visitors From Canada" (see Exhibit 77-B)
2. A Native American visitor needs neither a visa status nor a Form I-94 to enter the U.S. However, as per the discussion that follows, a Native American payee is subject to income tax withholding. With a U.S. tax identification number and proper application, a Native American may obtain exemption as a resident of a treaty country if he/she provides his/her U.S. tax identification number on the application.

C. For payments to NRA who have entered the U.S. under a visa status that permits compensation (such as a J1) it is mandatory that the NRA provide the department with his/her U.S. social security number (SSN). If a SSN has not yet been assigned, the contractor must apply for one at the Social Security Administration on Form SS-5 "Application for Social Security Card" (see Exhibit 77-C1) or Form SS-5-FS (see Exhibit 77-C2) if applying from the NRA country of residence. A copy of the validated SS-5 (or SS-5-FS) can be submitted along with the DPV, I-94, and other payment documentation. Once the SSN has been assigned, the NRA must provide it to Accounts Payable.

D. Payments to NRA who have entered the U.S. under a B1 or B2 (or Waiver B1, WB1 or Waiver B2, WB2) visa status present unique challenges. (NOTE: The INS is still finalizing federal regulations relating to payments made to B1/B2 visitors.)

1. B1 and B2 visitors cannot be paid contractual compensation. Under very limited circumstances, they are permitted to receive non-binding honorarium, or reimbursement for documented or undocumented travel expenses. See Manual of Business Procedures Section 70 for travel expense reimbursement policies and procedures.
2. If a B1/B2 visitor is to be paid an honorarium, or reimbursed for undocumented travel expenses he/she must satisfy certain limitations imposed by the INS. The MSU form "Certification for International Visitors Entering the U.S. With B1/WB1 or B2/WB2 Visa Status" (see Exhibit 77-D) is provided to document and attest to the NRA's eligibility to receive such payments. The NRA and an authorized departmental person must sign the form. The limitations the NRA must satisfy are:
   a) The payment to the international visitor is an honorarium or reimbursement for documented or undocumented travel expenses.
   b) The payment relates to service that the international visitor performed for MSU that is considered to be usual academic activity (teaching, research, public service).
   c) The duration of the international visitor's stay at MSU does not exceed nine days.
   d) The international visitor has received similar payments from no more than five U.S. institutions or organizations during the previous six-month period.
3. For payments to NRA who have entered the U.S. under a B1 or B2 visa status, it is mandatory that the NRA provide either a U.S. SSN, or a U.S. Individual Tax ID Number (ITIN). If the NRA has neither a SSN nor an ITIN, the payee must apply for an ITIN on IRS Form W-7 "Application for IRS Individual Taxpayer Identification Number" (see Exhibit 77-E). If an IRS Acceptance Agent is available in the NRA's country of residence, they may be able to apply for the ITIN prior to coming to the U.S. (refer to IRS W-7 instructions). (If the NRA does not have a U.S. social security number, he/she is not permitted to apply for one while visiting under a B1 or B2 visa.) Generally, application must be made by the NRA in person at an office of the IRS. Proof of application (copy of IRS Form W-7) must be provided with the DPV and other payment documentation. Once the ITIN has been assigned, the NRA must provide it to Accounts Payable.

E. Agreements to pay a contractual fee, non-binding honorarium, or undocumented travel expense reimbursement for personal services rendered in the United States must be formalized using the MSU form "Personal Services Contract With Independent Contractor" (PSC) and MSU form "Independent Contractor Status Determination and Documentation" (ICSDD). (See Manual of Business Procedures Section 76.II and 76.III for further discussion.)

F. Unless exempted by a current tax treaty with an NRA IC's country of residence, payments for services rendered, reimbursement of undocumented travel expenses, payment of rents, royalties or awards to an NRA are subject to federal income tax withholding of 30% and state income tax withholding of 4.1%.

G. A listing of countries whose residents may be eligible for limited exemption under tax treaty is provided (see Exhibit 77-F). The actual treaty may not exempt any or all of the payment you anticipate making to your nonresident alien IC. In order to learn the details of the tax treaty provisions for a particular country, please call Accounts Payable at 353-2011. If the country of residence for your nonresident alien is not listed on Exhibit 77-F, the payment made to the IC will be subject to income tax withholding.

III. IRS FORMS AND FILINGS

A. Individual recipients of compensation:

All individual recipients of compensation, honorarium or reimbursement of undocumented travel expenses for performance of personal services (excluding compensation as an employee), who choose to apply for tax treaty benefits must complete IRS Form 8233, "Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident

Alien Individual" (see Exhibit 77-G). NRA IC's who do not qualify for tax treaty benefits (or those who choose not to apply for them) must complete (in part) an IRS Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding" (see Exhibit 77-H) in order to document their status as an NRA.

1. IRS Form 8233 and Form W-8BEN can be obtained from the Accounts Payable Department, 360 Administration Bldg., 353-2011. Departments may also download a copy of the forms and instructions for their use from the Controller's Office Web site at http://ctlr.msu.edu/download.
2. A contractor applying for tax treaty benefits must complete IRS Form 8233 through item 14 and sign where indicated.
3. A contractor not applying for treaty benefits should complete Form W-8BEN through item 8 and sign where indicated.
4. Generally, payees holding a Type F (student) or Type J (researcher/scholar) visa who are applying for treaty exemption must also complete a supporting statement to satisfy IRS requirements. The completed statement should be stapled to the completed IRS Form 8233. The statement required will vary by country. Please call Accounts Payable at 353-2011 to obtain guidance.
5. Payees holding a Type F (student) visa are seldom authorized to engage in performing independent personal services for compensation. When "curricular practical training" is authorized, they must provide a copy of INS Form I-20 endorsed by the MSU Office for International Students and Scholars, or the Designated School Official (DSO) from their sponsoring U.S. university. When "optional practical training" is authorized, they must present INS Form I-688B, or I-766 issued and approved by INS.
6. Payees holding a Type J (researcher/scholar) visa must present a copy of INS Form IAP-66 endorsed by the Designated School Official from their sponsoring U.S. university. This approval is employer-specific, so MSU must be named as the approved employer
7. The NRA contractor's U.S. tax identification number (U.S. social security number or U.S. Individual Tax ID Number - see discussion above at 77.II.C. and 77.II.D.3.) must be provided. If a U.S. tax identification number has not been assigned, the contractor must apply for one and provide proof of application to Accounts Payable. If neither a U.S. TIN nor proof of application for a TIN is provided, the NRA cannot apply for treaty benefits and the university must withhold income taxes from the payment.
8. IRS Form 8233 or Form W-8BEN (as appropriate), together with the DPV, I-94, PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration Building.
9. The Accounts Payable Department will review and finalize IRS Form 8233 and mail it to the IRS if the NRA has applied for tax treaty benefits.
10. If the NRA IC has applied for tax treaty benefits, the exemption from withholding must be approved by the IRS before payment is made. It takes 10 business days for the IRS to respond to a request to exempt payment from withholding.
11. If the payee chooses not to avail himself/herself of available tax treaty benefits, a statement documenting this and signed by the payee must be included with the DPV (or on the face of it).

B. Foreign fiduciaries, partnerships or corporations:

Foreign fiduciaries, partnerships or corporations (or individuals providing something other than independent personal services such as rental operations) engaged in a trade or business in the United States may claim exemption from withholding. This is accomplished by completing IRS Form W-8ECI, "Certificate of Foreign Person's Claim for Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States" (see Exhibit 77-I). Those NRA completing this form must file a U.S. income tax return. Again, this exemption does not apply to compensation or reimbursement of undocumented travel expenses related to personal services performed by an individual. (Unless it relates to the conduct of a trade or business in the U.S., fiduciaries, partnerships and corporations receiving royalty income should file IRS Form W-8BEN rather than the W-8ECI.)

1. IRS Form W-8ECI can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Once the contractor completes IRS Form W-8ECI, the form together with the DPV, PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration.
3. The contractor's U.S. tax identification number (TIN) must be provided. If a U.S.TIN has not been assigned, the contractor must apply to the IRS for an employer identification number (EIN) using Form SS-4 "Application for Employer Identification Number" (see Exhibit 77-J). Application may be submitted through the mail, by fax or by phone (refer to IRS SS-4 instructions). Individuals providing something other than personal services should apply for an ITIN from the IRS using IRS Form W-7. Proof of application must be provided to Accounts Payable. If a U.S. TIN is not provided, the university must withhold income taxes from the payment.

C. Foreign tax-exempt organizations:

Foreign tax-exempt organizations may be exempt from withholding. To obtain the benefit of tax-exempt status, these organizations must file IRS Form W-8EXP "Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding" (see Exhibit 77-K). This exemption does not apply to compensation or reimbursement of undocumented travel expenses related to personal services performed by an individual.

1. IRS Form W-8EXP can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Note that certain categories of declaration of tax-exempt entity status require written supporting statements from either the U.S. IRS or a U.S. attorney.
3. Once the contractor completes IRS Form W-8EXP, the form together with the DPV, PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration.
4. The contractor's U.S. employer ID number (EIN) must be provided. If a U.S. EIN has not been assigned, the contractor must apply to the IRS for one using Form SS-4 "Application for Employer Identification Number". Proof of application must be provided to Accounts Payable. If a U.S. EIN is not provided, the university must withhold income taxes from the payment.
5. If a foreign tax-exempt organization is not applying for exemption from withholding, they must complete IRS Form W-8BEN. See item E.1. through E.3. below.

D. Artists, athletes and entertainers:

1. Payments to NRA artists, athletes and entertainers can be problematic. This is a sub-category of independent personal services. Typically, payments to artists, athletes and performers are subject to 34.1% withholding.
2. This category of NRA can be an individual, partnership or corporation, or a tax-exempt organization. As a general rule, processing payment to the NRA will be determined by the nature of the entity (e.g., individual, corporation, non-profit entity). See previous paragraphs for processing requirements of each category.
3. For individuals who may be eligible for reduced withholding due to a tax treaty, if the tax treaty with their country of residence contains a separate article that applies to "artists, athletes and entertainers", that article takes precedence over the "independent personal services" article. If the constraints of the "artists" article are exceeded, the applicant may fall back to the provisions of the "independent personal services" article for relief if available.
4. For individual performers not eligible for tax treaty benefits, or for other entities, a reduced rate of federal withholding may be negotiated under an agreement prepared in accordance with IRS central withholding agreement procedure (see Exhibit 77-L) as stipulated in IRS Publication 515 "Withholding of Tax on Nonresident Aliens and Foreign Entities". This agreement will incorporate all United States performance engagements by the NRA for withholding purposes. The agreement must be signed by the Commissioner of the IRS, all NRA(s) covered by the agreement, and by each withholding agent (including Michigan State University).
5. If payment for the benefit of a NRA artist, athlete or entertainer is issued to a U.S. agent, withholding taxes must be deducted. See Section 77.III.G.

E. Recipients of scholarships, fellowships or royalty income:

Scholarships and fellowships for non-degree candidates engaged in study, training or research are subject to income tax withholding at a rate of 18.1% (14% Federal and 4.1% State). Royalties are subject to 34.1% income tax withholding. Recipients of scholarships or fellowships (not enrolled in a degree program engaged in study, training or research) or royalty income may be exempt from withholding. Fiduciaries, partnerships and corporations may also be eligible for reduced withholding on royalties. A listing of countries whose residents may be eligible for limited exemption of withholding from royalty income under tax treaty is provided (see Exhibit 77-F). The actual treaty may not exempt any or all of the royalty income you anticipate paying to the NRA. In order to learn the details of the tax treaty provisions for a particular country, please call Accounts Payable at 353-2011. If the country of residence for your NRA is not listed on Exhibit 77-F, the payment will be subject to income tax withholding.

Amounts of per diem for subsistence paid by the U.S. Government Agency for International Development (USAID) to NRA engaged in a training program in the U.S. are exempt from withholding even though the amounts may be subject to income taxation. Confirmation of USAID as the source of the scholarship must be documented by award correspondence.

The NRA recipient of a scholarship or fellowship award (including a USAID stipend) or royalty income must complete IRS Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Withholding" whether or not they apply for tax treaty benefits.

1. IRS Form W-8BEN can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Once the recipient completes IRS Form W-8BEN, the form together with the DPV, and other required documentation (including Form I-94 for scholarship/fellowship recipients) should be forwarded to the Accounts Payable Department, 360 Administration.
3. The income recipient's U.S. tax identification number (TIN) must be provided. If a U.S. TIN has not been assigned to an individual, the income recipient must apply to the IRS for an U.S. Individual Tax ID Number (ITIN) using an IRS Form W-7. If a U.S. ITIN is not provided, the university must withhold income taxes from the payment. Fiduciaries, partnerships and corporations and tax-exempt organizations must provide a U.S. Employer ID number to be eligible for any treaty benefits available providing for reduced withholding. These organizations may also request exemption

from tax withholding by submitting IRS Form W-8ECI or W-8EXP as appropriate, (see Section 77.III.B. and 77.III.C. above). If W-8ECI or W-8EXP are filed, exemption will not be based on tax treaty, but rather on exemption for conduct of a trade or business in the U.S. or based on their status as a tax-exempt organization.

F. Recipients of rental income derived from property located in the U.S.:

1. NRA recipients of rental income that is derived from property located in the U.S. are generally subject to income tax withholding. Withholding may be avoided if they complete IRS Form W-8ECI, "Certificate of Foreign Person's Claim for Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States" (Exhibit 77-I) and file the form with the university. A U.S. tax ID number is required.
2. See Section 77.III.B for instructions for completing Form W-8ECI.
3. If the NRA payee does not desire to or cannot complete Form W-8ECI, he/she may complete IRS Form W-8BEN to simply establish their status as a nonresident alien for tax purposes. Income taxes will be withheld from the payment.

G. Payments of U.S. source income made to a U.S. agent for the benefit of a NRA payee

1. According to IRS Regulation 1.1441-1(b)(2)(ii), if the university makes a payment to a U.S. person (individual, partnership or corporation, etc.) with actual knowledge that the U.S. person is receiving the payment as an agent of an NRA individual, partnership, or corporation, the university must treat the payment as if it were made to the foreign person. This is a frequent circumstance with artists, and entertainers. This IRS Regulation mandates that withholding taxes be deducted from the payment made to the agent and that the entire payment be reported on IRS Form 1042S in the name of the agent. The taxes withheld are refundable to neither the agent, nor to the NRA.
2. If payment must be made to an agent, making sure the contract(s) stipulate which payment(s) and the dollar amount(s) thereof are for the services of the agent, and which are to be passed through to the NRA recipient will be of benefit in avoiding an over withholding situation. Alternatively, if payment is made directly to the NRA, withholding may be avoided by the NRA submitting the appropriate IRS form noted in previous paragraphs (Form 8233, Form W-8ECSI and Form W-8EXP).

IV. PAYMENT PROCESSING AND REPORTING

A. Upon receipt of the disbursement voucher, relevant IRS form and supporting documentation, Accounts Payable will review eligibility for payment and any requested treaty benefits. If the payment is determined to be exempt from withholding, a check will be issued for the gross amount of the DPV.

B. If the payment is determined not to be exempt from withholding, a check will be issued for the net amount of the DPV after deducting taxes. Departmental accounts will be charged for the federal and state income tax withheld using a Journal Voucher Entry prepared by Accounts Payable.

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D. IRS Form 1042S, "Foreign Person's U.S. Source Income Subject to Withholding", is issued annually to each NRA IC, whether or not the individual has taxes withheld. Form 1042S, which is issued by the Payroll Department no later than March 15, reports all payments made during the previous calendar year. Questions about Form 1042S should be addressed to the Payroll Department, 355-5010. Payroll Department staff will refer inquiries to one of several sources for information on the underlying payments reported on the Form 1042S.

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Exhibit 77-B.	Substitute Form I-94 for Use By Certain B1 or B2 Visitors From Canada
Exhibit 77-C1.	SSA Form SS-5 "Application for U.S. Social Security Card"
Exhibit 77-C2.	SSA Form SS-5-FS "Application for U.S. Social Security Card" (used when applying from NRA country of residence)
Exhibit 77-D.	Certification for International Visitors Entering the U.S. With B1/WB1 or B2/WB2 Visa Status
Exhibit 77-E.	IRS Form W-7 "Application for IRS Individual Taxpayer Identification Number (ITIN)"
Exhibit 77-F.	Table - Tax Treaty Summary
Exhibit 77-G.	IRS Form 8233 "Exemption from Withholding on Compensation for Independent Personal Services of a Nonresident Alien"
Exhibit 77-H.	IRS Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding"
Exhibit 77-I.	IRS Form W-8ECI "Certificate of Foreign Person's Claim for Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States"
Exhibit 77-J.	IRS Form SS-4 "Application for Employer Identification Number"
Exhibit 77-K.	IRS Form W-8EXP "Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding"
Exhibit 77-L.	Central Withholding Agreement Procedure (excerpt from IRS Publication 515)
Exhibit 77-M.	Summary Transaction Diagrams

Alien Individual" (see Exhibit 77-G). NRA IC's who do not qualify for tax treaty benefits (or those who choose not to apply for them) must complete (in part) an IRS Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding" (see Exhibit 77-H) in order to document their status as an NRA.

1. IRS Form 8233 and Form W-8BEN can be obtained from the Accounts Payable Department, 360 Administration Bldg., 353-2011. Departments may also download a copy of the forms and instructions for their use from the Controller's Office Web site at http://ctlr.msu.edu/download.
2. A contractor applying for tax treaty benefits must complete IRS Form 8233 through item 14 and sign where indicated.
3. A contractor not applying for treaty benefits should complete Form W-8BEN through item 8 and sign where indicated.
4. Generally, payees holding a Type F (student) or Type J (researcher/scholar) visa who are applying for treaty exemption must also complete a supporting statement to satisfy IRS requirements. The completed statement should be stapled to the completed IRS Form 8233. The statement required will vary by country. Please call Accounts Payable at 353-2011 to obtain guidance.
5. Payees holding a Type F (student) visa are seldom authorized to engage in performing independent personal services for compensation. When "curricular practical training" is authorized, they must provide a copy of INS Form I-20 endorsed by the MSU Office for International Students and Scholars, or the Designated School Official (DSO) from their sponsoring U.S. university. When "optional practical training" is authorized, they must present INS Form I-688B, or I-766 issued and approved by INS.
6. Payees holding a Type J (researcher/scholar) visa must present a copy of INS Form IAP-66 endorsed by the Designated School Official from their sponsoring U.S. university. This approval is employer-specific, so MSU must be named as the approved employer
7. The NRA contractor's U.S. tax identification number (U.S. social security number or U.S. Individual Tax ID Number - see discussion above at 77.II.C. and 77.II.D.3.) must be provided. If a U.S. tax identification number has not been assigned, the contractor must apply for one and provide proof of application to Accounts Payable. If neither a U.S. TIN nor proof of application for a TIN is provided, the NRA cannot apply for treaty benefits and the university must withhold income taxes from the payment.
8. IRS Form 8233 or Form W-8BEN (as appropriate), together with the DPV, I-94, PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration Building.
9. The Accounts Payable Department will review and finalize IRS Form 8233 and mail it to the IRS if the NRA has applied for tax treaty benefits.
10. If the NRA IC has applied for tax treaty benefits, the exemption from withholding must be approved by the IRS before payment is made. It takes 10 business days for the IRS to respond to a request to exempt payment from withholding.
11. If the payee chooses not to avail himself/herself of available tax treaty benefits, a statement documenting this and signed by the payee must be included with the DPV (or on the face of it).

B. Foreign fiduciaries, partnerships or corporations:

Foreign fiduciaries, partnerships or corporations engaged in a trade or business (and individuals providing something other than independent personal services such as rental operations – see III.A. above for individual personal services) in the United States are subject to income tax withholding. Internal Revenue Code Section 864 includes the provision of personal service in the U.S. in the definition of engaging in a trade or business in the U.S. Exemption from withholding may be accomplished by completing IRS Form W-8ECI, "Certificate of Foreign Person's Claim for Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States" (see Exhibit 77-I). Those NRA completing this form must file a U.S. income tax return. This exemption does not apply to compensation or reimbursement of undocumented travel expenses related to personal services performed by an individual. (Unless it relates to the conduct of a trade or business in the U.S., fiduciaries, partnerships and corporations receiving income should file IRS Form W-8BEN rather than the W-8ECI. This would relate to receipt of royalties earned in the U.S., for example.)

1. IRS Form W-8ECI can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Once the contractor completes IRS Form W-8ECI, the form together with the DPV, PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration.
3. The contractor's U.S. tax identification number (TIN) must be provided. If a U.S.TIN has not been assigned, the contractor must apply to the IRS for an employer identification number (EIN) using Form SS-4 "Application for Employer Identification Number" (see Exhibit 77-J). Application may be submitted through the mail, by fax or by phone (refer to IRS SS-4 instructions). Individuals providing something other than personal services should apply for an ITIN from the IRS using IRS Form W-7. Proof of application must be provided to Accounts Payable. If a U.S. TIN is not provided, the university must withhold income taxes from the payment.

C. Foreign tax-exempt organizations:

Foreign tax-exempt organizations may be exempt from withholding. To obtain the benefit of tax-exempt status, these organizations must file IRS Form W-8EXP "Certificate of Foreign Government or Other Foreign Organization for United

from tax withholding by submitting IRS Form W-8ECI or W-8EXP as appropriate, (see Section 77.III.B. and 77.III.C. above). If W-8ECI or W-8EXP are filed, exemption will not be based on tax treaty, but rather on exemption for conduct of a trade or business in the U.S. or based on their status as a tax-exempt organization.

F. Recipients of rental income derived from property located in the U.S.:

1. NRA recipients of rental income that is derived from property located in the U.S. are generally subject to income tax withholding. Withholding may be avoided if they complete IRS Form W-8ECI, "Certificate of Foreign Person's Claim for Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States" (Exhibit 77-I) and file the form with the university. A U.S. tax ID number is required.
2. See Section 77.III.B for instructions for completing Form W-8ECI.
3. If the NRA payee does not desire to or cannot complete Form W-8ECI, he/she may complete IRS Form W-8BEN to simply establish their status as a nonresident alien for tax purposes. Income taxes will be withheld from the payment.

G. Payments of U.S. source income made to a U.S. agent for the benefit of a NRA payee

1. According to IRS Regulation 1.1441-1(b)(2)(ii), if the university makes a payment to a U.S. person (individual, partnership or corporation, etc.) with actual knowledge that the U.S. person is receiving the payment as an agent of an NRA individual, partnership, or corporation, the university must treat the payment as if it were made to the foreign person. This ~~is a frequent circumstance with~~ may occur relative to artists, and entertainers. This IRS Regulation mandates that withholding taxes be deducted from the payment made to the agent and that the entire payment be reported on IRS Form 1042S in the name of the agent. The taxes withheld are refundable to neither the agent, nor to the NRA.
2. If payment must be made to an agent, making sure the contract(s) stipulate which payment(s) and the dollar amount(s) thereof are for the services of the agent, and which are to be passed through to the NRA recipient will be of benefit in avoiding an over withholding situation. Alternatively, if payment is made directly to the NRA, withholding may be avoided by the NRA submitting the appropriate IRS form noted in previous paragraphs (Form 8233, Form W-8ECSI and Form W-8EXP).

IV. PAYMENT PROCESSING AND REPORTING

A. Upon receipt of the disbursement voucher, relevant IRS form and supporting documentation, Accounts Payable will review eligibility for payment and any requested treaty benefits. If the payment is determined to be exempt from withholding, a check will be issued for the gross amount of the DPV.

B. If the payment is determined not to be exempt from withholding, a check will be issued for the net amount of the DPV after deducting taxes. Departmental accounts will be charged for the federal and state income tax withheld using a Journal Voucher Entry prepared by Accounts Payable.

C. If the payment is determined to be subject to income tax withholding and the department would like to gross up the payment to result in an agreed-upon net payment amount to the NRA, the additional payment amount will also be reportable income and subject to income tax withholding. The formula for calculating the grossed-up amount is: (desired net amount) divided by 0.659 (which is 1.0 – 0.341) or, in the case of scholarship/fellowship, 0.819 (which is 1.0 – 0.181). This grossed-up amount will then be subject to income tax withholding at 34.1% (18.1% in the case of a scholarship/fellowship).

D. IRS Form 1042S, "Foreign Person's U.S. Source Income Subject to Withholding", is issued annually to each NRA IC, whether or not the individual has taxes withheld. Form 1042S, which is issued by the Payroll Department no later than March 15, reports all payments made during the previous calendar year. Questions about Form 1042S should be addressed to the Payroll Department, 355-5010. Payroll Department staff will refer inquiries to one of several sources for information on the underlying payments reported on the Form 1042S.

V. PERIOD OF VALIDITY FOR IRS FORMS

A. The IRS documents (8233, W-8BEN, W-8ECI and W-8EXP) filed by the payee have defined expiration dates.

B. IRS Form 8233 is valid starting on the date the form is signed through December 31 of the same calendar year.

C. IRS Form W-8BEN submitted with a U.S. TIN is valid until a change in circumstances makes information on the form invalid as long as one payment is issued annually to the NRA and is reported on IRS Form 1042-S. A W-8BEN submitted without a U.S. TIN is valid starting on the date the form is signed through December 31 of the same calendar year and continuing through the last day of the third succeeding calendar year unless a change in circumstances makes any information on the form incorrect.

D. IRS Form W-8ECI is valid starting on the date the form is signed through December 31 of the same calendar year and continuing through the last day of the third succeeding calendar year unless a change in circumstances makes any information on the form incorrect.

E. IRS Form W-8EXP submitted with a U.S. TIN is valid until a change in circumstances makes information on the form invalid as long as MSU issues one payment annually to the NRA and the payment is reported on IRS Form 1042-S. A W-8EXP submitted without a U.S. TIN is valid starting on the date the form is signed through December 31 of the same calendar year and continuing through the last day of the third succeeding calendar year unless a change in circumstances makes any information on the form incorrect. If the W-8EXP (without a U.S. TIN) has been submitted by an integral part

1. IRS Form W-8EXP can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Note that certain categories of declaration of tax-exempt entity status require written supporting statements from either the U.S. IRS or a U.S. attorney.
3. Once the contractor completes IRS Form W-8EXP, the form together with the DPV, PSC, the ICSDD and other required documentation should be forwarded to the Accounts Payable Department, 360 Administration.
4. The contractor's U.S. employer ID number (EIN) must be provided. If a U.S. EIN has not been assigned, the contractor must apply to the IRS for one using Form SS-4 "Application for Employer Identification Number". Proof of application must be provided to Accounts Payable. If a U.S. EIN is not provided, the university must withhold income taxes from the payment.
5. If a foreign tax-exempt organization is not applying for exemption from withholding, they must complete IRS Form W-8BEN. See item E.1. through E.3. below.

D. Artists, athletes and entertainers:

1. Payments to NRA artists, athletes and entertainers can be problematic. This is a sub-category of independent personal services. Typically, payments to artists, athletes and performers are subject to 34.1% withholding.
2. This category of NRA can be an individual, partnership or corporation, or a tax-exempt organization. As a general rule, processing payment to the NRA will be determined by the nature of the entity (e.g., individual, corporation, non-profit entity). See previous paragraphs for processing requirements of each category.
3. For individuals who may be eligible for reduced withholding due to a tax treaty, if the tax treaty with their country of residence contains a separate article that applies to "artists, athletes and entertainers", that article takes precedence over the "independent personal services" article. ~~If the constraints of the "artists" article are exceeded, the applicant may fall back to the provisions of the "independent personal services" article for relief if available.~~
4. For individual performers not eligible for tax treaty benefits, or for other entities, a reduced rate of federal withholding may be negotiated under an agreement prepared in accordance with IRS central withholding agreement procedure (see Exhibit 77-L) as stipulated in IRS Publication 515 "Withholding of Tax on Nonresident Aliens and Foreign Entities". This agreement will incorporate all United States performance engagements by the NRA for withholding purposes. The agreement must be signed by the Commissioner of the IRS, all NRA(s) covered by the agreement, and by each withholding agent (including Michigan State University).
5. If payment for the benefit of a NRA artist, athlete or entertainer is issued to a U.S. agent, withholding taxes must be deducted. See Section 77.III.G.

E. Recipients of scholarships, fellowships or royalty income:

Scholarships and fellowships for non-degree candidates engaged in study, training or research are subject to income tax withholding at a rate of 18.1% (14% Federal and 4.1% State). Royalties are subject to 34.1% income tax withholding. Recipients of scholarships or fellowships (not enrolled in a degree program engaged in study, training or research) or royalty income may be exempt from withholding. Fiduciaries, partnerships and corporations may also be eligible for reduced withholding on royalties. A listing of countries whose residents may be eligible for limited exemption of withholding from royalty income under tax treaty is provided (see Exhibit 77-F). The actual treaty may not exempt any or all of the royalty income you anticipate paying to the NRA. In order to learn the details of the tax treaty provisions for a particular country, please call Accounts Payable at 353-2011. If the country of residence for your NRA is not listed on Exhibit 77-F, the payment will be subject to income tax withholding.

Amounts of per diem for subsistence paid by the U.S. Government Agency for International Development (USAID) to NRA engaged in a training program in the U.S. are exempt from withholding even though the amounts may be subject to income taxation. Confirmation of USAID as the source of the scholarship must be documented by award correspondence.

The NRA recipient of a scholarship or fellowship award (including a USAID stipend) or royalty income must complete IRS Form W-8BEN "Certificate of Foreign Status of Beneficial Owner for United States Withholding" whether or not they apply for tax treaty benefits.

1. IRS Form W-8BEN can be obtained from the Accounts Payable Department, 360 Administration Building, 353-2011. Departments may also download a copy of the form and instructions for their use from the Controller's Web site at http://ctlr.msu.edu/download/.
2. Once the recipient completes IRS Form W-8BEN, the form together with the DPV, and other required documentation (including Form I-94 for scholarship/fellowship recipients) should be forwarded to the Accounts Payable Department, 360 Administration.
3. The income recipient's U.S. tax identification number (TIN) must be provided. If a U.S. TIN has not been assigned to an individual, the income recipient must apply to the IRS for an U.S. Individual Tax ID Number (ITIN) using an IRS Form W-7. If a U.S. ITIN is not provided, the university must withhold income taxes from the payment. Fiduciaries, partnerships and corporations and tax-exempt organizations must provide a U.S. Employer ID number to be eligible for any treaty benefits available providing for reduced withholding. These organizations may also request exemption

A. Where can I obtain guidance at MSU to ensure that I make the proper arrangements for a future visit of an international guest?

The MSU Office of International Students and Scholars (OISS) is the preferred source of counseling to properly structure an invitation to an international guest. The OISS Immigration Specialist may be reached by phone at 353-1720. Their Internet address is http://www.isp.msu.edu/oiss/index/html. OISS will advise you on the visa requirements for your international guest considering the circumstances and purpose of the visit you are contemplating.

If payment to the international guest is anticipated (or even if there is the possibility of payment), Accounts Payable should be consulted to obtain guidance on the payment documentation required to satisfy INS and IRS rules, and to avoid misunderstandings relating to the payment. Accounts Payable may be reached by phone at 353-2011.

B. Are payments to all international visitors handled the same way?

No. International visitors have both an immigration status governed by the U.S. Immigration and Naturalization Service (INS), and a tax status governed by the U.S. Internal Revenue Service (IRS).

INS status is generally either "non-immigrant" or "immigrant". A "non-immigrant" is an international visitor to whom the INS has given permission to reside temporarily in the United States. Generally, a non-immigrant has represented to the INS that he/she is a permanent resident of a foreign country to which he/she fully intends to return after a temporary stay in the U.S. The IRS generally refers to these individuals as "nonresident aliens" (NRA). In order to enter the U.S. a NRA must have a visa issued by the U.S. Department of State giving him/her certain limited permissions while in the U.S. Some visas permit limited payment to the NRA. (Visitors from Canada may not be issued a visa prior to visiting the U.S., though they will need a validated INS Form I-94 if payment is to be issued to them. See FAQ item D. below.) Payments to qualified NRA are generally subject to U.S. income tax withholding unless the visitor is entitled to treaty benefits or other exemption.

An immigrant is an alien who has the right to reside permanently in the United States. Eventually, these aliens can earn a "green card" (INS Form I-551). A green card is tangible proof of immigrant status. The Internal Revenue Service (IRS) refers to these individuals as "resident-aliens". Resident-aliens do not need a visa and are paid in the same manner as U.S. citizens.

C. What is a visa?

A visa stamp is written evidence of permission to enter the U.S. granted by the U.S. Department of State to a non-immigrant. Typically, the visa status is recorded in the form of a stamp on one of the pages of the individual's passport. Visa status' come in different categories and give the non-immigrant different permissions and limits while they are temporarily in the U.S.

D. What is an INS Form I-94 "Arrival-Departure Record"?

A Form I-94 "Arrival-Departure Record" is created by the INS when the traveler is inspected upon arrival in the United States. The inspector endorses the INS Form I-94 with the date, place of arrival, the "class of admission" (which corresponds to the visa class), the length of time the traveler may remain in the United States, and any special conditions which may apply to the visit. A validated Form I-94 must be presented with any Direct Payment voucher to document the NRA visa status, date of entry and authorized length of stay. A visitor from Canada who was not issued a Form I-94 upon inspection at the border can complete a "Substitute Form I-94 For Use By Certain B1 Or B2 Visitors From Canada". See Manual of Business Procedures Section 77.

E. What is a U.S. tax identification number?

A U.S. tax identification number is required to provide a unique identifier to an individual who is required to report income and/or pay taxes to the U.S. federal government. In order for a NRA to qualify for exemption from income tax withholding, their U.S. tax identification number must be provided with their application for exemption. A U.S. tax identification number can take one of several forms:

ITIN: U.S. Individual Tax Identification Number. This number is issued to NRA individuals who need a tax identification number, but did not enter the U.S. under a visa status that authorizes employment. For example an F or J visa may authorize employment. A B visa does not authorize employment. An individual may obtain an ITIN by applying to the U.S. Internal Revenue Service using IRS Form W-7.

SSN: U.S. Social Security Number. This number is issued to NRA individuals who need a tax identification number, and who entered the U.S. under a visa status that does authorize employment. An individual may obtain a SSN by applying to the U.S. Social Security Administration using SSA Form SS-5 (or Form SS-5-FS if applying from the NRA country of residence).

EIN: U.S. Employer Identification Number. This number is issued to taxpayers that employ others and must report payroll taxes. It is also issued to entities other than individuals (such as partnerships and corporations). An NRA entity may obtain a U.S. EIN by applying to the U.S. Internal Revenue Service using IRS Form SS-4.

F. Can a nonresident alien avoid U.S. income tax withholding on taxable payments received from MSU?

In most cases, MSU is required to withhold income taxes from payments made to nonresident aliens for income earned in the United States. Those NRA who qualify under a number of different circumstances may avoid income tax withholding. The NRA must provide MSU with his/her U.S. tax identification number when completing the appropriate form.

Independent personal services: The NRA may be eligible for exemption from withholding if they qualify for the benefits of a tax treaty between his/her country of residence and the U.S. A tax treaty is an agreement between the U.S. and another nation that documents a protocol for each country (home country and host country) to follow in taxing one another's residents when that resident earns income in the "host" country. IRS Form 8233 must be completed.

Services performed by a NRA corporation, partnership or fiduciary: The NRA entity must complete IRS Form W-8ECI.

Services performed by a NRA tax-exempt organization: The NRA organization must complete IRS Form W-8EXP.

Scholarships or fellowships to non-enrolled student: The NRA may be eligible for exemption from withholding if he/she qualifies for the benefits of a tax treaty between his/her country of residence and the U.S. IRS Form W-8BEN must be completed.

Royalties earned in the U.S.: If an individual, the NRA may be eligible for exemption from withholding if he/she qualifies for the benefits of a tax treaty between his/her country of residence and the U.S. IRS Form W-8BEN must be completed. If the income was earned in the pursuit of a trade or business in the U.S., a corporation, partnership or fiduciary may be exempt upon completing IRS Form W-8ECI. A NRA tax-exempt organization may be exempt upon completing IRS Form W-8EXP.

Rental income: If the rental income was attributable to engaging in a trade or business in the U.S., the income may be exempt from withholding if the recipient completes IRS Form W-8ECI.

G. Are Native Americans who live outside the U.S. considered to be NRA?

Yes. While Native Americans are defined as NRA if they reside outside the U.S., they require neither a visa, nor an INS Form I-94 prior to receiving payment for services rendered, etc. To avoid withholding tax, however, a Native American NRA must provide a U.S. tax identification number and complete the necessary form (as described above).

H. My NRA consultant tells me that MSU is his/her only client that requires this information. Is this true?

No. While some employers/payers are either unaware of the requirements, or they choose not to conform to them, all U.S. entities are required to comply to the relevant INS and IRS regulations.

I. My NRA consultant is subject to income tax withholding. We don't want to cause hard feelings with the NRA by issuing a check that is netted down by the withholding taxes. How can we make a payment that will result in him/her receiving a net check in the amount we originally agreed to pay?

If the necessary communication and preparations have not occurred prior to processing a disbursement voucher to pay a NRA consultant, the issue of withholding taxes can be a sensitive issue. To avoid withholding, the NRA must complete the appropriate IRS form. Either an IRS Form 8233, W-8BEN, W-8ECI or W-8EXP must be completed and filed. If any of these IRS forms are submitted, the NRA must provide his/her U.S. tax identification number to qualify for exemption. In some cases the NRA will not qualify for exemption from withholding, or he/she may refuse to apply.

If the MSU department wants to pay the withholding taxes for their NRA consultant, the department must gross-up the payment. The additional payment amount will also be reportable income and subject to income tax withholding. The formula for calculating the grossed-up amount is: (desired net amount) divided by 0.659 (which is 1.0 – 0.341) or, in the case of scholarship/fellowship, 0.819 (which is 1.0 – 0.181). This grossed-up amount will then be subject to income tax withholding at 34.1% (18.1% in the case of a scholarship/fellowship).

Any underlying contract with the NRA should be amended and signed by the original contract approvers, to reflect the additional compensation paid.

Upon filing his/her IRS 1040NR annual income tax return, the NRA may be able to obtain a refund of all or a portion of this additional withholding.

Summary of Requirements for Payments to Nonresident Aliens						
Source of Income	**Rendered By Paid To**	**Visa Type**	**Income Type**	**Restrictions**	**Tax W/H Rate**	**Forms Required**
Personal Services	An individual Visitor for business	B1, WB1 or WB Visitor for Business	Honorarium	Limited by INS. May be subject to income tax withholding. Must provide US SSN or ITIN.	34.1%	Validated INS I-94. IRS 8233 or W-8BEN. MSU B1/B2 Certification. MSU PSC and ICSDD.
			Travel reimbursement	Documentation is required.	None	
Personal Services	An individual Visitor for pleasure or tourist	B2, WB2 or WT Visitor for Tourism	Honorarium	Limited by INS. May be subject to income tax withholding. Must provide US SSN or ITIN.	34.1%	Validated INS I-94. IRS 8233 or W-8BEN. MSU B1/B2 Certification. MSU PSC and ICSDD.
			Travel reimbursement	Documentation is required	None	
Personal Services	An individual Student status	F1 Student	Contractual Fee and Honorarium	Limited by INS. May be subject to income tax withholding. Must provide US SSN or ITIN.	34.1%	Validated INS I-94. INS I-20. IRS 8233 or W-8BEN. MSU PSC and ICSDD.
			Travel reimbursement	Documentation is required.	None	
Personal Services	An individual Exchange visitor for teaching or research	J1 Exchange Visitor	Contractual Fee and Honorarium	Limited by INS. May be subject to income tax withholding. Must provide US SSN or ITIN.	34.1%	Validated INS I-94. INS IAP-66. IRS 8233 or W-8BEN. MSU PSC and ICSDD.
			Travel reimbursement	Documentation required	None	
Personal Services	A partnership, corporation, or fiduciary (NOT AN INDIVIDUAL)	None	Contractual Fee and Honorarium	**Does not apply to personal services rendered by an individual for their account.** Must provide US EIN.	None	IRS W-8ECI. MSU PSC and ICSDD.
Personal Services	A tax-exempt organization (NOT AN INDIVIDUAL)	None	Contractual Fee and Honorarium	**Does not apply to personal services rendered by an individual for their account.** Must provide US EIN.	None	IRS W-8EXP. MSU PSC and ICSDD.
Services of An Artist, Athlete or Entertainer	An individual	B1, WB1 or WB Visitor for Business	Contractual Fee and Honorarium	Limited by INS. May be subject to income tax withholding. Must provide US SSN or ITIN.	34.1%	Validated INS I-94. IRS 8233 or W-8BEN. MSU B1/B2 Certification. MSU PSC or performer contract approved by MSU contract agent.
			Travel reimbursement	Documentation required.	None	

Summary of Requirements for Payments to Nonresident Aliens						
Source of Income	**Rendered By Paid To**	**Visa Type**	**Income Type**	**Restrictions**	**Tax W/H Rate**	**Forms Required**
Services of An Artist, Athlete or Entertainer	An individual	P2 or P3	Contractual Fee and Honorarium	Limited by INS. May be subject to income tax withholding. Must provide US SSN or ITIN.	34.1%	Validated INS I-94. IRS 8233 or W-8BEN. INS Form I-797A (EAD is not required). MSU PSC or performer contract approved by MSU contract agent
			Travel reimbursement	Documentation required.	None	
Services of An Artist, Athlete or Entertainer	A FOREIGN partnership, corporation, fiduciary,	None	Contractual Fee and Honorarium	**Does not apply to personal services rendered by an individual for their account.**	34.1%	IRS W-8ECI. MSU PSC or performer contract approved by MSU contract agent.
	A FOREIGN tax-exempt organization			Must provide US EIN.		IRS W-8EXP. MSU PSC or performer contract approved by MSU contract agent.
Services of An Artist, Athlete or Entertainer	Rendered by a NRA performer. Paid to a U.S. agent	None	Contractual Fee and Honorarium	ALWAYS subject to income tax withholding.	34.1%	IRS W-8BEN. MSU PSC or performer contract approved by MSU contract agent.
Scholarships and Fellowships for Non-degree Candidates	An individual	F1, J1, M1, or Q	Scholarships and Fellowships	To support study, training or research at MSU. NOT A DEGREE CANDIDATE. Not compensation for work. Must provide US SSN or ITIN.	18.1%	Validated INS I-94. IRS W-8BEN.
Royalties	An individual, partnership, corporation or fiduciary	None	Royalties from sales or use of copyrighted material, or patented processes	Sales or use within the U.S.A.	34.1%	IRS W-8BEN.
Rents	An individual, partnership, corporation or fiduciary		Rents of real or personal property	Rents of real or personal property in the U.S.A.	34.1 %	IRS W-8BEN or IRS W-8ECI if claiming income effectively connected with U.S. trade or business.

SUBSTITUTE FORM I-94
FOR USE BY CERTAIN B1 OR B2 VISITORS FROM CANADA

Please check one box and provide name, signature and date of signature.

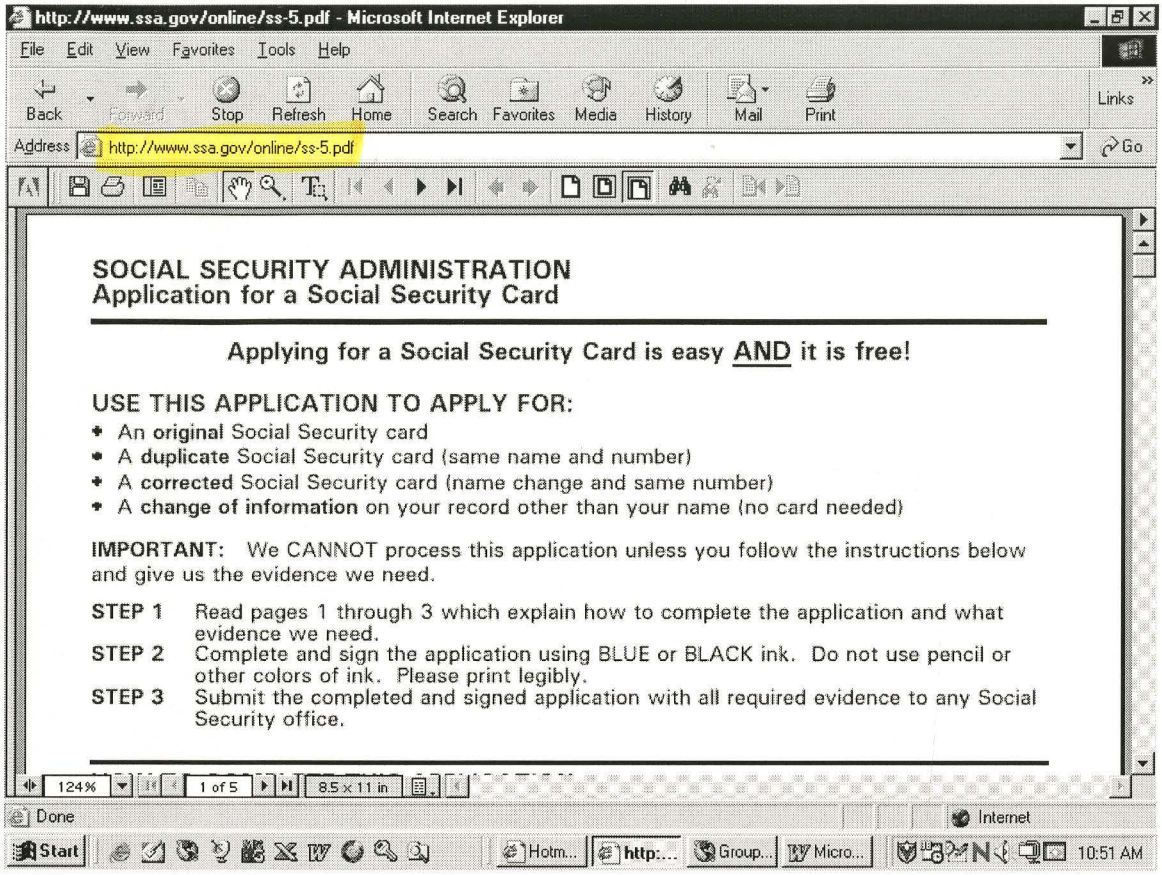
☐ **Visitor for Business:**
I am a Canadian national or a resident of Canada having a common nationality with Canada and I was admitted to the United States by the inspecting official at the port of entry as a B1 visitor for business. I do not possess an INS Form I-94 to document my status in the U.S.

☐ **Visitor for Pleasure (Tourist):**
I am a Canadian national, or a resident of Canada having a common nationality with Canada and I was admitted to the United States by the inspecting official at the port of entry as a B2 visitor for pleasure (tourist). I do not possess a INS Form I-94 to document my status in the U.S.

Printed/Typed Name: _____

Signed Name: _____

Date: _____


http://www.ssa.gov/online/ss-5.pdf - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Forward Stop Refresh Home Search Favorites Media History Mail Print Links
Address http://www.ssa.gov/online/ss-5.pdf Go
SOCIAL SECURITY ADMINISTRATION
Application for a Social Security Card
Applying for a Social Security Card is easy AND it is free!
USE THIS APPLICATION TO APPLY FOR:
An original Social Security card
A duplicate Social Security card (same name and number)
A corrected Social Security card (name change and same number)
A change of information on your record other than your name (no card needed)
IMPORTANT: We CANNOT process this application unless you follow the instructions below and give us the evidence we need.
STEP 1 Read pages 1 through 3 which explain how to complete the application and what evidence we need.
STEP 2 Complete and sign the application using BLUE or BLACK ink. Do not use pencil or other colors of ink. Please print legibly.
STEP 3 Submit the completed and signed application with all required evidence to any Social Security office.
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SOCIAL SECURITY ADMINISTRATION
Application for a Social Security Card

Applying for a Social Security Card is easy AND it is free!

USE THIS APPLICATION TO APPLY FOR:

- An **original** Social Security card
- A **duplicate** Social Security card (same name and number)
- A **corrected** Social Security card (name change and same number)
- A **change of information** on your record other than your name (no card needed)

IMPORTANT: We CANNOT process this application unless you follow the instructions below and give us the evidence we need.

STEP 1 Read pages 1 through 3 which explain how to complete the application and what evidence we need.

STEP 2 Complete and sign the application using BLUE or BLACK ink. Do not use pencil or other colors of ink. Please print legibly.

STEP 3 Submit the completed and signed application with all required evidence to any Social Security office.

HOW TO COMPLETE THIS APPLICATION

Most items on the form are self-explanatory. Those that need explanation are discussed below. The numbers match the numbered items on the form. If you are completing this form for someone else, please complete the items as they apply to that person.

2. Show the address where you can receive your card 10 to 14 days from now.

3. If you check "Legal Alien **Not** Allowed to Work", you need to provide a document from the government agency requiring your Social Security number that explains why you need a number and that you meet all of the requirements for the benefit or service except for the number. A State or local agency requirement must conform with Federal law.

   If you check "Other", you need to provide proof you are entitled to a federally-funded benefit for which a Social Security number is required as a condition for you to receive payment.

5. Providing race/ethnic information is voluntary. However, if you do give us this information, it helps us prepare statistical reports on how Social Security programs affect people. We do not reveal the identities of individuals.

6. Show the month, day and full (4 digit) year of birth, for example, "1998" for year of birth.

8.B. Show the mother's Social Security number only if you are applying for an original Social Security card for a child under age 18. You may leave this item blank if the mother does not have a number or you do not know the mother's number. We will still be able to assign a number to the child.

9.B. Show the father's Social Security number only if you are applying for an original Social Security card for a child under age 18. You may leave this item blank if the father does not have a number or you do not know the father's number. We will still be able to assign a number to the child.

13. If the date of birth you show in item 6 is different from the date of birth you used on a prior application for a Social Security card, show the date of birth you used on the prior application and submit evidence of age to support the date of birth in item 6.

16. You **must** sign the application yourself if you are age 18 or older and are physically and mentally capable. If you are under age 18, you may also sign the application if you are physically and mentally capable. If you cannot sign your name, you should sign with an "X" mark and have two people sign as witnesses in the space beside the mark. If you are physically or mentally incapable of signing the application, generally a parent, close relative, or legal guardian may sign the application. Call us if you need clarification about who can sign.

ABOUT YOUR DOCUMENTS

- We need **ORIGINAL** documents or **copies certified by the custodian of the record.** We will return your documents after we have seen them.
- **We cannot accept photocopies or notarized copies of documents.**
- If your documents do not meet this requirement, we cannot process your application.

DOCUMENTS WE NEED

To apply for an **ORIGINAL CARD** (you have NEVER been assigned a Social Security number before), we need at least 2 documents as proof of:

- **Age,**
- **Identity, and**
- **U.S. citizenship or lawful alien status.**

To apply for a **DUPLICATE CARD** (same number, same name), we need proof of **identity.**

To apply for a **CORRECTED CARD** (same number, different name), we need proof of **identity.** We need one or more documents which identify you by the OLD NAME on our records and your NEW NAME. Examples include: a marriage certificate, divorce decree, or a court order that changes your name. Or we can accept two identity documents - one in your old name and one in your new name. (See IDENTITY, for examples of identity documents.)

IMPORTANT: If you are applying for a duplicate or corrected card and were **born outside the U.S.**, we also need proof of U.S. citizenship or lawful alien status. (See U.S. CITIZENSHIP or ALIEN STATUS for examples of documents you can submit.)

To **CHANGE INFORMATION** on your record other than your name, we need proof of:

- **Identity**, and
- **Another document which supports the change** (for example, a birth certificate to change your date and/or place of birth or parents' names).

AGE: We prefer to see your birth certificate. However, we can accept another document that shows your age if it is at least one year old. Some of the other documents we can accept are:

- Hospital record of your birth made before you were age 5
- Religious record showing your age made before you were 3 months old
- Passport
- Adoption record

Call us for advice if you cannot obtain one of these documents.

IDENTITY: We must see a document in the name you want shown on the card. The identity document must be of recent issuance so that we can determine your continued existence. We prefer to see a document with a photograph. However, we can generally accept a non-photo identity document if it has enough information to identify you (e.g., your name, as well as age, date of birth or parents' names). **WE CANNOT ACCEPT A BIRTH CERTIFICATE, HOSPITAL BIRTH RECORD, SOCIAL SECURITY CARD OR CARD STUB, OR SOCIAL SECURITY RECORD** as evidence of identity. Some documents we can accept are:

- Driver's license
- Employer ID card
- Passport
- Marriage or divorce record
- Adoption record
- Health insurance card (not a Medicare card)
- Military record
- Life insurance policy
- School ID card

As evidence of identity for infants and young children, we can accept :

- Doctor, clinic, hospital record
- Daycare center, school record
- Religious record (e.g., baptismal record)

IMPORTANT: If you are **applying for a card on behalf of someone else**, we must see proof of identity for both you and the person to whom the card will be issued.

U. S. CITIZENSHIP: We can accept most documents that show you were born in the U.S. If you are a U.S. citizen born outside the U.S., show us a U.S. consular report of birth, a U.S. passport, a Certificate of Citizenship, or a Certificate of Naturalization.

ALIEN STATUS: We need to see an unexpired document issued to you by the U.S. Immigration and Naturalization Service (INS), such as Form I-551, I-94, I-688B, or I-766. We CANNOT accept a receipt showing you applied for the document. If you are not authorized to work in the U.S., we can issue you a Social Security card if you are lawfully here and need the number for a valid nonwork reason. (See HOW TO COMPLETE THIS APPLICATION, Item 3.) Your card will be marked to show you cannot work. If you do work, we will notify INS.

HOW TO SUBMIT THIS APPLICATION

In most cases, you can mail this application with your evidence documents to any Social Security office. We will return your documents to you. If you do not want to mail your original documents, take them with this application to the nearest Social Security office.

EXCEPTION: If you are age 18 or older and have never been assigned a number before, you must apply in person.

If you have any questions about this form, or about the documents we need, please contact any Social Security office. A telephone call will help you make sure you have everything you need to apply for a card or change information on your record. You can find your nearest office in your local phone directory or on our website at www.ssa.gov.

THE PAPERWORK/PRIVACY ACT AND YOUR APPLICATION

The Privacy Act of 1974 requires us to give each person the following notice when applying for a Social Security number.

Sections 205(c) and 702 of the Social Security Act allow us to collect the facts we ask for on this form.

We use the facts you provide on this form to assign you a Social Security number and to issue you a Social Security card. You do not have to give us these facts, however, without them we cannot issue you a Social Security number or a card. Without a number, you may not be able to get a job and could lose Social Security benefits in the future.

The Social Security number is also used by the Internal Revenue Service for tax administration purposes as an identifier in processing tax returns of persons who have income which is reported to the Internal Revenue Service and by persons who are claimed as dependents on someone's Federal income tax return.

We may disclose information as necessary to administer Social Security programs, including to appropriate law enforcement agencies to investigate alleged violations of Social Security law; to other government agencies for administering entitlement, health, and welfare programs such as Medicaid, Medicare, veterans benefits, military pension, and civil service annuities, black lung, housing, student loans, railroad retirement benefits, and food stamps; to the Internal Revenue Service for Federal tax administration; and to employers and former employers to properly prepare wage reports. We may also disclose information as required by Federal law, for example, to the Department of Justice, Immigration and Naturalization Service, to identify and locate aliens in the U.S.; to the Selective Service System for draft registration; and to the Department of Health and Human Services for child support enforcement purposes. We may verify Social Security numbers for State motor vehicle agencies that use the number in issuing drivers licenses, as authorized by the Social Security Act. Finally, we may disclose information to your Congressional representative if they request information to answer questions you ask him or her.

We may use the information you give us when we match records by computer. Matching programs compare our records with those of other Federal, State, or local government agencies to determine whether a person qualifies for benefits paid by the Federal government. The law allows us to do this even if you do not agree to it.

Explanations about these and other reasons why information you provide us may be used or given out are available in Social Security offices. If you want to learn more about this, contact any Social Security office.

This information collection meets the clearance requirements of 44 U.S.C. §3507, as amended by section 2 of the **Paperwork Reduction Act of 1995**. You are not required to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take you about 8.5 to 9 minutes to read the instructions, gather the necessary facts, and answer the questions.

SOCIAL SECURITY ADMINISTRATION
Application for a Social Security Card

Form Approved
OMB No. 0960-0066

1 NAME (TO BE SHOWN ON CARD) — First | Full Middle Name | Last

1 FULL NAME AT BIRTH IF OTHER THAN ABOVE — First | Full Middle Name | Last

1 OTHER NAMES USED

2 MAILING ADDRESS (Do Not Abbreviate) — Street Address, Apt. No., PO Box, Rural Route No.; City | State | Zip Code

3 CITIZENSHIP (Check One) — ☐ U.S. Citizen ☐ Legal Alien Allowed To Work ☐ Legal Alien **Not** Allowed To Work (See Instructions On Page 1) ☐ Other (See Instructions On Page 1)

4 SEX — ☐ Male ☐ Female

5 RACE/ETHNIC DESCRIPTION (Check One Only - Voluntary) — ☐ Asian, Asian-American or Pacific Islander ☐ Hispanic ☐ Black (Not Hispanic) ☐ North American Indian or Alaskan Native ☐ White (Not Hispanic)

6 DATE OF BIRTH _____ (Month, Day, Year)

7 PLACE OF BIRTH (Do Not Abbreviate) — City | State or Foreign Country | FCI (Office Use Only)

8 A. MOTHER'S MAIDEN NAME — First | Full Middle Name | Last Name At Her Birth

8 B. MOTHER'S SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

9 A. FATHER'S NAME — First | Full Middle Name | Last

9 B. FATHER'S SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

10 Has the applicant or anyone acting on his/her behalf ever filed for or received a Social Security number card before?
☐ Yes (If "yes", answer questions 11-13.) ☐ No (If "no", go on to question 14.) ☐ Don't Know (If "don't know", go on to question 14.)

11 Enter the Social Security number previously assigned to the person listed in item 1. ☐☐☐-☐☐-☐☐☐☐

12 Enter the name shown on the most recent Social Security card issued for the person listed in item 1. — First | Middle Name | Last

13 Enter any different date of birth if used on an earlier application for a card. _____ (Month, Day, Year)

14 TODAY'S DATE _____ (Month, Day, Year)

15 DAYTIME PHONE NUMBER ( ) _____ (Area Code) (Number)

DELIBERATELY FURNISHING (OR CAUSING TO BE FURNISHED) FALSE INFORMATION ON THIS APPLICATION IS A CRIME PUNISHABLE BY FINE OR IMPRISONMENT, OR BOTH.

16 YOUR SIGNATURE ▶

17 YOUR RELATIONSHIP TO THE PERSON IN ITEM 1 IS: ☐ Self ☐ Natural Or Adoptive Parent ☐ Legal Guardian ☐ Other (Specify) _____

DO NOT WRITE BELOW THIS LINE (FOR SSA USE ONLY)

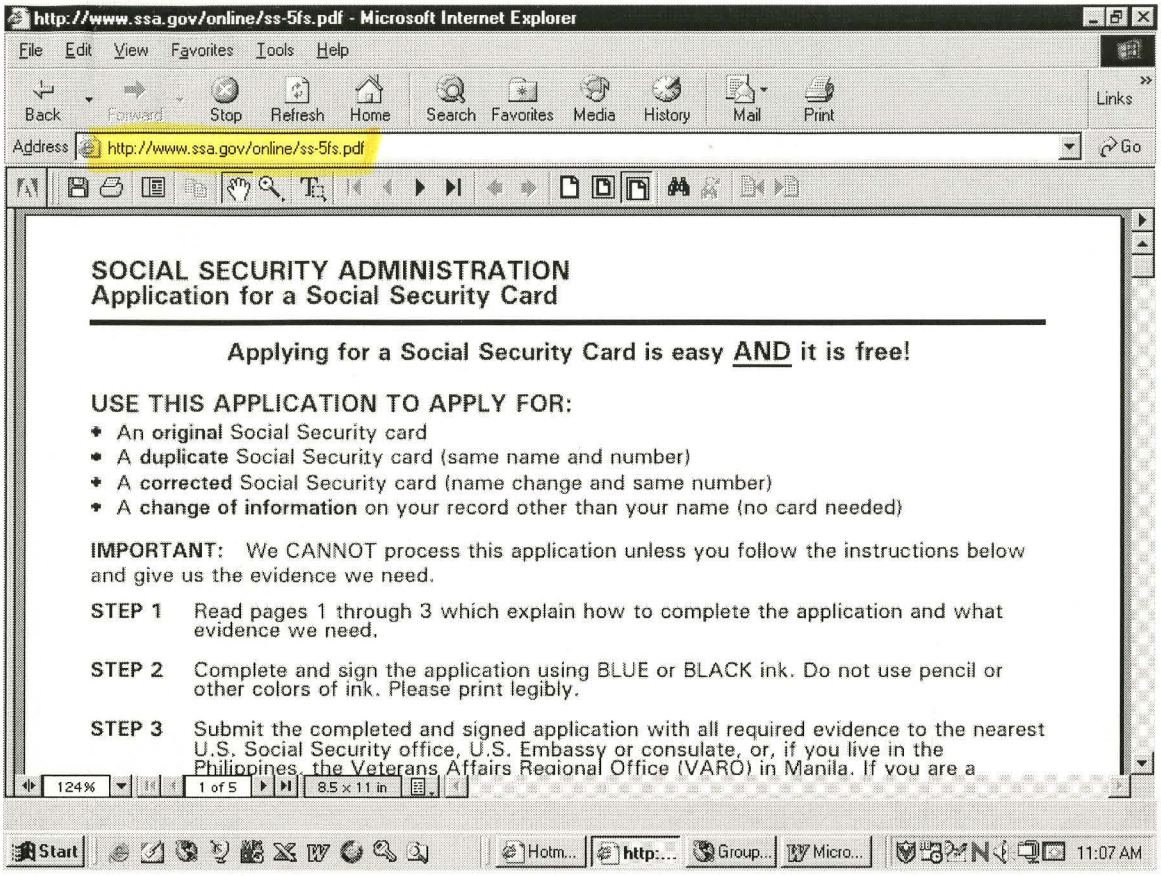
NPN			DOC	NTI	CAN		ITV
PBC	EVI	EVA	EVC	PRA	NWR	DNR	UNIT

EVIDENCE SUBMITTED

SIGNATURE AND TITLE OF EMPLOYEE(S) REVIEWING EVIDENCE AND/OR CONDUCTING INTERVIEW

_____ DATE

DCL _____ DATE


http://www.ssa.gov/online/ss-5fs.pdf - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Forward Stop Refresh Home Search Favorites Media History Mail Print Links
Address http://www.ssa.gov/online/ss-5fs.pdf Go
SOCIAL SECURITY ADMINISTRATION
Application for a Social Security Card
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IMPORTANT: We CANNOT process this application unless you follow the instructions below and give us the evidence we need.
STEP 1 Read pages 1 through 3 which explain how to complete the application and what evidence we need.
STEP 2 Complete and sign the application using BLUE or BLACK ink. Do not use pencil or other colors of ink. Please print legibly.
STEP 3 Submit the completed and signed application with all required evidence to the nearest U.S. Social Security office, U.S. Embassy or consulate, or, if you live in the Philippines, the Veterans Affairs Regional Office (VARO) in Manila. If you are a
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SOCIAL SECURITY ADMINISTRATION
Application for a Social Security Card

Applying for a Social Security Card is easy AND it is free!

USE THIS APPLICATION TO APPLY FOR:

- An **original** Social Security card
- A **duplicate** Social Security card (same name and number)
- A **corrected** Social Security card (name change and same number)
- A **change of information** on your record other than your name (no card needed)

IMPORTANT: We CANNOT process this application unless you follow the instructions below and give us the evidence we need.

STEP 1 Read pages 1 through 3 which explain how to complete the application and what evidence we need.

STEP 2 Complete and sign the application using BLUE or BLACK ink. Do not use pencil or other colors of ink. Please print legibly.

STEP 3 Submit the completed and signed application with all required evidence to the nearest U.S. Social Security office, U.S. Embassy or consulate, or, if you live in the Philippines, the Veterans Affairs Regional Office (VARO) in Manila. If you are a military dependent or a U.S. citizen working on a U.S. military post, you may also go to the Post Adjutant or Personnel Office.

HOW TO COMPLETE THIS APPLICATION

Most items on the form are self-explanatory. Those that need explanation are discussed below. The numbers match the numbered items on the form. If you are completing this form for someone else, please complete the items as they apply to that person.

2. Show the address where you can receive your card.

3. If you check "Legal Alien **Not** Allowed to Work," you need to provide a document from the U.S. government agency requiring your Social Security number that explains why you need a number and that you meet all of the requirements for the benefit or service except for the number. A U.S. State or local agency requirement must conform with Federal law.

   If you check "Other," you need to provide proof you are entitled to a U.S. federally-funded benefit for which a Social Security number is required as a condition for you to receive payment.

5. Providing race/ethnic information is voluntary. However, if you do give us this information, it helps us prepare statistical reports on how Social Security programs affect people. We do not reveal the identities of individuals.

6. Show the month, day and full (4 digit) year of birth, for example, "1998" for year of birth.

8.B. Show the mother's Social Security number only if you are applying for an original Social Security card for a child under age 18. You may leave this item blank if the mother does not have a number or you do not know the mother's number. We will still be able to assign a number to the child.

9.B. Show the father's Social Security number only if you are applying for an original Social Security card for a child under age 18. You may leave this item blank if the father does not have a number or you do not know the father's number. We will still be able to assign a number to the child.

13. If the date of birth you show in item 6 is different from the date of birth you used on a prior application for a Social Security card, show the date of birth you used on the prior application and submit evidence of age to support the date of birth in item 6.

16. You **must** sign the application yourself if you are age 18 or older and are physically and mentally capable. If you are under age 18, you may also sign the application if you are physically and mentally capable. If you cannot sign your name, you should sign with an "X" mark and have two people sign as witnesses in the space beside the mark. If you are physically or mentally incapable of signing the application, generally a parent, close relative, or legal guardian may sign the application. Contact us if you need clarification about who can sign.

ABOUT YOUR DOCUMENTS

- We need **ORIGINAL** documents or **copies certified by the custodian of the record.** We will return your documents after we have seen them.
- **We cannot accept photocopies or notarized copies of documents.**
- If your documents do not meet this requirement, we cannot process your application.
- The U.S. Embassy, consulate, military office or VARO in Manila will copy your records to mail to the Social Security Administration along with this form. Do not mail your original documents to the Social Security Administration in Baltimore, Maryland.

DOCUMENTS WE NEED

To apply for an **ORIGINAL CARD** (you have NEVER been assigned a Social Security number before), we need at least 2 documents as proof of:

- **Age,**
- **Identity, and**
- **U.S. citizenship or lawful alien status.**

To apply for a **DUPLICATE CARD** (same number, same name), we need proof of **identity.**

To apply for a **CORRECTED CARD** (same number, different name), we need proof of **identity.** We need one or more documents which identify you by the OLD NAME on our records and your NEW NAME. Examples include: a marriage certificate, divorce decree, or a court order that changes your name. Or we can accept two identity documents - one in your old name and one in your new name. (See IDENTITY, for examples of identity documents.)

IMPORTANT: If you are applying for a duplicate or corrected card and were **born outside the U.S.**, we also need proof of U.S. citizenship or lawful alien status. (See U.S. CITIZENSHIP or ALIEN STATUS for examples of documents you can submit.)

To **CHANGE INFORMATION** on your record other than your name, we need proof of:

- **Identity**, and
- **Another document which supports the change** (for example, a birth certificate to change your date and/or place of birth or parents' names).

AGE: We prefer to see your birth certificate. However, we can accept another document that shows your age if it is at least one year old. Some of the other documents we can accept are:

- Hospital record of your birth made before you were age 5
- Religious record showing your age made before you were 3 months old
- Passport
- Adoption record

Contact us for advice if you cannot obtain one of these documents.

IDENTITY: We must see a document in the name you want shown on the card. The identity document must be of recent issuance so that we can determine your continued existence. We prefer to see a document with a photograph. However, we can generally accept a non-photo identity document if it has enough information to identify you (e.g., your name, as well as age, date of birth or parents' names). **WE CANNOT ACCEPT A BIRTH CERTIFICATE, HOSPITAL BIRTH RECORD, SOCIAL SECURITY CARD OR CARD STUB, OR SOCIAL SECURITY RECORD** as evidence of identity. Some documents we can accept are:

- Driver's license
- Employer ID card
- Passport
- Marriage or divorce record
- Adoption record
- Health insurance card (not a Medicare card)
- Military record
- Life insurance policy
- School ID card

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IMPORTANT: If you are **applying for a card on behalf of someone else**, we must see proof of identity for both you and the person to whom the card will be issued.

U. S. CITIZENSHIP: We can accept most documents that show you were born in the U.S. If you are a U.S. citizen born outside the U.S., show us a U.S. consular report of birth, a U.S. passport, a Certificate of Citizenship, or a Certificate of Naturalization.

ALIEN STATUS: We need to see an unexpired document issued to you by the U.S. Immigration and Naturalization Service (INS), such as Form I-551, I-94, I-688B, or I-766. We CANNOT accept a receipt showing you applied for the document. If you are not authorized to work in the U.S., we can issue you a Social Security card if you submit a document from the U.S. government agency requiring your Social Security number that explains why you need a number and that you meet all of the requirements for the benefit or service except for a number. A U.S. State or local agency requirement must conform with Federal law. (See HOW TO COMPLETE THIS APPLICATION, Item 3.) Your card will be marked to show you cannot work. If you do work, we will notify INS.

HOW TO SUBMIT THIS APPLICATION

In most cases, you can mail or take this application with your evidence documents to the nearest U.S. Social Security office, U.S. Embassy or consulate, or, if you live in the Philippines, the Veterans Affairs Regional Office (VARO) in Manila. If you are a military dependent or a U.S. citizen working on a U.S. military post, you may also go to the Post Adjutant or Personnel Office. If you do not want to mail your original documents, take them with this application to one of the offices listed above. The people there will copy your records to mail to the Social Security Administration along with this form. Do not mail your original documents to the Social Security Administration in Baltimore, Maryland.

EXCEPTION: If you are age 18 or older and have never been assigned a number before, you must apply in person.

If you have any questions about this form, or about the documents we need, please contact the nearest U.S. Social Security office, U.S. Embassy or consulate, or VARO in Manila. The people at these offices will help you make sure you have everything you need to apply for a card or change information on your record. You can find other useful information on our website at www.ssa.gov.

THE PAPERWORK/PRIVACY ACT AND YOUR APPLICATION

The Privacy Act of 1974 requires us to give each person the following notice when applying for a Social Security number.

Sections 205(c) and 702 of the Social Security Act allow us to collect the facts we ask for on this form.

We use the facts you provide on this form to assign you a Social Security number and to issue you a Social Security card. You do not have to give us these facts, however, without them we cannot issue you a Social Security number or a card. Without a number, you may not be able to get a job and could lose Social Security benefits in the future.

The Social Security number is also used by the Internal Revenue Service for tax administration purposes as an identifier in processing tax returns of persons who have income which is reported to the Internal Revenue Service and by persons who are claimed as dependents on someone's Federal income tax return.

We may disclose information as necessary to administer Social Security programs, including to appropriate law enforcement agencies to investigate alleged violations of Social Security law; to other government agencies for administering entitlement, health, and welfare programs such as Medicaid, Medicare, veterans benefits, military pension, and civil service annuities, black lung, housing, student loans, railroad retirement benefits, and food stamps; to the Internal Revenue Service for Federal tax administration; and to employers and former employers to properly prepare wage reports. We may also disclose information as required by Federal law, for example, to the Department of Justice, Immigration and Naturalization Service, to identify and locate aliens in the U.S.; to the Selective Service System for draft registration; and to the Department of Health and Human Services for child support enforcement purposes. We may verify Social Security numbers for State motor vehicle agencies that use the number in issuing drivers licenses, as authorized by the Social Security Act. Finally, we may disclose information to your Congressional representative if they request information to answer questions you ask him or her.

We may use the information you give us when we match records by computer. Matching programs compare our records with those of other Federal, State, or local government agencies to determine whether a person qualifies for benefits paid by the Federal government. The law allows us to do this even if you do not agree to it.

Explanations about these and other reasons why information you provide us may be used or given out are available in U.S. Social Security offices, U.S. Embassies and consulates, and VARO in Manila. If you want to learn more about this, contact any U.S. Social Security office, U.S. Embassy or consulate, or VARO in Manila.

This information collection meets the clearance requirements of 44 U.S.C. §3507, as amended by section 2 of the **Paperwork Reduction Act of 1995**. You are not required to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take you about 8.5 to 9 minutes to read the instructions, gather the necessary facts, and answer the questions.

SOCIAL SECURITY ADMINISTRATION
Application for a Social Security Card

Form Approved
OMB No. 0960-0066

1 NAME TO BE SHOWN ON CARD — First | Full Middle Name | Last

1 FULL NAME AT BIRTH IF OTHER THAN ABOVE — First | Full Middle Name | Last

1 OTHER NAMES USED

2 MAILING ADDRESS Do Not Abbreviate — Street Address, Apt. No., PO Box, Rural Route No.; City | State/ Foreign Country | Zip Code

3 CITIZENSHIP (Check One) — ☐ U.S. Citizen ☐ Legal Alien Allowed To Work ☐ Legal Alien **Not** Allowed To Work (See Instructions On Page 1) ☐ Other (See Instructions On Page 1)

4 SEX — ☐ Male ☐ Female

5 RACE/ETHNIC DESCRIPTION (Check One Only - Voluntary) — ☐ Asian, Asian-American or Pacific Islander ☐ Hispanic ☐ Black (Not Hispanic) ☐ North American Indian or Alaskan Native ☐ White (Not Hispanic)

6 DATE OF BIRTH Month, Day, Year

7 PLACE OF BIRTH (Do Not Abbreviate) City | State or Foreign Country | FCI — Office Use Only

8 A. MOTHER'S MAIDEN NAME — First | Full Middle Name | Last Name At Her Birth

8 B. MOTHER'S SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

9 A. FATHER'S NAME — First | Full Middle Name | Last

9 B. FATHER'S SOCIAL SECURITY NUMBER ☐☐☐-☐☐-☐☐☐☐

10 Has the applicant or anyone acting on his/her behalf ever filed for or received a Social Security number card before?
☐ Yes (If "yes," answer questions 11-13.) ☐ No (If "no," go on to question 14.) ☐ Don't Know (If "don't know," go on to question 14.)

11 Enter the Social Security number previously assigned to the person listed in item 1. ☐☐☐-☐☐-☐☐☐☐

12 Enter the name shown on the most recent Social Security card issued for the person listed in item 1. — First | Middle Name | Last

13 Enter any different date of birth if used on an earlier application for a card. — Month, Day, Year

14 TODAY'S DATE Month, Day, Year

15 DAYTIME PHONE NUMBER ( ) Area Code Number

DELIBERATELY FURNISHING (OR CAUSING TO BE FURNISHED) FALSE INFORMATION ON THIS APPLICATION IS A CRIME PUNISHABLE BY FINE OR IMPRISONMENT, OR BOTH.

16 YOUR SIGNATURE ▶

17 YOUR RELATIONSHIP TO THE PERSON IN ITEM 1 IS: ☐ Self ☐ Natural Or Adoptive Parent ☐ Legal Guardian ☐ Other (Specify)

DO NOT WRITE BELOW THIS LINE (FOR SSA USE ONLY)

NPN	DOC	NTI	CAN	ITV

PBC	EVI	EVA	EVC	PRA	NWR	DNR	UNIT

EVIDENCE SUBMITTED

SIGNATURE AND TITLE OF EMPLOYEE(S) REVIEWING EVIDENCE AND/OR CONDUCTING INTERVIEW

DATE

DCL DATE

Michigan State University

Certification for International Visitors Entering the U.S. With B1/WB1 or B2/WB2 Visa Status

The American Competitive and Workplace Improvement Act (ACWIA) authorizes payment of honorarium and travel expense reimbursement to nonresident aliens entering the United States with B1/WB1 (Visitor for Business) or B2/WB2 (Visitor for Pleasure-Tourist) visa status under limited circumstances.

This form must be completed and its conditions satisfied in full as one part of establishing authorization to pay a nonresident alien an honorarium or reimbursement of undocumented travel expenses. All items must be answered in the affirmative to qualify the nonresident alien for such payment. The Immigration and Naturalization Service may promulgate more specific rules in the future. The conditions listed on this form are based on Section 212 (8 U.S.C. 1182).

Qualifying Criteria (Check the column at the right if the statement is certified as being true.)	√
The payment to the international visitor is an honorarium or reimbursement for undocumented travel expenses.	
The payment relates to service that the international visitor performed for Michigan State University that is considered to be usual academic activity (teaching, research, or public service).	
The international visitor was at Michigan State University for no more than nine days.	
The international visitor has received similar payment from no more than five institutions or organizations during the previous six-month period.	

If one or more of the four criteria are not true, the international visitor may not be paid.

If all four qualifying criteria are true, the international visitor has satisfied the U.S. Immigration and Naturalization Service requirements for receipt of honorarium or reimbursement of undocumented travel expenses. The international visitor and an authorized departmental signer should sign in the spaces below. This completed, signed and dated form should accompany the direct payment voucher and other required documentation when requesting a check.

_____

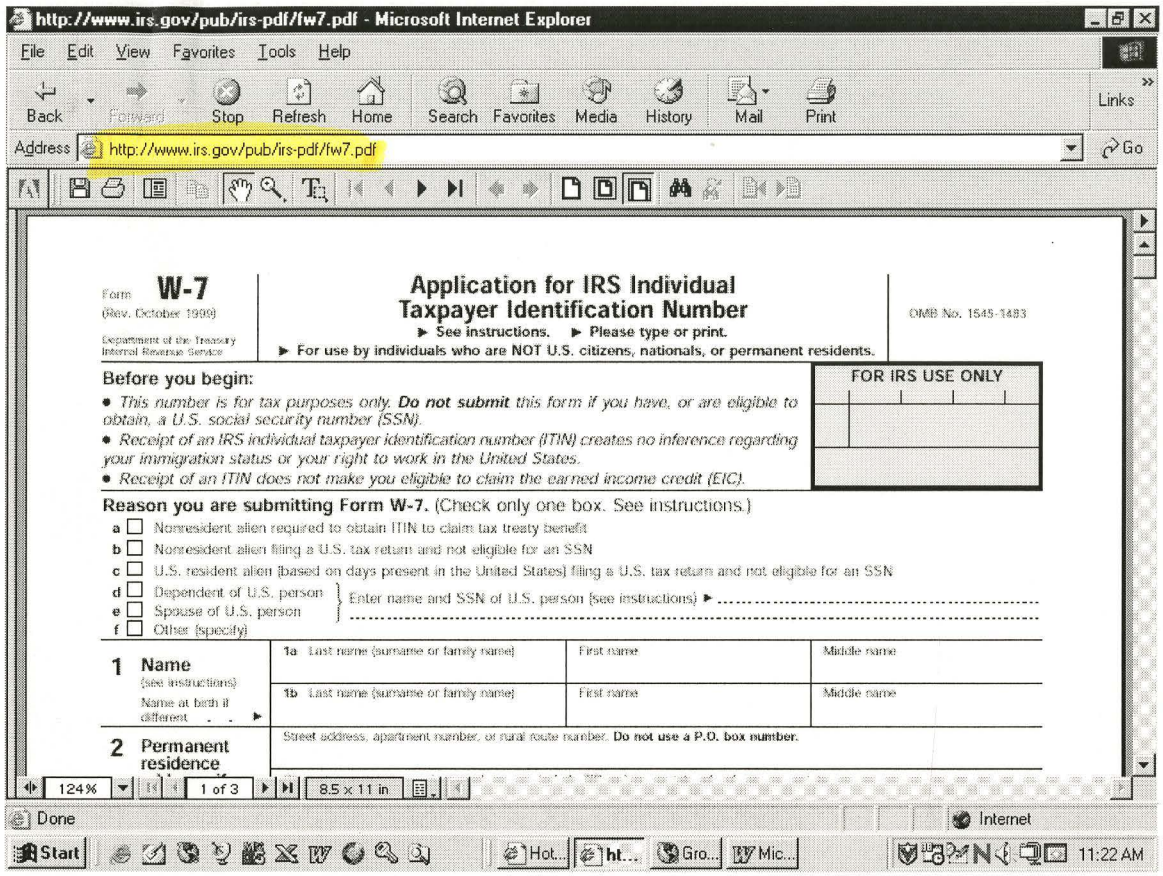
International Visitor Printed Name

_____

International Visitor Signature/Date

_____

Authorized Departmental Signature/Date


http://www.irs.gov/pub/irs-pdf/fw7.pdf - Microsoft Internet Explorer
File Edit View Favorites Tools Help
Back Forward Stop Refresh Home Search Favorites Media History Mail Print Links
Address http://www.irs.gov/pub/irs-pdf/fw7.pdf Go
Form W-7
(Rev. October 1999)
Department of the Treasury
Internal Revenue Service
Application for IRS Individual Taxpayer Identification Number
▶ See instructions. ▶ Please type or print.
▶ For use by individuals who are NOT U.S. citizens, nationals, or permanent residents.
OMB No. 1545-1483
Before you begin:
• This number is for tax purposes only. Do not submit this form if you have, or are eligible to obtain, a U.S. social security number (SSN).
• Receipt of an IRS individual taxpayer identification number (ITIN) creates no inference regarding your immigration status or your right to work in the United States.
• Receipt of an ITIN does not make you eligible to claim the earned income credit (EIC).
FOR IRS USE ONLY
Reason you are submitting Form W-7. (Check only one box. See instructions.)
a Nonresident alien required to obtain ITIN to claim tax treaty benefit
b Nonresident alien filing a U.S. tax return and not eligible for an SSN
c U.S. resident alien (based on days present in the United States) filing a U.S. tax return and not eligible for an SSN
d Dependent of U.S. person
e Spouse of U.S. person
Enter name and SSN of U.S. person (see instructions) ▶
f Other (specify)
1 Name (see instructions)
Name at birth if different ▶
1a Last name (surname or family name)
First name
Middle name
1b Last name (surname or family name)
First name
Middle name
2 Permanent residence
Street address, apartment number, or rural route number. Do not use a P.O. box number.
124%
1 of 3
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11:22 AM

Form **W-7**
(Rev. October 1999)
Department of the Treasury
Internal Revenue Service

Application for IRS Individual Taxpayer Identification Number

► See instructions. ► Please type or print.
► For use by individuals who are NOT U.S. citizens, nationals, or permanent residents.

OMB No. 1545-1483

Before you begin:

- *This number is for tax purposes only.* ***Do not submit*** *this form if you have, or are eligible to obtain, a U.S. social security number (SSN).*
- *Receipt of an IRS individual taxpayer identification number (ITIN) creates no inference regarding your immigration status or your right to work in the United States.*
- *Receipt of an ITIN does not make you eligible to claim the earned income credit (EIC).*

FOR IRS USE ONLY

Reason you are submitting Form W-7. (Check only one box. See instructions.)

a ☐ Nonresident alien required to obtain ITIN to claim tax treaty benefit
b ☐ Nonresident alien filing a U.S. tax return and not eligible for an SSN
c ☐ U.S. resident alien (based on days present in the United States) filing a U.S. tax return and not eligible for an SSN
d ☐ Dependent of U.S. person
e ☐ Spouse of U.S. person
f ☐ Other (specify)

} Enter name and SSN of U.S. person (see instructions) ► .....

1 Name (see instructions) Name at birth if different . . . ►

1a Last name (surname or family name)	First name	Middle name
1b Last name (surname or family name)	First name	Middle name

2 Permanent residence address, if any (see instructions)

Street address, apartment number, or rural route number. **Do not use a P.O. box number.**

City or town, state or province, and country. Include ZIP code or postal code where appropriate.

3 Mailing address (if different from above)

Street address, apartment number, P.O. box number, or rural route number.

City or town, state or province, and country. Include ZIP code or postal code where appropriate.

4 Birth information

Date of birth (month, day, year) / /	Country of birth	City and state or province (optional)	**5** ☐ Male ☐ Female

6 Family information

Father's last name (surname)	First name	Middle name
Mother's maiden name (surname)	First name	Middle name

7 Other information

7a Country(ies) of citizenship	7b Foreign tax identification number	7c Type of U.S. visa (if any) and expiration date

7d Identification document(s) submitted (see instructions).
☐ Passport ☐ Driver's license/State I.D. ☐ INS documentation ☐ Other.....
Issued by: Number:

7e Have you previously received a U.S. temporary Taxpayer Identification Number (TIN) or Employer Identification Number (EIN)?
☐ **No/Do not know.** Skip line 7f.
☐ **Yes.** Complete line 7f. If you need more space, list on a sheet and attach to this form. (See instructions.)

7f **TIN** ☐☐☐-☐☐-☐☐☐☐ **EIN** ☐☐-☐☐☐☐☐☐☐

Enter the name under which the TIN was issued. | Enter the name under which the EIN was issued.

Sign Here

Keep a copy of this form for your records.

Under penalties of perjury, I (applicant/delegate/acceptance agent) declare that I have examined this application, including accompanying documentation and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I authorize the IRS to disclose to my acceptance agent returns or return information necessary to resolve matters regarding the assignment of my IRS individual taxpayer identification number (ITIN).

► Signature of applicant (if delegate, see instructions)	Date (month, day, year) / /	Phone number
► Name of delegate, if applicable (type or print)	Delegate's relationship to applicant ► ☐ Parent ☐ Guardian ☐ Power of Attorney	

Acceptance Agent's Use ONLY

► Signature	Date (month, day, year) / /	Phone ( ) Fax ( )
► Name and title (type or print)	Name of company	EIN

General Instructions

Note: *If you have been lawfully admitted for permanent residence or U.S. employment, you are eligible for a social security number.* ***Do not*** *complete this form.*

Purpose of Form

Use Form W-7 to apply for an IRS individual taxpayer identification number (ITIN). An ITIN is a nine-digit number issued by the U.S. Internal Revenue Service (IRS) to individuals who are required to have a U.S. taxpayer identification number but who do not have, and are not eligible to obtain, a social security number (SSN).

The ITIN is for tax purposes only. It does not entitle you to social security benefits, and creates no inference regarding your immigration status or your right to work in the United States. Any individual who is eligible to be legally employed in the United States must have an SSN.

Note: *Individuals filing tax returns using an ITIN are not eligible for the earned income credit (EIC).*

Who Must Apply

Any individual who is **not eligible to obtain an SSN** but who must furnish a taxpayer identification number to the IRS must apply for an ITIN on Form W-7. For example:

- A nonresident alien individual not eligible for an SSN who is required to file a U.S. tax return OR who is filing a U.S. tax return only to claim a refund.
- A nonresident alien individual not eligible for an SSN who elects to file a joint U.S. tax return with a spouse who is a U.S. citizen or resident.
- A U.S. resident alien (based on substantial presence) who files a U.S. tax return but who is not eligible for an SSN.
- An alien spouse claimed as an exemption on a U.S. tax return who is not eligible to obtain an SSN.
- An alien individual eligible to be claimed as a dependent on a U.S. tax return but who is unable or not eligible to obtain an SSN. To determine if an alien individual is eligible to be claimed as a dependent on a U.S. tax return, see **Pub. 501,** Exemptions, Standard Deduction, and Filing Information, and **Pub. 519,** U.S. Tax Guide for Aliens.

DO NOT complete Form W-7 if you have an SSN **or** you are eligible to obtain an SSN. Thus, do not complete this form if you are a U.S. citizen or national, or if you have been lawfully admitted for permanent residence or U.S. employment.

To obtain an SSN, get **Form SS-5,** Application for a Social Security Card. To get Form SS-5 or to find out if you are eligible to obtain an SSN, contact a Social Security Administration office.

If you have an application for an SSN pending, **do not** file Form W-7. Complete Form W-7 only if the Social Security Administration notifies you that an SSN cannot be issued.

Additional Information

Publications. For details on resident and nonresident alien status and the tests for residence (including the substantial presence test), get Pub. 519.

For details on individuals who can be claimed as dependents and on obtaining an SSN for a dependent, get Pub. 501.

For details on eligibility for the earned income credit, get **Pub. 596,** Earned Income Credit.

These publications are available free from the IRS. To order the publications, call 1-800-TAX-FORM (1-800-829-3676) if you are in the United States. If you have a foreign address, you can write to:

Eastern Area Distribution Center
P.O. Box 85074
Richmond, VA 23261-5074

You can also get these publications using a computer and modem. On the Internet, you can do this in two ways:

World Wide Web: Connect to www.irs.gov.

File transfer protocol: Connect to ftp.irs.gov.

Telephone help. If, after reading these instructions and our free publications, you are not sure how to complete your application or have additional questions, you may call for assistance:

- Inside the United States: 1-800-829-1040. This service is available 24 hours a day, 7 days a week from January 3, 2000, through April 17, 2000. Beginning April 18, 2000, this service is available Monday through Saturday from 7:00 a.m. until 11:00 p.m. local time. Holiday hours may vary.
- Outside the United States: 1-215-516-ITIN (215-516-4846). This is not a toll-free number. You may also contact any of our overseas offices in Berlin, London, Mexico City, Paris, Rome, Singapore, or Tokyo.

How To Apply

You can apply either by mail or in person. See **Where To Apply** on this page. Keep a copy for your records. Be sure to mail or bring with you:

- Your completed Form W-7; and
- The original documents, or certified or notarized copies of documents, that substantiate the information provided on the Form W-7.

The document(s) you present must be current and must verify: **(a)** your identity, that is, contain your name and a photograph, and **(b)** support your claim of foreign status. You may have to provide a combination of documents for this purpose. Examples of acceptable documents include, but are not limited to:

- A passport.
- A driver's license.
- Documents issued by the U.S. Immigration and Naturalization Service (INS).
- An identity card issued by a state or national government authority.
- A foreign military or military dependent identification card.
- A foreign voter registration certificate.
- Birth, marriage, or baptismal certificates.
- School records.

You can submit copies of original documents. However, such documents must be:

- Certified by the issuing agency or official custodian of the original record; or
- Notarized by a U.S. notary public legally authorized within his or her local jurisdiction to certify that the document is a true copy of the original. To do this, the notary must see the valid, unaltered original document and verify that the copy conforms to the original. U.S. notaries public are available at U.S. embassies and consulates worldwide. Non-U.S. notarizations will **not** be accepted.

When To Apply

Complete Form W-7 as soon as you meet one of the requirements listed under **Who Must Apply** on this page. Applying early will give the IRS time to issue you an ITIN before its required use.

If you have not heard from the IRS regarding your ITIN within 30 days, you may call 1-800-829-1040 (in the United States) or 1-215-516-4846 (outside the United States) to find out about the status of your application. Be sure to have a copy of your application available when you call. Please allow 30 days from the date you submitted Form W-7 before calling the IRS about the status of your application.

Allow 4 to 6 weeks for the IRS to notify you in writing of your ITIN.

Where To Apply

Applying in person. You can apply for an ITIN at any IRS walk-in office in the United States and at most IRS offices abroad (contact the IRS office abroad to find out if that office accepts Form W-7 applications). You can also get application forms at certain U.S. consular offices.

You can also apply through an acceptance agent authorized by the IRS.

Applying by mail. Complete Form W-7, sign and date it, and mail the form along with the original or certified or notarized copies of your documentation to:

Internal Revenue Service
Philadelphia Service Center
ITIN Unit
P.O. Box 447
Bensalem, PA 19020

Original documents you submit will be returned to you. You do not need to provide a return envelope. **Copies** of documents will not be returned.

Specific Instructions

The following instructions are for those items that are not self-explanatory. Enter N/A (not applicable) on all lines that do not apply. If you are completing this form for someone else, answer the questions as they apply to that person.

Reason for applying. You must check a box to indicate the reason you are completing this Form W-7. **Check only one box.**

a. Nonresident alien required to obtain ITIN to claim tax treaty benefit. Certain nonresident aliens must obtain an ITIN to claim a tax treaty benefit even if they do not have to file a U.S. tax return.

b. Nonresident alien filing a U.S. tax return and not eligible for an SSN. This category includes:

- A nonresident alien who must file a U.S. tax return to report income effectively or not effectively connected with the conduct of a trade or business in the United States.
- A nonresident alien who is filing a U.S. tax return only to obtain a refund.
- A nonresident alien electing to file a U.S. tax return jointly with a spouse who is a U.S. citizen or resident.

c. U.S. resident alien (based on days present in the United States) filing a U.S. tax return and not eligible for an SSN. A foreign individual living in the United States who does not have permission to work from the INS, and is thus ineligible for an SSN, may still have a U.S. tax return filing obligation. Such individuals must check this box.

d. Dependent of U.S. person. This is an individual who may be claimed as a dependent on a U.S. tax return and who is unable, or not eligible, to obtain an SSN.

Note: *A U.S. person is a citizen, national, or resident alien of the United States.*

e. Spouse of U.S. person. This is a nonresident alien husband or wife who is not filing a U.S. tax return (including a joint return) but who may be claimed as a spouse for an exemption, and who is not eligible to obtain an SSN.

f. Other. Use this box **only** if your situation does not fall into any of the above categories. If you check this box, you must describe in detail your reason for requesting an ITIN.

SSN of U.S. person. If you are applying for an ITIN under category **d** or **e** above, you **must** provide the **full name and SSN** of the U.S. person. Enter the information in the space provided. If the U.S. person chooses to provide this information in a separate letter, be sure to enter "Information will be provided in separate letter" in this space. If this space is left blank, your application will be rejected.

The letter provided by the U.S. person must identify the Form W-7 to which the information relates and must include:

- The U.S. person's full name and SSN; **and**
- The name, address, date of birth and country of birth of the dependent or spouse as shown on the Form W-7.

Mail the letter to the address shown under **Where To Apply** on page 3.

Note: *If the U.S. person chooses this method, the Form W-7 will not be processed until the information is received.*

Lines 1a and 1b. Enter your legal name on line 1a. This entry should reflect your name as it will appear on your U.S. tax return. If your legal name was different at birth, enter on line 1b your name at birth as it appears on your birth certificate.

Line 2. Enter your complete address in the country where you permanently or normally reside. If you are claiming a benefit under an income tax treaty with the United States, the address entered must normally be an address in the treaty country. Include the postal code where appropriate.

Do not use a Post Office box or an "in care of" (c/o) address instead of a street address. It will not be accepted.

Line 3. Enter your mailing address if it is different from the address on line 2. This is the address the IRS will use to mail you written notification of your ITIN.

Line 4. You **must** identify the country in which you were born.

Line 7b. If your country of residence for tax purposes has issued you a tax identification number, enter that number on line 7b. For example, if you are a resident of Canada, you would enter your Canadian Social Insurance Number.

Line 7c. Enter only U.S. nonimmigrant visa information, for example, "B-1/B-2." Also enter the expiration date of the visa.

Line 7d. If you have a passport, use it to provide verification of your identity and foreign status. Check the "Passport" box.

If you do not have a passport, use a driver's license or official identification card issued by a U.S. or foreign governmental jurisdiction and check the appropriate box.

If you are using documents issued by the INS, check the "INS documentation" box.

If you have none of the above, check the box for "Other" and **specifically identify** the type(s) of document you are using (for example, enter "military ID" for a military or military/dependent identification card). You may have to provide more than one current document to verify your identity and foreign status. At least one document you present should contain a recent photograph.

You must provide the name of the state, country, or other issuer, and the identification number (if any) appearing on the document(s) you provide. You may be required to provide a translation of documents in a foreign language.

Line 7e. If you ever received a "temporary Taxpayer Identification Number" (TIN) or an Employer Identification Number (EIN), check the "Yes" box and enter the number on line 7f. If you never had a temporary TIN or an EIN, or you do not know your temporary TIN, check the "No/Do not know" box.

A "temporary TIN" was a nine-digit number issued by the IRS to individuals before 1996. You would have been issued this number if you filed a U.S. tax return and did not have a social security number. This temporary TIN will appear on any correspondence the IRS sent you concerning that return. You may have been issued more than one temporary TIN. If so, attach a separate sheet listing all the temporary TINs you received.

An EIN is a nine-digit number assigned by the IRS to businesses, such as sole proprietorships.

Line 7f. Enter in the space provided the temporary TIN and/or EIN and the name under which the number was issued.

Signature. Generally, Form W-7 **must be signed by the applicant.** However, if the applicant is a minor 14 years of age or younger, a delegate (parent or guardian) should sign for him or her. Type or print the delegate's name in the space provided and check the appropriate box to indicate the relationship to the applicant.

If the applicant is over 14 years of age, the applicant may appoint an authorized agent to sign. The authorized agent must print his or her name in the space provided for the name of the delegate and must attach **Form 2848,** Power of Attorney and Declaration of Representative.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Internal Revenue Code section 6103.

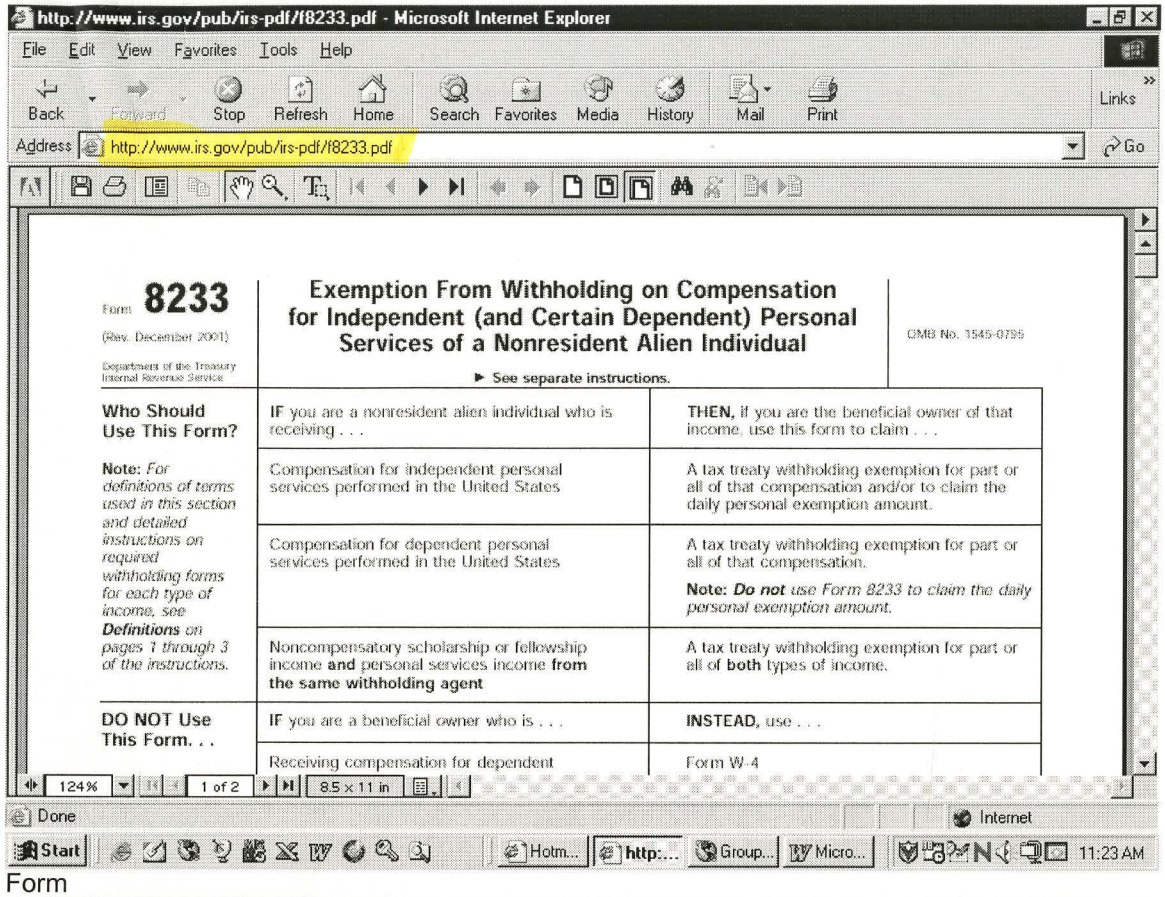
The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Learning about the law or the form,** 13 min.; **Preparing the form,** 29 min.; **Copying, assembling, and sending the form to the IRS,** 20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the form to this address. Instead, see **Where To Apply** on page 3.

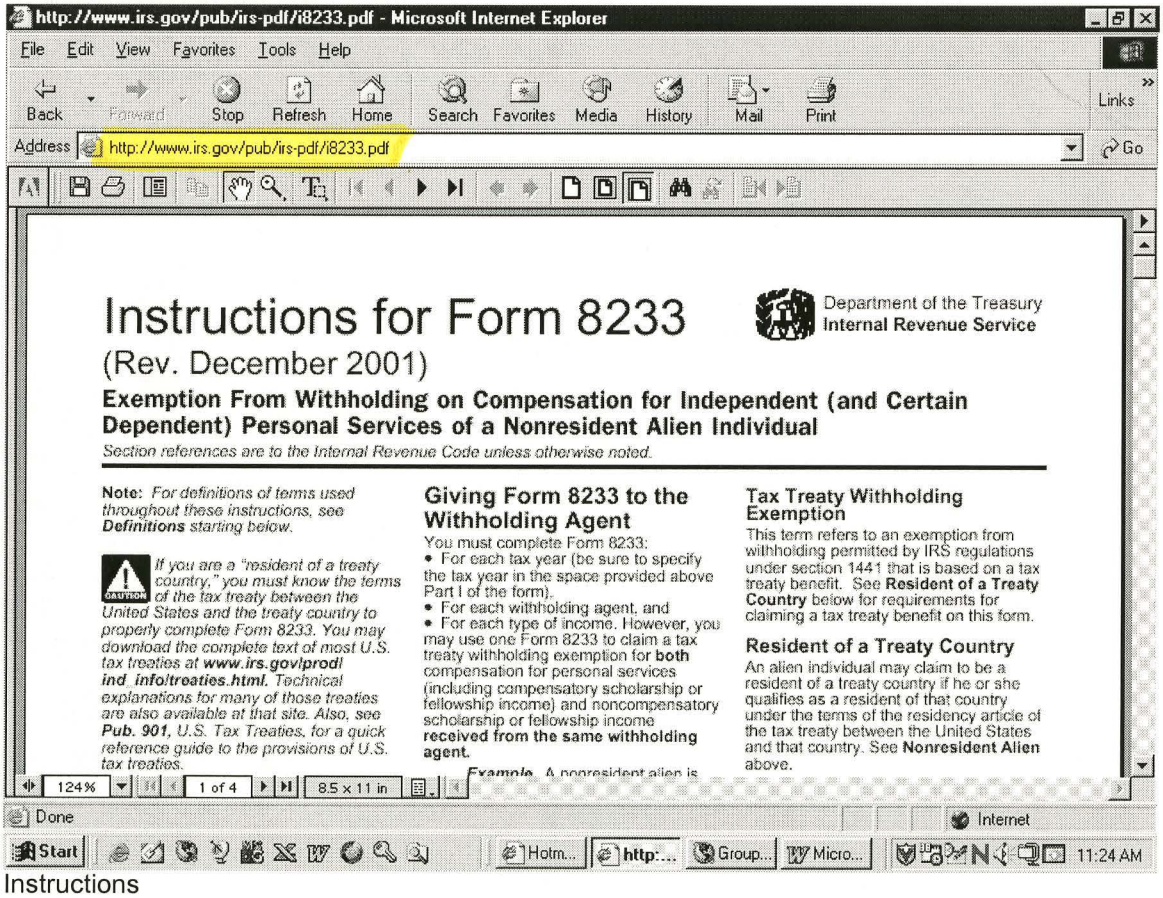
TAX TREATY SUMMARY
FOR CERTAIN CATEGORIES OF PAYMENTS TO NONRESIDENT ALIENS

Limited tax treaty provisions are available between the USA and the following countries. Please check with Accounts Payable at 353-2011 for specific provisions of tax treaties with these countries.

Country	Personal Services	Artist/Athlete/Entertainer	Scholarships/Fellowships	Royalties
Australia	YES	YES	NO	YES
Austria	YES	YES	NO	YES
Barbados	YES	YES	NO	YES
Belgium	YES	YES	YES	YES
Canada	YES	NO	NO	YES
China, People's Republic of	YES	YES	YES	YES
Commonwealth of Independent States	YES	NO	YES	YES
Cyprus	YES	YES	YES	YES
Czech Republic	YES	YES	YES	YES
Denmark	YES	YES	NO	YES
Egypt	YES	YES	YES	YES
Estonia	YES	YES	YES	YES
Finland	YES	YES	NO	YES
France	YES	YES	YES	YES
Germany	YES	YES	YES	YES
Greece	YES	NO	NO	YES
Hungary	YES	NO	NO	YES
Iceland	YES	YES	YES	YES
India	YES	YES	NO	YES
Indonesia	YES	YES	YES	YES
Ireland	YES	YES	NO	YES
Israel	YES	YES	YES	YES
Italy	YES	YES	NO	YES
Jamaica	YES	YES	NO	YES
Japan	YES	YES	YES	YES
Kazakstan	YES	NO	YES	YES
Korea, Republic of	YES	NO	YES	YES
Latvia	YES	YES	YES	YES
Lithuania	YES	YES	YES	YES
Luxembourg	YES	YES	YES	YES
Mexico	YES	YES	NO	YES
Morocco	YES	NO	YES	YES
Netherlands	YES	YES	YES	YES
New Zealand	YES	YES	NO	YES
Norway	YES	YES	YES	YES
Pakistan	YES	NO	NO	YES
Philippines	YES	YES	YES	YES
Poland	YES	NO	YES	YES
Portugal	YES	YES	YES	YES
Romania	YES	YES	YES	YES
Russia	YES	NO	YES	YES
Slovak Republic	YES	YES	YES	YES
Slovenia	YES	YES	YES	YES
South Africa	YES	YES	NO	YES
Spain	YES	YES	YES	YES
Sweden	YES	YES	NO	YES
Switzerland	YES	YES	NO	YES
Thailand	YES	YES	YES	YES
Trinidad and Tobago	YES	NO	YES	YES
Tunisia	YES	YES	YES	YES
Turkey	YES	YES	NO	YES
Ukraine	YES	NO	YES	YES
United Kingdom	YES	NO	NO	YES
Venezuela	YES	YES	YES	YES



Form



Instructions

Form **8233**

(Rev. December 2001)

Department of the Treasury
Internal Revenue Service

Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

► **See separate instructions.**

OMB No. 1545-0795

Who Should Use This Form? **Note:** *For definitions of terms used in this section and detailed instructions on required withholding forms for each type of income, see* ***Definitions*** *on pages 1 through 3 of the instructions.*	**IF** you are a nonresident alien individual who is receiving . . .	**THEN,** if you are the beneficial owner of that income, use this form to claim . . .
	Compensation for independent personal services performed in the United States	A tax treaty withholding exemption for part or all of that compensation and/or to claim the daily personal exemption amount.
	Compensation for dependent personal services performed in the United States	A tax treaty withholding exemption for part or all of that compensation. **Note:** ***Do not*** *use Form 8233 to claim the daily personal exemption amount.*
	Noncompensatory scholarship or fellowship income **and** personal services income **from the same withholding agent**	A tax treaty withholding exemption for part or all of **both** types of income.
DO NOT Use This Form. . .	**IF** you are a beneficial owner who is . . .	**INSTEAD,** use . . .
	Receiving compensation for dependent personal services performed in the United States **and** you are **not** claiming a tax treaty withholding exemption for that compensation	Form W-4
	Receiving noncompensatory scholarship or fellowship income **and** you are **not** receiving any personal services income **from the same withholding agent**	Form W-8BEN or, if elected by the withholding agent, Form W-4 for the noncompensatory scholarship or fellowship income
	Claiming only foreign status or treaty benefits with respect to income that is **not** compensation for personal services	Form W-8BEN

This exemption is applicable for compensation for calendar year ..... , or other tax year beginning .....

and ending ..... .

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual who is the beneficial owner	2 U.S. taxpayer identifying number	3 Foreign tax identifying number, if any (optional)
4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box.**		
City or town, state or province. Include postal code where appropriate.		Country (do not abbreviate)
5 Address in the United States (street, apt. or suite no., or rural route). **Do not use a P.O. box.**		
City or town, state, and ZIP code		

Note: *Citizens of Canada or Mexico are not required to complete lines 7a and 7b.*

6 U.S. visa type	7a Country issuing passport	7b Passport number
8 Date of entry into the United States	9a Current nonimmigrant status	9b Date your current nonimmigrant status expires

10 If you are a foreign student, trainee, professor/teacher, or researcher, check this box . . . . . ► ☐
Caution: *See the* ***line 10 instructions*** *for the required additional statement you must attach.*

Part II Claim for Tax Treaty Withholding Exemption and/or Personal Exemption Amount

11 Compensation for independent (and certain dependent) personal services:

a Description of personal services you are providing .....

.....

.....

b Total compensation you expect to be paid for these services in this calendar or tax year $ .....

12 If compensation is exempt from withholding based on a tax treaty benefit, provide:

a Tax treaty **and treaty article** on which you are basing exemption from withholding .....

.....

b Total compensation listed on line 11b above that is exempt from tax under this treaty $ .....

c Country of permanent residence

Note: *Do not complete lines 13a through 13c unless you also received compensation for personal services* ***from the same withholding agent.***

13 Noncompensatory scholarship or fellowship income:

a Amount $ .....

b Tax treaty **and treaty article** on which you are basing exemption from withholding .....

.....

c Total income listed on line 13a above that is exempt from tax under this treaty $

14 Sufficient facts to justify the exemption from withholding claimed on line 12 and/or line 13 (see instructions) .....

.....

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Note: *Lines 15 through 18 are to be completed only for certain independent personal services (see instructions).*

15 Number of personal exemptions claimed ▶	**16** How many days will you perform services in the United States during this tax year? ▶

17 Daily personal exemption amount claimed (see instructions) ▶

18 Total personal exemption amount claimed. Multiply line 16 by line 17 ▶

Part III 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:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates.
- The beneficial owner is not a U.S. person.
- The beneficial owner is a resident of the treaty country listed on line 12a and/or 13b above within the meaning of the income tax treaty between the United States and that country.
- The beneficial owner is not a former citizen or long-term resident of the United States subject to section 877 (relating to certain acts of expatriation) or, if subject to section 877, the beneficial owner is nevertheless entitled to treaty benefits with respect to the amounts received.

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

Sign Here ▶ ....

Signature of beneficial owner (or individual authorized to sign for beneficial owner) Date

Part IV Withholding Agent Acceptance and Certification

Name	**Employer identification number**

Address (number and street) (Include apt. or suite no. or P.O. box, if applicable.)

City, state, and ZIP code	Telephone number

Under penalties of perjury, I certify that I have examined this form and any accompanying statements, that I am satisfied that an exemption from withholding is warranted, and that I do not know or have reason to know that the nonresident alien individual is not entitled to the exemption or that the nonresident alien's eligibility for the exemption cannot be readily determined.

Signature of withholding agent ▶ Date ▶

Instructions for Form 8233

Department of the Treasury
Internal Revenue Service

(Rev. December 2001)

Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

Section references are to the Internal Revenue Code unless otherwise noted.

Note: *For definitions of terms used throughout these instructions, see* ***Definitions*** *starting below.*

CAUTION *If you are a "resident of a treaty country," you must know the terms of the tax treaty between the United States and the treaty country to properly complete Form 8233. You may download the complete text of most U.S. tax treaties at* ***www.irs.gov/prod/ind_info/treaties.html.*** *Technical explanations for many of those treaties are also available at that site. Also, see* ***Pub. 901,*** *U.S. Tax Treaties, for a quick reference guide to the provisions of U.S. tax treaties.*

Note: *You can get any of the forms or publications referred to in these instructions by calling 1-800-TAX-FORM (1-800-829-3676) or by downloading them from the IRS Web Site at* ***www.irs.gov.***

General Instructions

A Change To Note

Form 8233 may now be used to claim a tax treaty withholding exemption for noncompensatory scholarship or fellowship income. However, you can do this **only if** you are also using this form to claim a tax treaty withholding exemption for compensation for personal services (including compensatory scholarship or fellowship income) **and** both types of income are **received from the same withholding agent.**

Purpose of Form

In general, section 1441 requires 30% Federal income tax withholding on compensation for independent personal services (defined on this page). Sections 1441, 3401, and 3402 require withholding, sometimes at 30% and sometimes at graduated rates, on compensation for dependent personal services (defined on page 2). However, some payments may be exempt from withholding because of a tax treaty or the personal exemption amount. Complete and give Form 8233 to your withholding agent if some or all of your compensation is exempt from withholding.

Note: Do not *use Form 8233 if you have an office in the United States regularly available to you for performing personal services.*

Giving Form 8233 to the Withholding Agent

You must complete Form 8233:

- For each tax year (be sure to specify the tax year in the space provided above Part I of the form),
- For each withholding agent, and
- For each type of income. However, you may use one Form 8233 to claim a tax treaty withholding exemption for **both** compensation for personal services (including compensatory scholarship or fellowship income) and noncompensatory scholarship or fellowship income **received from the same withholding agent.**

Example. A nonresident alien is primarily present in the United States as a professor, but also is occasionally invited to lecture at another educational institution. These lectures are not connected with his teaching obligations but are in the nature of self-employment. For each tax year, the professor must complete two Forms 8233 and give one to each withholding agent to claim tax treaty benefits on the separate items of income.

Definitions

Nonresident Alien

If you are an alien individual (that is, an individual who is not a U.S. citizen), specific rules apply to determine if you are a resident alien or a nonresident alien for tax purposes. Generally, you are a **resident alien** if you meet either the "green card test" or the "substantial presence test" for the calendar year. Any person not meeting either test is generally a **nonresident alien.** Additionally, an alien individual who qualifies as a "resident of a treaty country" (defined below) or a resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa is a nonresident alien individual.

For more information on the tests used to determine resident alien or nonresident alien status, see **Pub. 519,** U.S. Tax Guide for Aliens.

Note: *Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (for example, filing a joint income tax return), such individual is still treated as a nonresident alien for withholding tax purposes on all income except wages.*

U.S. Person

For purposes of this form, a U.S. person is a U.S. citizen or resident alien.

Tax Treaty Withholding Exemption

This term refers to an exemption from withholding permitted by IRS regulations under section 1441 that is based on a tax treaty benefit. See **Resident of a Treaty Country** below for requirements for claiming a tax treaty benefit on this form.

Resident of a Treaty Country

An alien individual may claim to be a resident of a treaty country if he or she qualifies as a resident of that country under the terms of the residency article of the tax treaty between the United States and that country. See **Nonresident Alien** above.

A nonresident alien may claim a tax treaty benefit on this form **only if** that individual is the beneficial owner of the income and meets the residency requirement and all other requirements for benefits under the terms of the tax treaty. See the instructions for line 4 on page 3 for additional information for determining residence for purposes of claiming a tax treaty withholding exemption on this form.

Compensation for Independent Personal Services

Independent personal services are services performed as an independent contractor in the United States by a nonresident alien who is self-employed rather than an employee. Compensation for such services includes payments for contract labor; payments for professional services, such as fees to an attorney, physician, or accountant, if the payments are made directly to the person performing the services; consulting fees; honoraria paid to visiting professors, teachers, researchers, scientists, and prominent speakers; and generally, payments for performances by public entertainers.

Public entertainers. Special restrictions on exemption from or reduction of withholding apply to nonresident alien public entertainers (such as actors, musicians, artists, and athletes). Generally, such individuals are subject to 30% withholding from gross income paid for personal services performed unless a reduced rate of withholding under a withholding agreement prepared in accordance with Rev. Proc. 89-47, 1989-2 C.B. 598, has been approved by the IRS. In addition, many tax treaties contain separate articles that apply to artists, athletes, and entertainers. If present, these articles take precedence over the "independent personal services"

and "dependent personal services" articles of the treaties.

Required Withholding Form

For compensation you receive for independent personal services, complete Form 8233 to claim a tax treaty withholding exemption for part or all of that income and/or to claim the daily personal exemption amount.

Compensation for Dependent Personal Services

Dependent personal services are services performed as an employee in the United States by a nonresident alien. Dependent personal services include compensatory scholarship or fellowship income (see definition below). Compensation for such services includes payments for wages, salaries, fees, bonuses, commissions, and similar designations for amounts paid to an employee.

Required Withholding Form(s)

Complete Form 8233 for compensation you receive for dependent personal services **only if** you are claiming a tax treaty withholding exemption for part or all of that income. **Do not** use Form 8233 to claim the daily personal exemption amount.

Use Form 8233 only to claim a tax treaty withholding exemption for any part of your compensation that is exempt from withholding. For compensation for which you are not claiming a tax treaty withholding exemption, use **Form W-4,** Employee's Withholding Allowance Certificate.

Completing Form W-4. To avoid underwithholding on compensation for dependent personal services for which you are not claiming a tax treaty withholding exemption, you should complete Form W-4 as follows:

Social security number. You are required to enter a social security number (SSN) on line 2 of Form W-4. If you do not have an SSN, you must apply for one on **Form SS-5,** Application for a Social Security Card. You may get Form SS-5 from a Social Security Administration (SSA) Office. Fill in Form SS-5 and return it to the SSA.



You cannot enter an individual taxpayer identification number (ITIN) on line 2 of Form W-4.

Withholding status. **Do not** check the "Married" box on line 3 of Form W-4. Check either the "Single" box or the "Married, but withhold at higher Single rate" box.

Withholding allowances. You should generally claim one withholding allowance on line 5 of Form W-4. However, if you are a resident of Canada, Mexico, Japan, or the Republic of (South) Korea; a student from India; or a U.S. national; you may be able to claim additional withholding allowances for your spouse and children. See Pub. 519 for more information.

If you are completing Form W-4 for more than one withholding agent (for example, you have more than one employer), figure the total number of allowances you are entitled to claim (see the previous paragraph) and claim no more than that amount on all Forms W-4 combined. Your withholding usually will be most accurate when all allowances are claimed on the Form W-4 for the highest-paying job and zero allowances are claimed on the others.

Additional withholding amount. Enter the amount from the table below on line 6 of Form W-4.

Payroll Period	Amount
Weekly	$ 7.60
Biweekly	15.30
Semimonthly	16.60
Monthly	33.10
Quarterly	99.40
Semiannually	198.80
Annually	397.50
Daily*	1.50

*Amount to be used for each day of a payroll period not described above.

Exemption from withholding. **Do not** claim that you are exempt from withholding on line 7 of Form W-4 (even if you meet both of the conditions listed on that line).

Compensatory Scholarship or Fellowship Income

In general, scholarship or fellowship income is compensatory to the extent it represents payment for past, present, or future services (for example, teaching, research, etc.) performed by a nonresident alien as an employee **and** the performance of those services is a condition for receiving the scholarship or fellowship (or tuition reduction).

Example. XYZ University awards a scholarship to N, a nonresident alien student. The only condition of the scholarship is that N attends classes and maintains a minimum level of academic performance. The scholarship income is **not** compensatory because N is not required to perform services as an employee as a condition for receiving the scholarship.

Required Withholding Form(s)

Compensatory scholarship or fellowship income is considered to be dependent personal services income. Therefore, complete Form 8233 for this income **only if** you are claiming a tax treaty withholding exemption for part or all of that income. **Do not** complete Form 8233 to claim the daily personal exemption amount.

Use Form 8233 only to claim a tax treaty withholding exemption for any part of your compensatory scholarship or fellowship income that is exempt from withholding. For any part of such income for which you are not claiming a tax treaty withholding exemption, use Form W-4. See **Completing Form W-4** above.

Noncompensatory Scholarship or Fellowship Income

Noncompensatory scholarship or fellowship income is scholarship or fellowship income that is **not** compensatory scholarship or fellowship income (defined above).

The taxable portion of noncompensatory scholarship or fellowship income (defined below) paid to a nonresident alien is generally subject to withholding at a rate of 30% (the rate is generally 14% in the case of a nonresident alien temporarily present in the United States under an "F," "J," "M," or "Q" visa).

Taxable portion of noncompensatory scholarship or fellowship income. If you were a degree candidate, the amount of this type of income that you used for expenses other than tuition and course-related expenses (fees, books, supplies, and equipment) is generally taxable. For example, amounts used for room, board, and travel are generally taxable. If you were not a degree candidate, the full amount of the scholarship or fellowship income is generally taxable.

Required Withholding Form

You should generally complete **Form W-8BEN,** Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, to claim a tax treaty withholding exemption for this type of income. **No Form W-8BEN is required unless a treaty benefit is being claimed.**

Exception. If you are receiving **both** compensation for personal services (including compensatory scholarship or fellowship income) and noncompensatory scholarship or fellowship income **from the same withholding agent,** you may use **one** Form 8233 for **both** types of income. However, this exception applies only if you are claiming a tax treaty withholding exemption for **both** types of income.

Alternate withholding election. A withholding agent may elect to withhold on the taxable portion of noncompensatory scholarship or fellowship income of a nonresident alien temporarily present in the United States under an "F," "J," "M," or "Q" visa as if it were compensatory scholarship or fellowship income (provided the nonresident alien is not claiming treaty benefits with respect to that income). The withholding agent makes this election by requesting that the nonresident alien complete Form W-4 using the instructions in Rev. Proc. 88-24, 1988-1 C.B. 800.

Withholding Agent

Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks

and insurance companies. Generally, the person who pays (or causes to be paid) the amount subject to withholding to the nonresident alien individual (or to his or her agent) must withhold.

Beneficial Owner

For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Avoid Common Errors

To ensure that your Form 8233 is promptly accepted, be sure that you:

- Answer all applicable questions completely.
- Specify the tax year for which this form will be effective in the space provided above Part I of the form.
- Enter your complete name, addresses, and identifying number(s) in Part I.
- Have attached the required statement described in the line 10 instructions if you are a foreign student, trainee, professor/teacher, or researcher.
- Are not trying to claim tax treaty benefits for a country with which the United States does not have a ratified tax treaty.
- Are not trying to claim tax treaty benefits that do not exist in your treaty.
- Complete lines 11 through 14 in sufficient detail to allow the IRS to determine the tax treaty benefit you are claiming.
- Claim the proper number of personal exemptions on line 15.
- Complete the required certification in Part III.

Specific Instructions

Part I

Line 2

You are required to furnish a U.S. taxpayer identifying number on this form. You are generally required to enter your social security number (SSN) on line 2. To apply for an SSN, get Form SS-5 from a Social Security Administration (SSA) office. Fill in Form SS-5 and return it to the SSA.

If you do not have an SSN and are not eligible to get one, you must get an individual taxpayer identification number (ITIN). **To apply for an ITIN,** file **Form W-7,** Application for IRS Individual Taxpayer Identification Number, with the IRS. It usually takes about 4-6 weeks to get an ITIN.

Note: *An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.*

If you have applied for a U.S. taxpayer identifying number but have not yet received it, you may attach a copy of a completed Form W-7 or SS-5 showing that a number has been applied for.

Line 3

If your country of residence for tax purposes has issued you a tax identifying number, enter it here. For example, if you are a resident of Canada, enter your Social Insurance Number.

Line 4

Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. If you are completing Form 8233 to claim a tax treaty withholding exemption, you must determine your residency in the manner required by the treaty. **Do not** show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside.

Most tax treaties that provide for a tax treaty withholding exemption require that the recipient be a resident of the treaty country at the time of, or immediately prior to, entry into the United States. Thus, a student or researcher may generally claim the withholding exemption even if he or she no longer has a permanent address in the treaty country after entry into the United States. If this is the case, you may provide a U.S. address on line 4 and still be eligible for the withholding exemption if all other conditions required by the tax treaty are met. You must also identify on line 12a and/or line 13b the tax treaty country of which you were a resident at the time of, or immediately prior to, your entry into the United States.

Line 6

Enter your U.S. visa type. For example, foreign students are usually granted an "F-1" visa. Foreign professors, teachers, or researchers are usually granted a "J-1" visa. Business/vocational trainees are usually granted an "M-1" visa; however, some persons granted a "J-1" visa may also be considered business/vocational trainees (for example, a person admitted to complete a postgraduate residency in medicine).

Note: *If you do not have, or do not require, a visa, write "None."*

CAUTION *Spouses and dependents admitted on secondary visas (for example, "F-2," "J-2," "H-4," and "O-3" visas) are **not** usually eligible to claim the same treaty benefits as the primary visa holder.*

Line 8

You are generally required to enter your date of entry into the United States that pertains to your current nonimmigrant status. For example, enter the date of arrival shown on your current **INS Form I-94,** Arrival-Departure Record.

Exception. If you are claiming a tax treaty benefit that is determined by reference to more than one date of arrival, enter the earlier date of arrival. For example, you are currently claiming treaty benefits (as a teacher or a researcher) under article 19 of the tax treaty between the United States and Japan. You previously claimed treaty benefits (as a student) under article 20 of that treaty. Under article 22 of that treaty, the combination of consecutive exemptions under articles 19 and 20 may not extend beyond 5 tax years from the date you entered the United States as a student. If article 22 of that treaty applies, enter on line 8 the date you entered the United States as a student.

Line 9a

Enter your current nonimmigrant status. For example, enter your current nonimmigrant status shown on your current INS Form I-94.

Line 9b

Enter the date your current nonimmigrant status expires. For example, you may enter the date of expiration shown on your current INS Form I-94. Enter "DS" on line 9b if the date of expiration is based on "duration of status."

Line 10

Nonresident alien students, professors/teachers, and researchers using Form 8233 to claim a tax treaty withholding exemption for compensation for personal services **must** attach to Form 8233 the statement required by Rev. Proc. 87-8, 87-9, or 93-22. **The format and contents of the required statements are contained in Pub. 519.**

For a newly ratified tax treaty not listed in the above revenue procedures, a nonresident alien student, professor/teacher, or researcher must attach a statement in a format similar to those contained in Pub. 519.

Part II

Line 11a

For compensation for independent personal services, examples of acceptable descriptions to enter on this line include: "Consulting contract to design software" or "give three lectures at XYZ University."

For compensation for dependent personal services, examples of acceptable descriptions to enter on this line include:

- A nonresident alien student may enter "part-time library assistant," "part-time restaurant worker," or "teaching one chemistry course per semester to undergraduate students."
- A nonresident alien professor or teacher may enter "teaching at ABC University."
- A nonresident alien researcher may enter "research at ABC University's school for liquid crystal research."
- A nonresident alien business/vocational trainee may enter "neurosurgical residency at ABC Hospital" or "one-year internship in hydraulic engineering at XYZ Corporation."

Line 11b

Enter the total amount of compensation for personal services you will receive from this withholding agent during the tax year. Enter an estimated amount if you do not know the exact amount.

Line 12a

Enter the specific treaty **and article** on which you are basing your claim for exemption from withholding (for example, "U.S./Germany tax treaty, Article 20(4)").

Line 12b

If all income received for the services performed to which this Form 8233 applies is exempt, write "All." If only part is exempt, enter the exact dollar amount that is exempt from withholding.

Line 12c

Generally, you may claim a withholding exemption based on a U.S. tax treaty with the country in which you claim permanent (or indefinite) residence. This is the foreign country in which you live most of the time. It is not necessarily the country of your citizenship. For example, you are a citizen of Pakistan but maintain your home in England. You **cannot** claim a withholding exemption based on the U.S./Pakistan tax treaty. Any withholding exemption you claim must be based on the U.S./United Kingdom tax treaty.

Line 13b

Enter the specific treaty **and article** on which you are basing your claim for exemption from withholding (for example, "U.S./Germany tax treaty, Article 20(3)").

Line 14

Provide sufficient facts to justify the exemption from withholding claimed on line 12 and/or line 13. Be sure you provide enough details to allow the IRS to determine the tax treaty benefit you are claiming.

Lines 15 through 18 (for certain independent personal services)

Note: ***Do not*** *complete lines 15 through 18 if you are claiming on line 12b that* ***all*** *of the compensation you are receiving for independent personal services is exempt from withholding.*

Line 15

For compensation for independent personal services for which an exemption from withholding is not available, 30% must be withheld from that compensation after subtracting the value of one personal exemption. You will generally enter "1" on line 15; however, if the exception below applies to you, enter the total number of personal exemptions you are entitled to on line 15.

Exception. If you are a resident of Canada, Mexico, Japan, or the Republic of (South) Korea; a student from India; or a U.S. national; you may be able to claim additional personal exemptions for your spouse and children. See Pub. 519 for more information.

Lines 16 and 17

Each allowable personal exemption must be prorated for the number of days during the tax year you will perform the personal services in the United States. Enter the number of days on line 16 that pertain to the **independent** personal services described in line 11a and included on line 11b. To figure the daily personal exemption amount to enter on line 17, divide the personal exemption amount by 365 (366 for a leap year) and multiply the result by the amount you entered on line 15. For example, if you are entitled to one personal exemption for 2001, enter $7.95 (that is, $2,900 / 365 days = $7.95 x 1 personal exemption = $7.95) on line 17.

Part IV

Withholding Agent's Responsibilities

When the nonresident alien individual gives you Form 8233, review it to see if you are satisfied that the exemption from withholding is warranted. If you are satisfied, based on the facts presented, complete and sign the certification in Part IV.

You will need three copies of a completed Form 8233. Within 5 days of your acceptance, forward one copy to:

Internal Revenue Service
International Section
P.O. Box 920
Bensalem, PA 19020-8518

Give one copy of the completed Form 8233 to the nonresident alien individual. Keep a copy for your records. Each copy of Form 8233 must include any attachments submitted by the nonresident alien individual.

The exemption from withholding is effective for payments made retroactive to the date of the first payment covered by Form 8233, even though you must wait at least 10 days after you have properly mailed Form 8233 to the IRS to see whether the IRS has any objections to the Form 8233.

You must **not** accept Form 8233, and you must withhold, if either of the following applies:

- You know, or have reason to know, that any of the facts or statements on Form 8233 may be false **or**
- You know, or have reason to know, that the nonresident alien's eligibility for the exemption from withholding cannot be readily determined (for example, you know the nonresident alien has a fixed base or permanent establishment in the United States).

If you accept Form 8233 and later find that either of the situations described above applies, you must promptly notify the IRS (by writing to the above address) and you must begin withholding on any amounts not yet paid. Also, if you are notified by the IRS that the nonresident alien's eligibility for the exemption from withholding is in doubt or that the nonresident alien is not eligible for exemption from withholding, you must begin withholding immediately. See Regulations section 1.1441-4(b)(2)(iii) for examples illustrating these rules.

If you submit an incorrect Form 8233, you will be notified by the IRS that the form submitted is not acceptable and that you must begin withholding immediately. Examples of incorrect Forms 8233 include:

- Any Form 8233 that claims a tax treaty benefit that does not exist or is obviously false.
- Any Form 8233 that has not been completed in sufficient detail to allow determination of the correctness of the tax treaty benefit or exemption claimed.

Signature

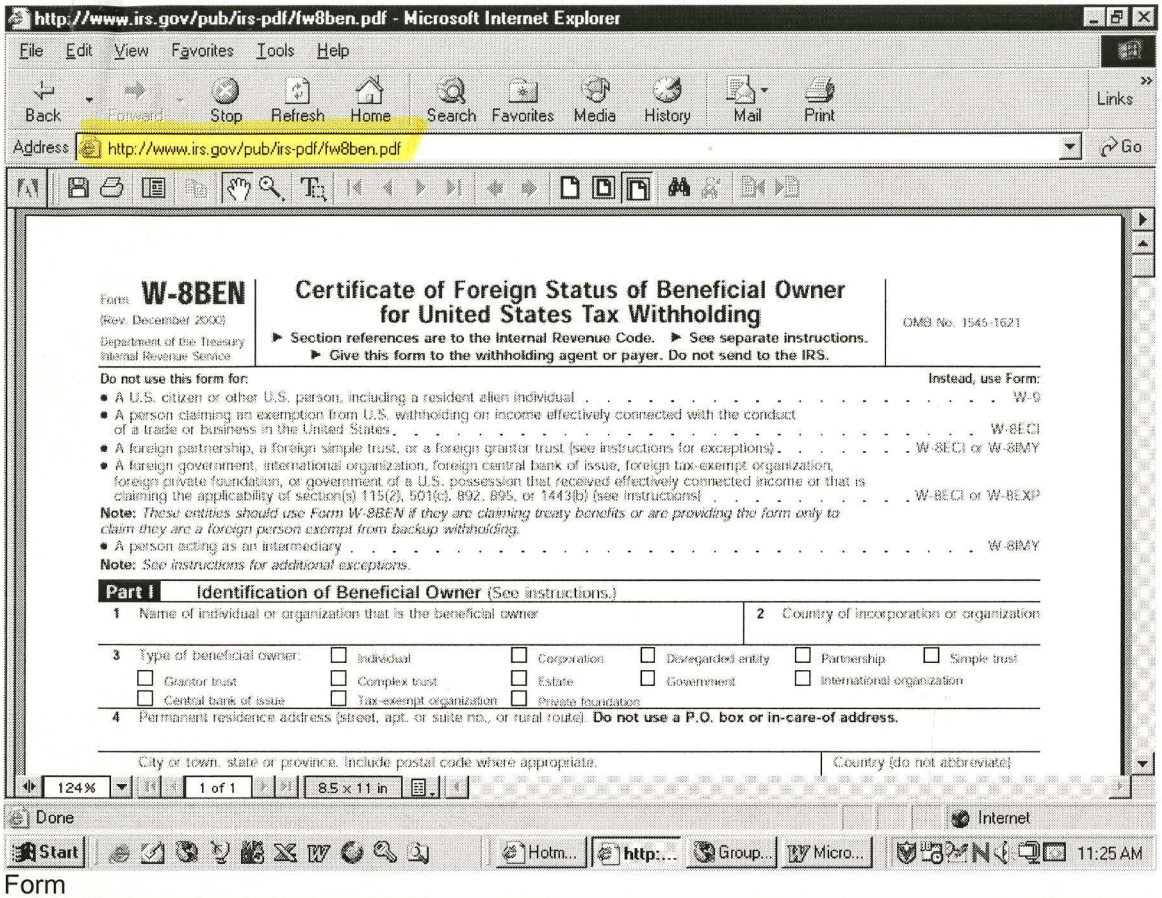
You or your authorized agent must sign and date Form 8233. See Regulations section 1.1441-7(c) for information about authorized agents.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want to receive exemption from withholding on compensation for independent (and certain dependent) personal services, you are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

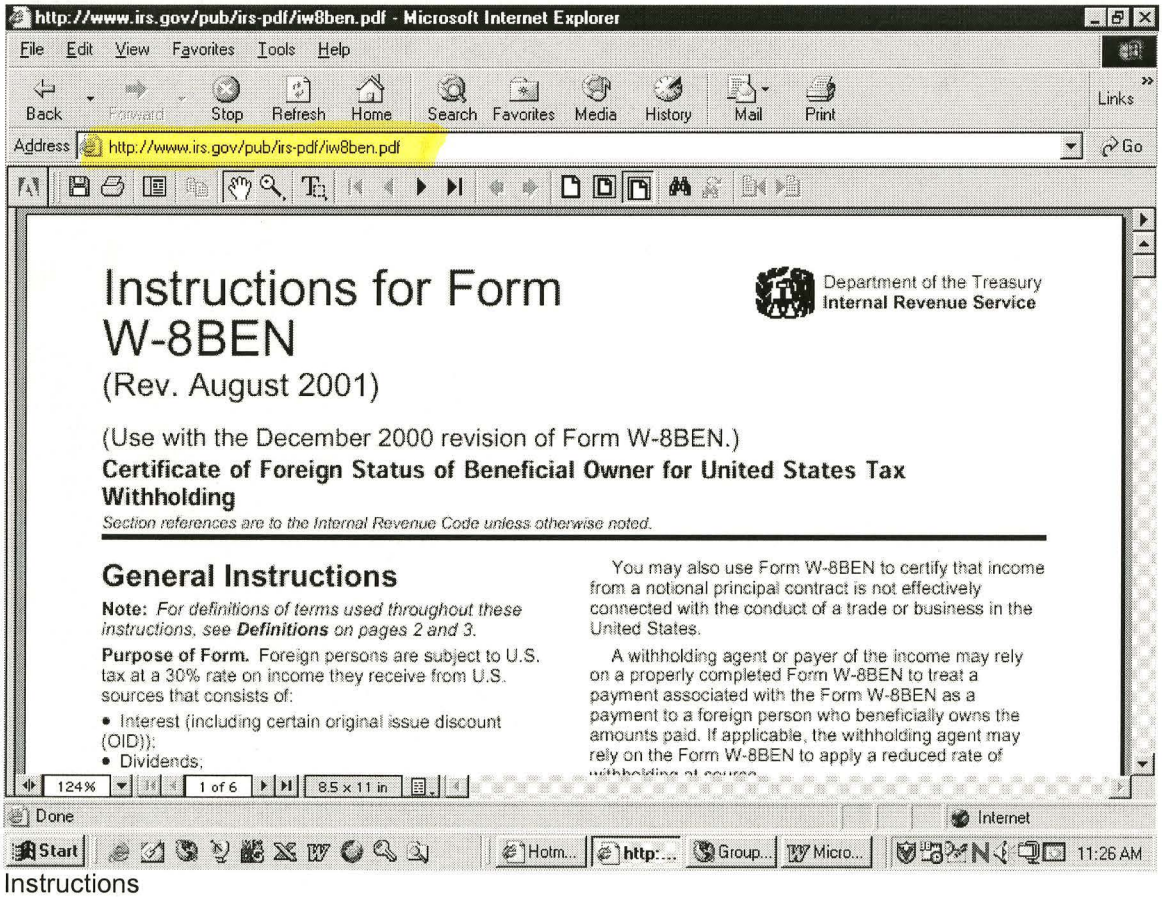
You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping,** 1 hr. 5 min.; **Learning about the law or the form,** 31 min.; **Preparing and sending the form to IRS,** 57 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the tax form to this address. Instead, give it to your withholding agent.



Form



Instructions

Form **W-8BEN**
(Rev. December 2000)
Department of the Treasury
Internal Revenue Service

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

► Section references are to the Internal Revenue Code. ► See separate instructions.
► Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:	Instead, use Form:
• A U.S. citizen or other U.S. person, including a resident alien individual	W-9
• A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States	W-8ECI
• A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions)	W-8ECI or W-8IMY
• A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b) (see instructions)	W-8ECI or W-8EXP

Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*

• A person acting as an intermediary	W-8IMY

Note: *See instructions for additional exceptions.*

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of beneficial owner: ☐ Individual ☐ Corporation ☐ Disregarded entity ☐ Partnership ☐ Simple trust ☐ Grantor trust ☐ Complex trust ☐ Estate ☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization ☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box or in-care-of address.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions) ☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Claim of Tax Treaty Benefits (if applicable)

9 **I certify that (check all that apply):**

a ☐ The beneficial owner is a resident of ..... within the meaning of the income tax treaty between the United States and that country.

b ☐ If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).

c ☐ The beneficial owner is not an individual, 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 (see instructions).

d ☐ The beneficial owner is not an individual, is claiming treaty benefits for 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).

e ☐ The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, $500,000.

10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article ..... of the treaty identified on line 9a above to claim a ..... % rate of withholding on (specify type of income): .....

Explain the reasons the beneficial owner meets the terms of the treaty article: .....

.....

Part III Notional Principal Contracts

11 ☐ I have provided or will provide a statement that identifies those notional principal contracts from which the income is **not** effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV 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:

- I am the beneficial owner (or am authorized to sign for the beneficial owner) of all the income to which this form relates,
- The beneficial owner is not a U.S. person,
- The income to which this form relates is not effectively connected with the conduct of a trade or business in the United States or is effectively connected but is not subject to tax under an income tax treaty, **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 I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here ► ..... Signature of beneficial owner (or individual authorized to sign for beneficial owner) ..... Date (MM-DD-YYYY) ..... Capacity in which acting

Instructions for Form W-8BEN

(Rev. December 2000)

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

Section references are to the Internal Revenue Code unless otherwise noted.

Department of the Treasury
Internal Revenue Service

General Instructions

Note: *For definitions of terms used throughout these instructions, see* ***Definitions*** *on pages 2 and 3.*

Purpose of Form. Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of:

- Interest (including certain original issue discount (OID));
- Dividends;
- Rents;
- Royalties;
- Premiums;
- Annuities;
- Compensation for, or in expectation of, services performed;
- Substitute payments in a securities lending transaction; or
- Other fixed or determinable annual or periodical gains, profits, or income.

This tax is imposed on the gross amount paid and is generally collected by withholding on that amount. A payment is considered to have been made whether it is made directly to the beneficial owner or to another person, such as an intermediary, agent, or partnership, for the benefit of the beneficial owner.

If you receive certain types of income, you must provide Form W-8BEN to:

- Establish that you are a foreign person;
- Claim that you are the beneficial owner of the income for which Form W-8BEN is being provided; and
- If applicable, claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty.

You may also be required to submit Form W-8BEN to claim an exception from domestic information reporting and backup withholding at a 31% rate, including for certain types of income that are not subject to foreign-person withholding. Such income includes:

- Broker proceeds.
- Short-term (183 days or less) original issue discount (OID).
- Bank deposit interest.
- Foreign source interest, dividends, rents, or royalties.
- Proceeds from a wager placed by a nonresident alien individual in the games of blackjack, baccarat, craps, roulette, or "big 6" wheel.

You may also use Form W-8BEN to certify that income from a notional principal contract is not effectively connected with the conduct of a trade or business in the United States.

A withholding agent or payer of the income may rely on a properly completed Form W-8BEN to treat a payment associated with the Form W-8BEN as a payment to a foreign person who beneficially owns the amounts paid. If applicable, the withholding agent may rely on the Form W-8BEN to apply a reduced rate of withholding at source.

Provide Form W-8BEN to the withholding agent or payer before income is paid or credited to you. Failure to provide a Form W-8BEN when requested may lead to withholding of a 30% or 31% amount from the payment.

Note: *For additional information and instructions for the withholding agent, see the* ***Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.***

Who must file. You must give Form W-8BEN to the withholding agent or payer if you are a foreign person and you are the beneficial owner of an amount subject to withholding. Submit Form W-8BEN when requested by the withholding agent or payer whether or not you are claiming a reduced rate of, or exemption from, withholding.

Do not use Form W-8BEN if:

- You are a U.S. citizen (even if you reside outside the United States) or other U.S. person (including a resident alien individual). Instead, use **Form W-9,** Request for Taxpayer Identification Number and Certification.
- You are a disregarded entity with a single owner that is a U.S. person and you are not a hybrid entity claiming treaty benefits. Instead, provide Form W-9.
- You are a nonresident alien individual who claims exemption from withholding on compensation for independent or dependent personal services performed in the United States. Instead, provide **Form 8233,** Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, or **Form W-4,** Employee's Withholding Allowance Certificate.
- You are receiving income that is effectively connected with the conduct of a trade or business in the United States. Instead, provide **Form W-8ECI,** Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade or Business in the United States. If any of the income for which you have provided a Form W-8BEN becomes effectively connected, this is a change in

circumstances and Form W-8BEN is no longer valid. You must file Form W-8ECI. See **Change in circumstances** below.

- You are filing for a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming the applicability of section 115(2), 501(c), 892, 895, or 1443(b). Instead, provide **Form W-8EXP,** Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding. However, you should use Form W-8BEN if you are claiming treaty benefits or are providing the form only to claim you are a foreign person exempt from backup withholding. You should use Form W-8ECI if you received effectively connected income (e.g., income from commercial activities).
- You are a foreign flow-through entity, other than a hybrid entity, claiming treaty benefits. Instead, provide **Form W-8IMY,** Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding. However, if you are a partner, beneficiary, or owner of a flow-through entity and you are not yourself a flow-through entity, you may be required to furnish a Form W-8BEN to the flow-through entity.
- You are a reverse hybrid entity transmitting beneficial owner documentation provided by your interest holders to claim treaty benefits on their behalf. Instead, provide Form W-8IMY.
- You are a withholding foreign partnership or a withholding foreign trust. A withholding foreign partnership or a withholding foreign trust is a foreign partnership or trust that has entered into a withholding agreement with the IRS under which it agrees to assume primary withholding responsibility for each partner's, beneficary's, or owner's distributive share of income subject to withholding that is paid to the partnership or trust. Instead, provide Form W-8IMY.
- You are acting as an intermediary (i.e., acting not for your own account, but for the account of others as an agent, nominee, or custodian). Instead, provide Form W-8IMY.

Giving Form W-8BEN to the withholding agent. Do not send Form W-8BEN to the IRS. Instead, give it to the person who is requesting it from you. Generally, this will be the person from whom you receive the payment or who credits your account. Give Form W-8BEN to the person requesting it before the payment is made to you or credited to your account. If you do not provide this form, the withholding agent may have to withhold at a 30% (foreign-person withholding) or 31% (backup withholding) rate. If you receive more than one type of income from a single withholding agent for which you claim different benefits, the withholding agent may, at its option, require you to submit a Form W-8BEN for each different type of income. Generally, a separate Form W-8BEN must be given to each withholding agent.

Note: *If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person if Forms W-8BEN are provided by all of the owners. If the withholding agent receives a Form W-9 from any of the joint owners, the payment must be treated as made to a U.S. person.*

Change in circumstances. If a change in circumstances makes any information on the Form W-8BEN you have submitted incorrect, you must notify the withholding agent or payer within 30 days of the change in circumstances and you **must** file a new Form W-8BEN or other appropriate form.

If you use Form W-8BEN to certify that you are a foreign person, a change of address to an address in the United States is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. However, if you use Form W-8BEN to claim treaty benefits, a move to the United States or outside the country where you have been claiming treaty benefits is a change in circumstances. In that case, you must notify the withholding agent or payer within 30 days of the move.

If you become a U.S. citizen or resident after you submit Form W-8BEN, you are no longer subject to the 30% foreign-person withholding rate. You must notify the withholding agent or payer within 30 days of becoming a U.S. citizen or resident. You may be required to provide a Form W-9. For more information, see Form W-9 and instructions.

Expiration of Form W-8BEN. Generally, a Form W-8BEN provided without a U.S. taxpayer identification number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. For example, a Form W-8BEN signed on September 30, 2001, remains valid through December 31, 2004. A Form W-8BEN furnished with a U.S. TIN will remain in effect until a change in circumstances makes any information on the form incorrect, provided that the withholding agent reports on Form 1042-S at least one payment annually to the beneficial owner who provided the Form W-8BEN. See **Line 6** on page 4 for circumstances under which you **must** provide a U.S. TIN.

Definitions

Beneficial owner. For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of income paid to a foreign simple trust (i.e., a foreign trust that is described in section 651(a)) are generally the

beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee or other agent. The beneficiaries of a foreign grantor trust (i.e., a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (i.e., a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

The beneficial owner of income paid to a foreign estate is the estate itself.

Note: *A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% foreign-person withholding. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9.*

Foreign person. A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person. It also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a qualified intermediary. Generally, a payment to a U.S. branch of a foreign person is a payment to a foreign person.

Nonresident alien individual. Any individual who is not a citizen or resident of the United States is a nonresident alien individual. An alien individual meeting either the "green card test" or the "substantial presence test" for the calendar year is a resident alien. Any person not meeting either test is a nonresident alien individual. Additionally, an alien individual who is a resident of a foreign country under the residence article of an income tax treaty, or an alien individual who is a resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa is a nonresident alien individual. See **Pub. 519,** U.S. Tax Guide for Aliens, for more information on resident and nonresident alien status.

Note: *Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (e.g., filing a joint income tax return), such individual is still treated as a nonresident alien for withholding tax purposes on all income except wages.*

Flow-through entity. A flow-through entity is a foreign partnership (other than a withholding foreign partnership), a foreign simple or foreign grantor trust (other than a withholding foreign trust), or, for payments for which a reduced rate of withholding is claimed under an income tax treaty, any entity to the extent the entity is considered to be fiscally transparent (see below) with respect to the payment by an interest holder's jurisdiction.

Hybrid entity. A hybrid entity is any person (other than an individual) that is treated as fiscally transparent (see below) in the United States but is not treated as fiscally transparent by a country with which the United States has an income tax treaty. Hybrid entity status is relevant for claiming treaty benefits. See **Line 9c** on page 4.

Reverse hybrid entity. A reverse hybrid entity is any person (other than an individual) that is not fiscally transparent under U.S. tax law principles but that is fiscally transparent under the laws of a jurisdiction with which the United States has an income tax treaty. See **Line 9c** on page 4.

Fiscally transparent entity. An entity is treated as fiscally transparent with respect to an item of income for which treaty benefits are claimed to the extent that the interest holders in the entity must, on a current basis, take into account separately their shares of an item of income paid to the entity, whether or not distributed, and must determine the character of the items of income as if they were realized directly from the sources from which realized by the entity. For example, partnerships, common trust funds, and simple trusts or grantor trusts are generally considered to be fiscally transparent with respect to items of income received by them.

Disregarded entity. A business entity that has a single owner and is not a corporation under Regulations section 301.7701-2(b) is disregarded as an entity separate from its owner.

Amounts subject to withholding. Generally, an amount subject to withholding is an amount from sources within the United States that is fixed or determinable annual or periodical (FDAP) income. FDAP income is all income included in gross income, including interest (as well as OID), dividends, rents, royalties, and compensation. FDAP income does not include most gains from the sale of property (including market discount and option premiums).

Withholding agent. Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies. Generally, the person who pays (or causes to be paid) the amount subject to withholding to the foreign person (or to its agent) must withhold.

Specific Instructions

Note: *A hybrid entity should give Form W-8BEN to a withholding agent only for income for which it is claiming a reduced rate of withholding under an income tax treaty. A reverse hybrid entity should give Form W-8BEN to a withholding agent only for income for which* ***no*** *treaty benefit is being claimed.*

Part I

Line 1. Enter your name. If you are a disregarded entity with a single owner who is a foreign person and you are not claiming treaty benefits as a hybrid entity, this form should be completed and signed by your foreign single owner. If the account to which a payment is made or credited is in the name of the disregarded entity, the foreign single owner should inform the withholding agent of this fact. This may be done by including the name and account number of the disregarded entity on line 8 (reference number) of Part I of the form. However, if you are a disregarded entity that is claiming treaty benefits as

a hybrid entity, this form should be completed and signed by you.

Line 2. If you are a corporation, enter the country of incorporation. If you are another type of entity, enter the country under whose laws you are created, organized, or governed. If you are an individual, enter N/A (for "not applicable").

Line 3. Check the **one** box that applies. By checking a box, you are representing that you qualify for this classification. You must check the box that represents your classification (e.g., corporation, partnership, trust, estate, etc.) under U.S. tax principles. **Do not** check the box that describes your status under the law of the treaty country. If you are a partnership or disregarded entity receiving a payment for which treaty benefits are being claimed, you **must** check the "Partnership" or "Disregarded entity" box. If you are a sole proprietor, check the "Individual" box, not the "Disregarded entity" box.

Caution: *Only entities that are tax-exempt under section 501 should check the "Tax-exempt organizations" box. Such organizations should use Form W-8BEN only if they are claiming a reduced rate of withholding under an income tax treaty or some code exception other than section 501. Use Form W-8EXP if you are claiming an exemption from withholding under section 501.*

Line 4. Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. If you are giving Form W-8BEN to claim a reduced rate of withholding under an income tax treaty, you must determine your residency in the manner required by the treaty. **Do not** show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside. If you are not an individual and you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office.

Line 5. Enter your mailing address only if it is different from the address you show on line 4.

Line 6. If you are an individual, you are generally required to enter your social security number (SSN). To apply for an SSN, get **Form SS-5** from a Social Security Administration (SSA) office. Fill in Form SS-5 and return it to the SSA.

If you do not have an SSN and are not eligible to get one, you must get an individual taxpayer identification number (ITIN). **To apply for an ITIN,** file **Form W-7** with the IRS. It usually takes about 30 days to get an ITIN.

If you are not an individual (e.g., a foreign estate or trust), or you are an individual who is an employer or who is engaged in a U.S. trade or business as a sole proprietor, use **Form SS-4,** Application for Employer Identification Number, to obtain an EIN. If you are a disregarded entity claiming treaty benefits as a hybrid entity, enter **your** EIN.

You **must** provide a U.S. taxpayer identification number (TIN) if you are:

1. Claiming an exemption from withholding under section 871(f) for certain annuities received under qualified plans, or

2. A foreign grantor trust with 5 or fewer grantors, or

3. Claiming benefits under an income tax treaty.

However, a U.S. TIN is not required to be shown in order to claim treaty benefits on the following items of income:

- Dividends and interest from stocks and debt obligations that are actively traded;
- Dividends from any redeemable security issued by an investment company registered under the Investment Company Act of 1940 (mutual fund);
- Dividends, interest, or royalties from units of beneficial interest in a unit investment trust that are (or were upon issuance) publicly offered and are registered with the SEC under the Securities Act of 1933; and
- Income related to loans of any of the above securities.

Note: *You may want to obtain and provide a U.S. TIN on Form W-8BEN even though it is not required. A Form W-8BEN containing a U.S. TIN remains valid for as long as your status and the information relevant to the certifications you make on the form remain unchanged provided at least one payment is reported to you annually on Form 1042-S.*

Line 7. If your country of residence for tax purposes has issued you a tax identifying number, enter it here. For example, if you are a resident of Canada, enter your Social Insurance Number.

Line 8. This line may be used by the filer of Form W-8BEN or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. For example, withholding agents who are required to associate the Form W-8BEN with a particular Form W-8IMY may want to use line 8 for a referencing number or code that will make the association clear. A beneficial owner may use line 8 to include the number of the account for which he or she is providing the form.

Part II

Line 9a. Enter the country where you claim to be a resident for income tax treaty purposes. For treaty purposes, a person is a resident of a treaty country if the person is a resident of that country under the terms of the treaty.

Line 9b. If you are claiming benefits under an income tax treaty, you must have a U.S. TIN unless one of the exceptions listed under **Line 6** above applies.

Line 9c. An entity (but not an individual) that is claiming a reduced rate of withholding under an income tax treaty must represent that it (1) derives the item of income for which the treaty benefit is claimed and (2) meets the limitation on benefits provisions contained in the treaty, if any.

An item of income may be derived by either the entity receiving the item of income or by the interest holders in the entity or, in certain circumstances, both. An item of income paid to an entity is considered to be derived by the entity only if the entity is not fiscally transparent under the laws of the entity's jurisdiction with respect to the item of

income. An item of income paid to an entity shall be considered to be derived by the interest holder in the entity only if (1) the interest holder is not fiscally transparent in its jurisdiction with respect to the item of income and (2) the entity is considered to be fiscally transparent under the laws of the interest holder's jurisdiction with respect to the item of income. An item of income paid directly to a type of entity specifically identified in a treaty as a resident of a treaty jurisdiction is treated as derived by a resident of that treaty jurisdiction.

If an entity is claiming treaty benefits on its own behalf, it should complete Form W-8BEN. If an interest holder in an entity that is considered fiscally transparent in the interest holder's jurisdiction is claiming a treaty benefit, the interest holder should complete Form W-8BEN on its own behalf and the fiscally transparent entity should associate the interest holder's Form W-8BEN with a Form W-8IMY completed by the entity.

Note: *An income tax treaty may not apply to reduce the amount of any tax on an item of income received by an entity that is treated as a domestic corporation for U.S. tax purposes. Therefore, neither the domestic corporation nor its shareholders are entitled to the benefits of a reduction of U.S. income tax on an item of income received from U.S. sources by the corporation.*

To determine whether an entity meets the limitation on benefits provisions of a treaty, you must consult the specific provisions or articles under the treaties. Income tax treaties are available on the IRS Web Site at www.irs.gov/ind_info/treaties.html.

Note: *If you are an entity that derives the income as a resident of a treaty country, you may check this box if the applicable income tax treaty does not contain a "limitation on benefits" provision.*

Line 9d. ***Caution:*** *If you are claiming treaty benefits under an income tax treaty entered into force after December 31, 1986,* ***do not*** *check box 9d. Instead, check box 9c.*

If you are a foreign corporation claiming treaty benefits under an income tax treaty that entered into force before January 1, 1987 (and has not been renegotiated) on **(a)** U.S. source dividends paid to you by another foreign corporation, or **(b)** U.S. source interest paid to you by a U.S. trade or business of another foreign corporation, you must generally be a "qualified resident" of a treaty country. See section 884 for the definition of interest paid by a U.S. trade or business of a foreign corporation ("branch interest") and other applicable rules.

In general, a foreign corporation is a qualified resident of a country if one or more of the following applies:

- It meets a 50% ownership and base erosion test.
- It is primarily and regularly traded on an established securities market in its country of residence or the United States.
- It carries on an active trade or business in its country of residence.
- It gets a ruling from the IRS that it is a qualified resident.

See Regulations section 1.884-5 for the requirements that must be met to satisfy each of these tests.

Line 9e. Check this box if you are related to the withholding agent within the meaning of section 267(b) or 707(b) and the aggregate amount subject to withholding received during the calendar year exceeds $500,000. Additionally, you must file **Form 8833,** Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b).

Line 10. Line 10 must be used **only** if you are claiming treaty benefits that require that you meet conditions not covered by the representations you make in lines 9a through 9e. However, this line should always be completed by foreign students and researchers claiming treaty benefits. See ***Scholarship and Fellowship Grants*** below for more information.

Additional examples of persons who should complete this line are:

1. Exempt organizations claiming treaty benefits under the exempt organization articles of the treaties with Canada, Mexico, Germany, and the Netherlands.

2. Persons claiming an exemption under a personal services article that contains a monetary threshold.

3. Foreign corporations that are claiming a preferential rate applicable to dividends based on ownership of a specific percentage of stock.

4. Persons claiming treaty benefits on royalties if the treaty contains different withholding rates for different types of royalties.

This line is generally not applicable to claiming treaty benefits under an interest or dividends (other than dividends subject to a preferential rate based on ownership) article of a treaty.

Scholarship and Fellowship Grants. A nonresident alien student (including a trainee or business apprentice) or researcher who receives scholarship or fellowship grant income may use Form W-8BEN to claim benefits under a tax treaty that apply to reduce or eliminate U.S. tax on such income. **No Form W-8BEN is required unless a treaty benefit is being claimed.** A nonresident alien student or researcher who receives compensation for personal services should use Form 8233 to claim any benefits of a tax treaty that apply to such compensation if the compensation is included in, or is in addition to, the individual's scholarship or fellowship grant income.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on income from a scholarship or fellowship grant. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for scholarship or fellowship grant income even after the recipient has otherwise become a U.S. resident alien for tax purposes. Thus, a student or researcher may continue to use Form W-8BEN to claim a tax treaty benefit if the withholding agent has otherwise indicated an intention to withhold on a scholarship or fellowship grant.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty

(dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States.

Completing lines 4 and 9a. Most tax treaties that contain an article exempting scholarship or fellowship grant income from taxation require that the recipient be a resident of the other treaty country at the time of, or immediately prior to, entry into the United States. Thus, a student or researcher may claim the exemption even if he or she no longer has a permanent address in the other treaty country after entry into the United States. If this is the case, you may provide a U.S. address on line 4 and still be eligible for the exemption if all other conditions required by the tax treaty are met. You must also identify on line 9a the tax treaty country of which you were a resident at the time of, or immediately prior to, your entry into the United States.

Completing line 10. You must complete line 10 if you are a student or researcher claiming an exemption from taxation on your scholarship or fellowship grant income under a tax treaty. You must identify the applicable treaty article. Additionally, if you are a U.S. resident alien and are relying on an exception contained in the saving clause of a tax treaty to claim exemption from taxation on your scholarship or fellowship income, you must specify the article number (or location) in the tax treaty that contains the saving clause and its exceptions.

Part III

If you check this box, you must provide the withholding agent with the required statement for income from a notional principal contract that is to be treated as income not effectively connected with the conduct of a trade or business in the United States. You should update this statement as often as necessary. A new Form W-8BEN is not required for each update provided the form otherwise remains valid.

Part IV

Form W-8BEN must be signed and dated by the beneficial owner of the income, or, if the beneficial owner is not an individual, by an authorized representative or officer of the beneficial owner. If Form W-8BEN is completed by an agent acting under a duly authorized power of attorney, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form. **Form 2848,** Power of Attorney and Declaration of Representative, may be used for this purpose. The agent, as well as the beneficial owner, may incur liability for the penalties provided for an erroneous, false, or fraudulent form.

Broker transactions or barter exchanges. Income from transactions with a broker, or barter exchanges, is subject to reporting rules and backup withholding unless Form W-8BEN or a substitute form is filed to notify the broker or barter exchange that you are an exempt foreign person.

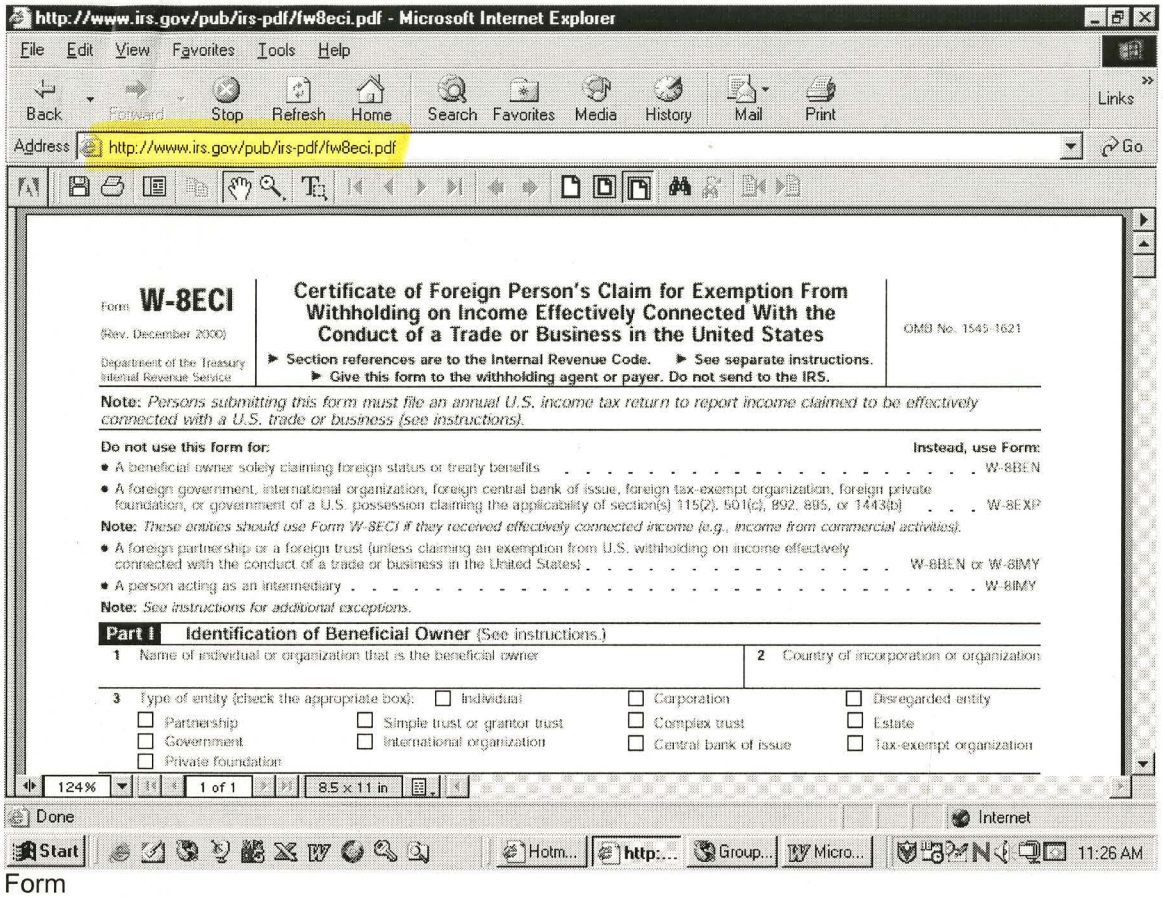
You are an exempt foreign person for a calendar year in which: **(1)** you are a nonresident alien individual or a foreign corporation, partnership, estate, or trust; **(2)** you are an individual who has not been, and does not plan to be, present in the United States for a total of 183 days or more during the calendar year; and **(3)** you are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

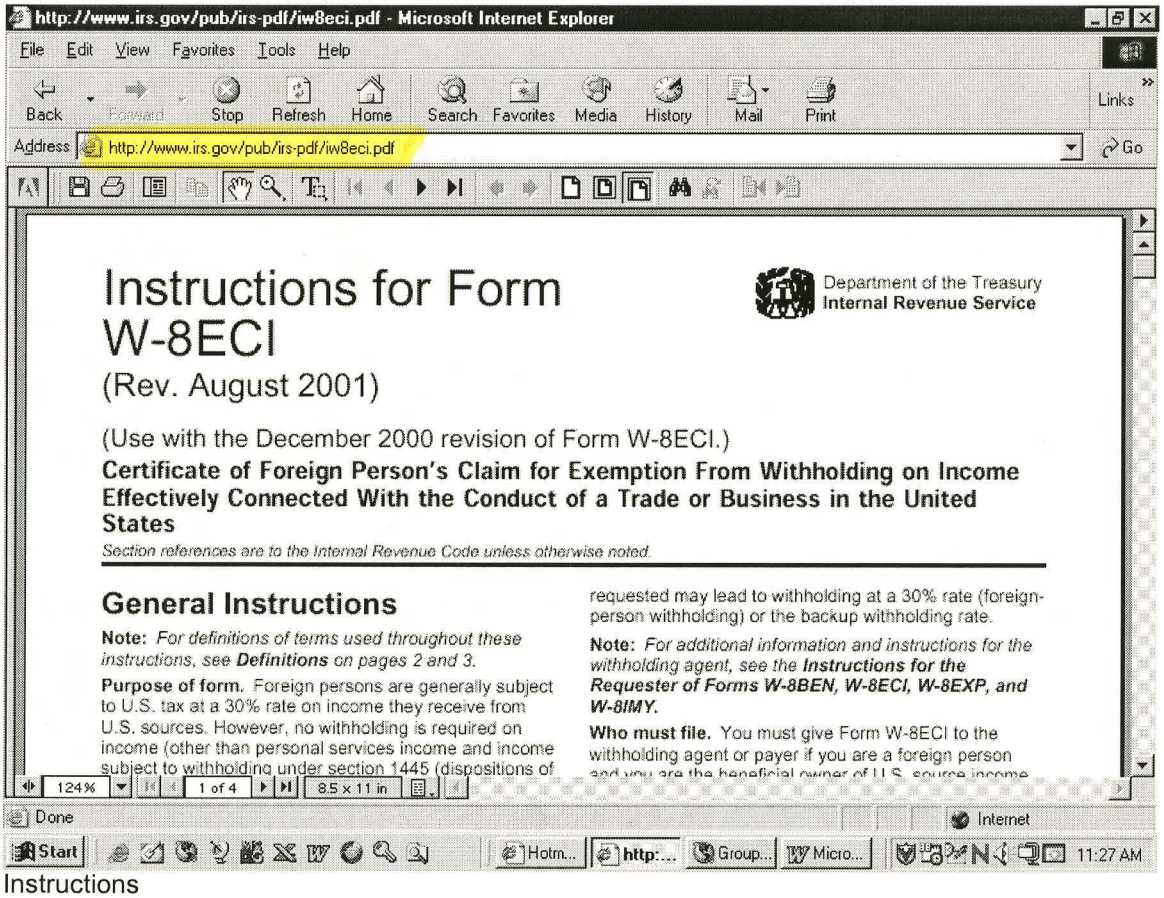
You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping,** 5 hr., 58 min.; **Learning about the law or the form,** 3 hr., 46 min.; **Preparing and sending the form to IRS,** 4 hr., 2 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send Form W-8BEN to this office. Instead, give it to your withholding agent.



Form



Instructions

Form **W-8ECI**

(Rev. December 2000)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade or Business in the United States

► **Section references are to the Internal Revenue Code.** ► **See separate instructions.**
► **Give this form to the withholding agent or payer. Do not send to the IRS.**

OMB No. 1545-1621

Note: *Persons submitting this form must file an annual U.S. income tax return to report income claimed to be effectively connected with a U.S. trade or business (see instructions).*

Do not use this form for:	**Instead, use Form:**
• A beneficial owner solely claiming foreign status or treaty benefits	W-8BEN
• A foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b)	W-8EXP
Note: *These entities should use Form W-8ECI if they received effectively connected income (e.g., income from commercial activities).*	
• A foreign partnership or a foreign trust (unless claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States)	W-8BEN or W-8IMY
• A person acting as an intermediary	W-8IMY
Note: *See instructions for additional exceptions.*	

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual or organization that is the beneficial owner

2 Country of incorporation or organization

3 Type of entity (check the appropriate box):
☐ Individual ☐ Corporation ☐ Disregarded entity
☐ Partnership ☐ Simple trust or grantor trust ☐ Complex trust ☐ Estate
☐ Government ☐ International organization ☐ Central bank of issue ☐ Tax-exempt organization
☐ Private foundation

4 Permanent residence address (street, apt. or suite no., or rural route). **Do not use a P.O. box.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Business address in the United States (street, apt. or suite no., or rural route). **Do not use a P.O. box.**

City or town, state, and ZIP code

6 U.S. taxpayer identification number (required—see instructions)
☐ SSN or ITIN ☐ EIN

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

9 Specify each item of income that is, or is expected to be, received from the payer that is effectively connected with the conduct of a trade or business in the United States

Part II Certification

Sign Here

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:

- I am the beneficial owner (or I am authorized to sign for the beneficial owner) of all the income to which this form relates,
- The amounts for which this certification is provided are effectively connected with the conduct of a trade or business in the United States and are includible in my gross income (or the beneficial owner's gross income) for the taxable year, **and**
- The beneficial owner is not a U.S. person.

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

Signature of beneficial owner (or individual authorized to sign for the beneficial owner) | Date (MM-DD-YYYY) | Capacity in which acting

Instructions for Form W-8ECI

(Rev. December 2000)

Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade or Business in the United States

Section references are to the Internal Revenue Code unless otherwise noted.

Department of the Treasury
Internal Revenue Service

General Instructions

Note: *For definitions of terms used throughout these instructions, see* ***Definitions*** *on pages 2 and 3.*

Purpose of form. Foreign persons are generally subject to U.S. tax at a 30% rate on income they receive from U.S. sources. However, no withholding is required on income (other than personal services income and income subject to withholding under section 1445 (dispositions of U.S. real property interests) or section 1446 (foreign partner's share of effectively connected income)) that is, or is deemed to be, effectively connected with the conduct of a trade or business within the United States and is includible in the beneficial owner's gross income for the tax year.

If you receive effectively connected income from sources within the United States, you must provide Form W-8ECI to:

- Establish that you are not a U.S. person,
- Claim that you are the beneficial owner of the income for which Form W-8ECI is being provided, and
- Claim that the income is effectively connected with the conduct of a trade or business within the United States.

If you expect to receive both income that is effectively connected and income that is not effectively connected from a withholding agent, you must provide Form W-8ECI for the effectively connected income and Form W-8BEN (or Form W-8EXP or Form W-8IMY) for income that is not effectively connected.

If you are a foreign partnership, a foreign simple trust, or a foreign grantor trust with effectively connected income, you may submit Form W-8ECI without attaching Forms W-8BEN or other documentation for your foreign partners, beneficiaries, or owners.

A withholding agent or payer of the income may rely on a properly completed Form W-8ECI to treat the payment associated with the Form W-8ECI as a payment to a foreign person who beneficially owns the amounts paid and is entitled to an exemption from withholding because the income is effectively connected with the conduct of a trade or business within the United States.

Provide Form W-8ECI to the withholding agent or payer before income is paid or credited to you. Failure by a beneficial owner to provide a Form W-8ECI when requested may lead to withholding of a 30% or 31% amount from the payment.

Note: *For additional information and instructions for the withholding agent, see the* ***Instructions for the Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.***

Who must file. You must give Form W-8ECI to the withholding agent or payer if you are a foreign person and you are the beneficial owner of U.S. source income that is (or is deemed to be) effectively connected with the conduct of a trade or business within the United States.

Do not use Form W-8ECI if:

- You are a nonresident alien individual who claims exemption from withholding on compensation for independent or certain dependent personal services performed in the United States. Instead, provide **Form 8233,** Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien, or **Form W-4,** Employee's Withholding Allowance Certificate.
- You are claiming an exemption from withholding for a reason other than a claim that the income is effectively connected with the conduct of a trade or business within the United States. For example, if you are a foreign person and the beneficial owner of U.S. source income that is not effectively connected with a U.S. trade or business and are claiming a reduced rate of withholding as a resident of a foreign country with which the United States has an income tax treaty in effect, do not use this form. Instead, provide **Form W-8BEN,** Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding.
- You are a foreign person receiving proceeds from the disposition of a U.S. real property interest. Instead, see **Form 8288-B,** Application for Withholding Certificate for Dispositions by Foreign Persons of U.S. Real Property Interests.
- You are filing for a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming the applicability of section 115(2), 501(c), 892, 895, or 1443(b). Instead, provide **Form W-8EXP,** Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding. However, these entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim exempt recipient status for backup withholding purposes. They should use Form

W-8ECI if they received effectively connected income (e.g., income from commercial activities).

- You are acting as an intermediary (i.e., acting not for your own account or for that of your partners, but for the account of others as an agent, nominee, or custodian). Instead, provide **Form W-8IMY,** Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding.
- You are a withholding foreign partnership or a withholding foreign trust. A withholding foreign partnership is, generally, a foreign partnership that has entered into a withholding agreement with the IRS under which it agrees to assume primary withholding responsibility for each partner's distributive share of income subject to withholding that is paid to the partnership. A withholding foreign trust is, generally, a foreign simple trust or a foreign grantor trust that has entered into a withholding agreement with the IRS under which it agrees to assume primary withholding responsibility for each beneficiary's or owner's distributive share of income subject to withholding that is paid to the trust. Instead, provide Form W-8IMY.
- You are a foreign corporation that is a personal holding company receiving compensation described in section 543(a)(7). Such compensation is not exempt from withholding as effectively connected income, but may be exempt from withholding on another basis.
- You are a foreign partner in a domestic partnership and the income you receive from the partnership is effectively connected with the conduct of a trade or business within the United States. See section 1446. A Form W-8BEN, Form W-8IMY, or Form W-8EXP is required, however, for income that is not effectively connected. See Rev. Proc. 89-31, 1989-1 C.B. 895.

Giving Form W-8ECI to the withholding agent. Do not send Form W-8ECI to the IRS. Instead, give it to the person who is requesting it from you. Generally, this will be the person from whom you receive the payment or who credits your account. Give Form W-8ECI to the person requesting it before the payment is made to you or credited to your account. If you do not provide this form, the withholding agent may have to withhold at a 30% or 31% rate. A separate Form W-8ECI must be given to each withholding agent.

Change in circumstances. If a change in circumstances makes any information on the Form W-8ECI you have submitted incorrect, you must notify the withholding agent or payer within 30 days of the change in circumstances and you **must** file a new Form W-8ECI or other appropriate form. For example, if during the taxable year any part or all of the income is no longer effectively connected with the conduct of a trade or business within the United States, your Form W-8ECI is no longer valid. You must notify the withholding agent and provide Form W-8BEN, W-8EXP, or Form W-8IMY.

If you become a citizen or a resident of the United States after you submit Form W-8ECI, you are no longer subject to the 30% foreign-person withholding rules. You must notify the withholding agent or payer within 30 days of becoming a U.S. citizen or resident. For more information, see the **Instructions for the Requestor of Form W-9.**

Expiration of Form W-8ECI. Generally, a Form W-8ECI will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. For example, a Form W-8ECI signed on September 30, 2001, remains valid through December 31, 2004. Upon the expiration of the 3-year period, you must provide a new Form W-8ECI.

Definitions

Beneficial owner. For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of income paid to a foreign simple trust (i.e., a foreign trust that is described in section 651(a)) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee or other agent. The beneficiaries of a foreign grantor trust (i.e., a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (i.e., a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

The beneficial owner of income paid to a foreign estate is the estate itself.

Note: *A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% foreign-person withholding. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9.*

Effectively connected income. Generally, when a foreign person engages in a trade or business within the United States, all income from sources within the United States other than fixed or determinable annual or periodical (FDAP) income (e.g., interest, dividends, rents, and certain similar amounts) is considered income effectively connected with a U.S. trade or business. FDAP income may or may not be effectively connected with a U.S. business. Factors to be considered to determine whether FDAP income and similar amounts from U.S. sources are effectively connected with a U.S. trade or business include whether:

- The income is from assets used in, or held for use in, the conduct of that trade or business **or**
- The activities of that trade or business were a material factor in the realization of the income.

There are special rules for determining whether income from securities is effectively connected with the active conduct of a U.S. banking, financing, or similar business. See section 864(c)(4)(B)(ii) and Regulations section 1.864-4(c)(5)(ii) for more information.

Effectively connected income, after allowable deductions, is taxed at graduated rates applicable to U.S. citizens and residents, rather than at a 30% withholding rate. You must report this income on an annual tax or information return as follows:

- ***Individuals***—Use **Form 1040NR,** U.S. Nonresident Alien Income Tax Return.
- ***Corporations***—Use **Form 1120-F,** U.S. Income Tax Return of a Foreign Corporation.
- ***Partnerships***—Use **Form 1065,** U.S. Return of Partnership Income.
- ***Trusts or estates***—Use **Form 1041,** U.S. Income Tax Return for Estates and Trusts.

Foreign person. A foreign person includes a nonresident alien individual, a foreign corporation, a foreign partnership, a foreign trust, a foreign estate, and any other person that is not a U.S. person.

Nonresident alien individual. Any individual who is not a citizen or resident of the United States is a nonresident alien individual. An alien individual meeting either the "green card test" or the "substantial presence test" for the calendar year is a resident alien. Any person not meeting either test is a nonresident alien individual. Additionally, an alien individual who is a resident of a foreign country under the residence article of an income tax treaty, or an alien individual who is a resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa is a nonresident alien individual.

Note: *Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (e.g., filing a joint income tax return), such individual is still treated as a nonresident alien for withholding tax purposes on all income except wages.*

See **Pub. 519,** U.S. Tax Guide for Aliens, for more information on resident and nonresident alien status.

Disregarded entity. A business entity that has a single owner and is not a corporation under Regulations section 301.7701-2(b) is disregarded as an entity separate from its owner.

Withholding agent. Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies. Generally, the person who pays (or causes to be paid) an amount subject to withholding to the foreign person (or to its agent) must withhold.

Specific Instructions

Part I

Line 1. Enter your name. If you are filing for a disregarded entity with a single owner who is a foreign person, this form should be completed and signed by the foreign single owner. If the account to which a payment is made or credited is in the name of the disregarded entity, the foreign single owner should inform the withholding agent of this fact. This may be done by including the name and account number of the disregarded entity on line 8 (reference number) of Part I of the form.

Note: *If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person if Forms W-8ECI are provided by all of the owners. If the withholding agent receives a* ***Form W-9,*** *Request for Taxpayer Identification Number and Certification, from any of the joint owners, the payment must be treated as made to a U.S. person.*

Line 2. If you are filing for a corporation, enter the country of incorporation. If you are filing for another type of entity, enter the country under whose laws the entity is created, organized, or governed. If you are an individual, write "N/A" (for "not applicable").

Line 3. Check the box that applies. By checking a box, you are representing that you qualify for this classification. You must check the **one** box that represents your classification (e.g., corporation, partnership, etc.) under U.S. tax principles. If you are filing for a disregarded entity, you must check the "Disregarded entity" box (not the box that describes the status of your single owner).

Line 4. Your permanent residence address is the address in the country where you claim to be a resident for that country's income tax. **Do not** show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you are an individual who does not have a tax residence in any country, your permanent residence is where you normally reside. If you are not an individual and you do not have a tax residence in any country, the permanent residence address is where you maintain your principal office.

Line 5. Enter your business address in the United States. Do not show a post office box.

Line 6. You must provide a U.S. taxpayer identification number (TIN) for this form to be valid. A U.S. TIN is a social security number (SSN), employer identification number (EIN), or IRS individual taxpayer identification number (ITIN). Check the appropriate box for the type of U.S. TIN you are providing.

If you are an individual, you are generally required to enter your SSN. To apply for an SSN, get **Form SS-5** from a Social Security Administration (SSA) office. Fill in Form SS-5 and return it to the SSA.

If you do not have an SSN and are not eligible to get one, you must get an ITIN. **To apply for an ITIN,** file **Form W-7** with the IRS. It usually takes about 30 days to get an ITIN.

If you are not an individual (e.g., a foreign estate or trust), or you are an individual who is an employer or who

is engaged in a U.S. trade or business as a sole proprietor, use **Form SS-4,** Application for Employer Identification Number, to obtain an EIN. If you are a foreign wholly-owned entity, enter the U.S. TIN of your foreign single owner.

Line 7. If your country of residence for tax purposes has issued you a tax identifying number, enter it here. For example, if you are a resident of Canada, enter your Social Insurance Number.

Line 8. This line may be used by the filer of Form W-8ECI or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. A beneficial owner may use line 8 to include the name and number of the account for which he or she is providing the form.

Line 9. You must specify the items of income that are effectively connected with the conduct of a trade or business within the United States. You will generally have to provide Form W-8BEN, Form W-8EXP, or Form W-8IMY for those items from sources within the United States that are not effectively connected with the conduct of a trade or business within the United States. See Form W-8BEN, W-8EXP, or W-8IMY, and its instructions, for more details.

Part II

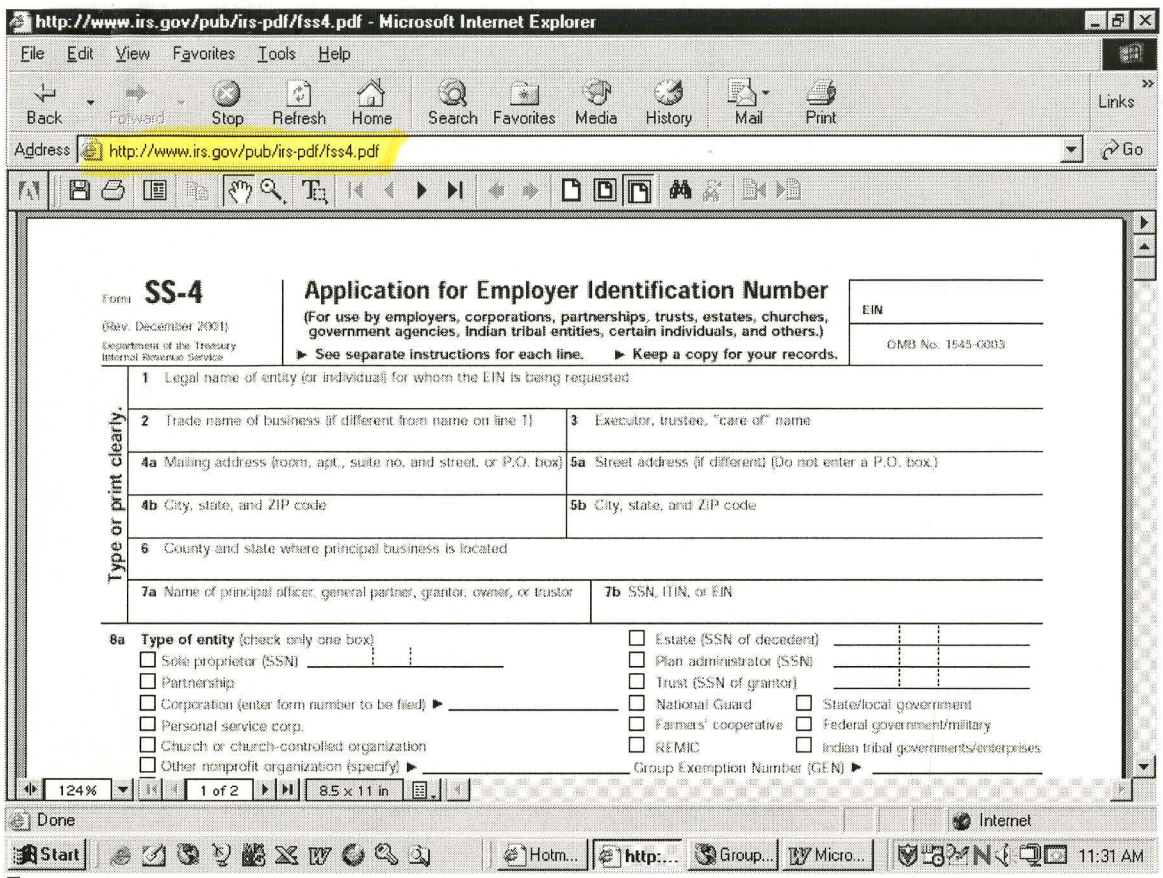
Signature. Form W-8ECI must be signed and dated by the beneficial owner of the income, or, if the beneficial owner is not an individual, by an authorized representative or officer of the beneficial owner. If Form W-8ECI is completed by an agent acting under a duly authorized power of attorney, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form. **Form 2848,** Power of Attorney and Declaration of Representative, may be used for this purpose. The agent, as well as the beneficial owner, may incur liability for the penalties provided for an erroneous, false, or fraudulent form.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. If you want to receive exemption from withholding on income effectively connected with the conduct of a trade or business in the United States, you are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

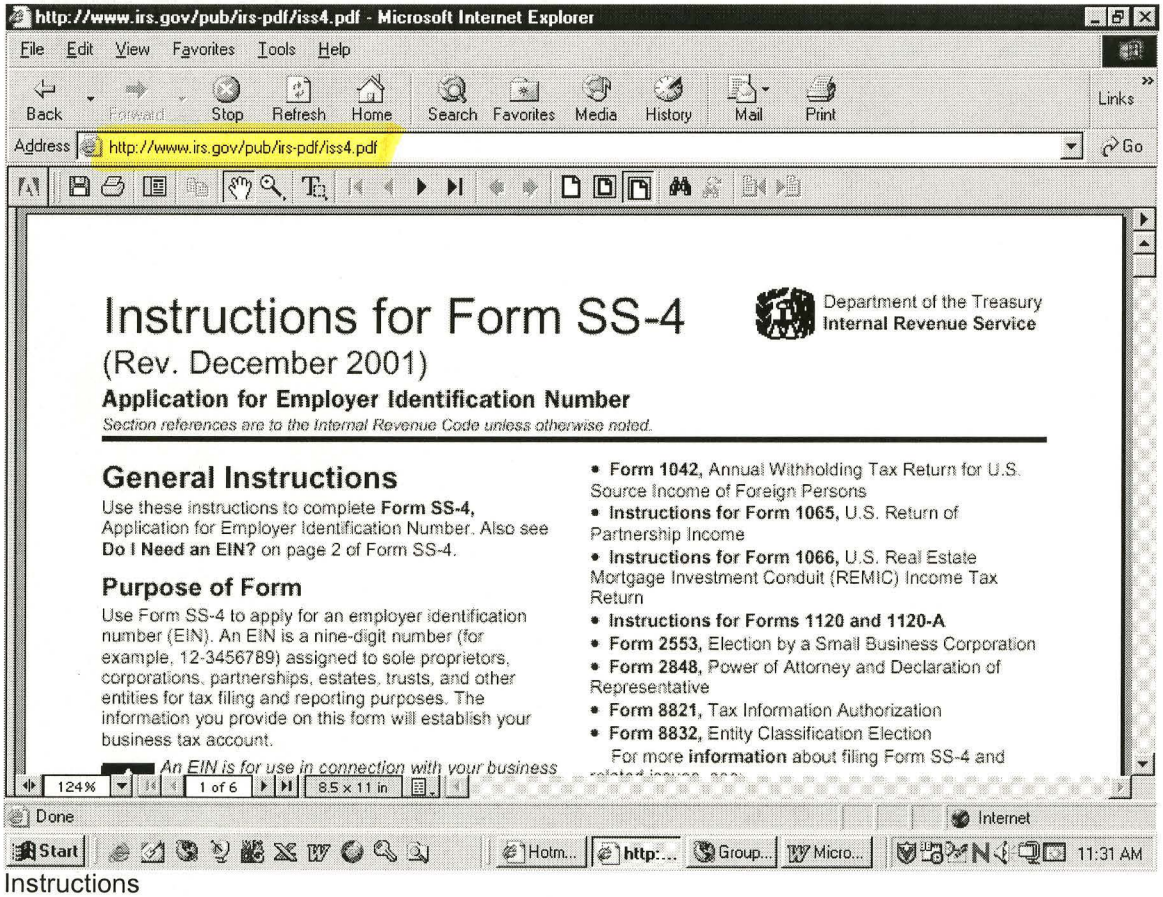
You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping,** 3 hr., 35 min.; **Learning about the law or the form,** 3 hr., 22 min.; **Preparing and sending the form to IRS,** 3 hr., 35 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send Form W-8ECI to this office. Instead, give it to your withholding agent.



Form



Instructions

Form **SS-4**

(Rev. December 2001)

Department of the Treasury
Internal Revenue Service

Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.)

▶ **See separate instructions for each line.** ▶ **Keep a copy for your records.**

EIN

OMB No. 1545-0003

Type or print clearly.

1 Legal name of entity (or individual) for whom the EIN is being requested

2 Trade name of business (if different from name on line 1)

3 Executor, trustee, "care of" name

4a Mailing address (room, apt., suite no. and street, or P.O. box)

5a Street address (if different) (Do not enter a P.O. box.)

4b City, state, and ZIP code

5b City, state, and ZIP code

6 County and state where principal business is located

7a Name of principal officer, general partner, grantor, owner, or trustor

7b SSN, ITIN, or EIN

8a **Type of entity** (check only one box)

- ☐ Sole proprietor (SSN) ___
- ☐ Partnership
- ☐ Corporation (enter form number to be filed) ▶ ___
- ☐ Personal service corp.
- ☐ Church or church-controlled organization
- ☐ Other nonprofit organization (specify) ▶ ___
- ☐ Other (specify) ▶
- ☐ Estate (SSN of decedent) ___
- ☐ Plan administrator (SSN) ___
- ☐ Trust (SSN of grantor) ___
- ☐ National Guard ☐ State/local government
- ☐ Farmers' cooperative ☐ Federal government/military
- ☐ REMIC ☐ Indian tribal governments/enterprises

Group Exemption Number (GEN) ▶ ___

8b If a corporation, name the state or foreign country (if applicable) where incorporated — State — Foreign country

9 **Reason for applying** (check only one box)

- ☐ Started new business (specify type) ▶ ___
- ☐ Hired employees (Check the box and see line 12.)
- ☐ Compliance with IRS withholding regulations
- ☐ Other (specify) ▶
- ☐ Banking purpose (specify purpose) ▶ ___
- ☐ Changed type of organization (specify new type) ▶ ___
- ☐ Purchased going business
- ☐ Created a trust (specify type) ▶ ___
- ☐ Created a pension plan (specify type) ▶ ___

10 Date business started or acquired (month, day, year)

11 Closing month of accounting year

12 First date wages or annuities were paid or will be paid (month, day, year). **Note:** *If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (month, day, year)* . . . . . ▶

13 Highest number of employees expected in the next 12 months. **Note:** *If the applicant does not expect to have any employees during the period, enter "-0-."* . . . . . ▶ | Agricultural | Household | Other

14 Check **one** box that best describes the principal activity of your business.

☐ Construction ☐ Rental & leasing ☐ Transportation & warehousing ☐ Health care & social assistance ☐ Accommodation & food service ☐ Wholesale-agent/broker ☐ Wholesale-other ☐ Retail
☐ Real estate ☐ Manufacturing ☐ Finance & insurance ☐ Other (specify)

15 Indicate principal line of merchandise sold; specific construction work done; products produced; or services provided.

16a Has the applicant ever applied for an employer identification number for this or any other business? . . . . ☐ **Yes** ☐ **No**
Note: *If "Yes," please complete lines 16b and 16c.*

16b If you checked "Yes" on line 16a, give applicant's legal name and trade name shown on prior application if different from line 1 or 2 above.
Legal name ▶ Trade name ▶

16c Approximate date when, and city and state where, the application was filed. Enter previous employer identification number if known.
Approximate date when filed (mo., day, year) — City and state where filed — Previous EIN

Third Party Designee

Complete this section **only** if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.

Designee's name — Designee's telephone number (include area code) ( )

Address and ZIP code — Designee's fax number (include area code) ( )

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Name and title (type or print clearly) ▶ — Applicant's telephone number (include area code) ( )

Signature ▶ Date ▶ — Applicant's fax number (include area code) ( )

Do I Need an EIN?

File Form SS-4 if the applicant entity does not already have an EIN but is required to show an EIN on any return, statement, or other document.[1] **See also the separate instructions for each line on Form SS-4.**

IF the applicant...	AND...	THEN...
Started a new business	Does not currently have (nor expect to have) employees	Complete lines 1, 2, 4a–6, 8a, and 9–16c.
Hired (or will hire) employees, including household employees	Does not already have an EIN	Complete lines 1, 2, 4a–6, 7a–b (if applicable), 8a, 8b (if applicable), and 9–16c.
Opened a bank account	Needs an EIN for banking purposes only	Complete lines 1–5b, 7a–b (if applicable), 8a, 9, and 16a–c.
Changed type of organization	Either the legal character of the organization or its ownership changed (e.g., you incorporate a sole proprietorship or form a partnership)[2]	Complete lines 1–16c (as applicable).
Purchased a going business[3]	Does not already have an EIN	Complete lines 1–16c (as applicable).
Created a trust	The trust is other than a grantor trust or an IRA trust[4]	Complete lines 1–16c (as applicable).
Created a pension plan as a plan administrator[5]	Needs an EIN for reporting purposes	Complete lines 1, 2, 4a–6, 8a, 9, and 16a–c.
Is a foreign person needing an EIN to comply with IRS withholding regulations	Needs an EIN to complete a Form W-8 (other than Form W-8ECI), avoid withholding on portfolio assets, or claim tax treaty benefits[6]	Complete lines 1–5b, 7a–b (SSN or ITIN optional), 8a–9, and 16a–c.
Is administering an estate	Needs an EIN to report estate income on Form 1041	Complete lines 1, 3, 4a–b, 8a, 9, and 16a–c.
Is a withholding agent for taxes on non-wage income paid to an alien (i.e., individual, corporation, or partnership, etc.)	Is an agent, broker, fiduciary, manager, tenant, or spouse who is required to file **Form 1042,** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons	Complete lines 1, 2, 3 (if applicable), 4a–5b, 7a–b (if applicable), 8a, 9, and 16a–c.
Is a state or local agency	Serves as a tax reporting agent for public assistance recipients under Rev. Proc. 80-4, 1980-1 C.B. 581[7]	Complete lines 1, 2, 4a–5b, 8a, 9, and 16a–c.
Is a single-member LLC	Needs an EIN to file **Form 8832,** Classification Election, for filing employment tax returns, **or** for state reporting purposes[8]	Complete lines 1–16c (as applicable).
Is an S corporation	Needs an EIN to file **Form 2553,** Election by a Small Business Corporation[9]	Complete lines 1–16c (as applicable).

[1] For example, a sole proprietorship or self-employed farmer who establishes a qualified retirement plan, or is required to file excise, employment, alcohol, tobacco, or firearms returns, must have an EIN. **A partnership, corporation, REMIC (real estate mortgage investment conduit), nonprofit organization (church, club, etc.), or farmers' cooperative must use an EIN for any tax-related purpose even if the entity does not have employees.**

[2] However, **do not** apply for a new EIN if the existing entity only **(a)** changed its business name, **(b)** elected on Form 8832 to change the way it is taxed (or is covered by the default rules), or **(c)** terminated its partnership status because at least 50% of the total interests in partnership capital and profits were sold or exchanged within a 12-month period. (The EIN of the terminated partnership should continue to be used. See Regulations section 301.6109-1(d)(2)(iii).)

[3] Do not use the EIN of the prior business unless you became the "owner" of a corporation by acquiring its stock.

[4] However, IRA trusts that are required to file **Form 990-T,** Exempt Organization Business Income Tax Return, must have an EIN.

[5] A plan administrator is the person or group of persons specified as the administrator by the instrument under which the plan is operated.

[6] Entities applying to be a Qualified Intermediary (QI) need a QI-EIN even if they already have an EIN. **See Rev. Proc. 2000-12.**

[7] See also *Household employer* on page 4. (**Note:** State or local agencies may need an EIN for other reasons, e.g., hired employees.)

[8] Most LLCs **do not** need to file Form 8832. See **Limited liability company (LLC)** on page 4 for details on completing Form SS-4 for an LLC.

[9] An existing corporation that is electing or revoking S corporation status should use its previously-assigned EIN.

Instructions for Form SS-4

(Rev. December 2001)

Application for Employer Identification Number

Section references are to the Internal Revenue Code unless otherwise noted.

Department of the Treasury
Internal Revenue Service

General Instructions

Use these instructions to complete **Form SS-4,** Application for Employer Identification Number. Also see **Do I Need an EIN?** on page 2 of Form SS-4.

Purpose of Form

Use Form SS-4 to apply for an employer identification number (EIN). An EIN is a nine-digit number (for example, 12-3456789) assigned to sole proprietors, corporations, partnerships, estates, trusts, and other entities for tax filing and reporting purposes. The information you provide on this form will establish your business tax account.

CAUTION *An EIN is for use in connection with your business activities only. Do* ***not*** *use your EIN in place of your social security number (SSN).*

File only one Form SS-4. Generally, a sole proprietor should file only one Form SS-4 and needs only one EIN, regardless of the number of businesses operated as a sole proprietorship or trade names under which a business operates. However, if the proprietorship incorporates or enters into a partnership, a new EIN is required. Also, each corporation in an affiliated group must have its own EIN.

EIN applied for, but not received. If you do not have an EIN by the time a **return** is due, write "Applied For" and the date you applied in the space shown for the number. **Do not** show your social security number (SSN) as an EIN on returns.

If you do not have an EIN by the time a **tax deposit** is due, send your payment to the Internal Revenue Service Center for your filing area as shown in the instructions for the form that you are are filing. Make your check or money order payable to the **"United States Treasury"** and show your name (as shown on Form SS-4), address, type of tax, period covered, and date you applied for an EIN.

Related Forms and Publications

The following **forms** and **instructions** may be useful to filers of Form SS-4:

- **Form 990-T,** Exempt Organization Business Income Tax Return
- **Instructions for Form 990-T**
- **Schedule C (Form 1040),** Profit or Loss From Business
- **Schedule F (Form 1040),** Profit or Loss From Farming
- **Instructions for Form 1041 and Schedules A, B, D, G, I, J, and K-1,** U.S. Income Tax Return for Estates and Trusts
- **Form 1042,** Annual Withholding Tax Return for U.S. Source Income of Foreign Persons
- **Instructions for Form 1065,** U.S. Return of Partnership Income
- **Instructions for Form 1066,** U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return
- **Instructions for Forms 1120 and 1120-A**
- **Form 2553,** Election by a Small Business Corporation
- **Form 2848,** Power of Attorney and Declaration of Representative
- **Form 8821,** Tax Information Authorization
- **Form 8832,** Entity Classification Election

For more **information** about filing Form SS-4 and related issues, see:

- **Circular A,** Agricultural Employer's Tax Guide (Pub. 51)
- **Circular E,** Employer's Tax Guide (Pub. 15)
- **Pub. 538,** Accounting Periods and Methods
- **Pub. 542,** Corporations
- **Pub. 557,** Exempt Status for Your Organization
- **Pub. 583,** Starting a Business and Keeping Records
- **Pub. 966,** EFTPS: Now a Full Range of Electronic Choices to Pay All Your Federal Taxes
- **Pub. 1635,** Understanding Your EIN
- **Package 1023,** Application for Recognition of Exemption
- **Package 1024,** Application for Recognition of Exemption Under Section 501(a)

How To Get Forms and Publications

Phone. You can order forms, instructions, and publications by phone 24 hours a day, 7 days a week. Just call 1-800-TAX-FORM (1-800-829-3676). You should receive your order or notification of its status within 10 workdays.

Personal computer. With your personal computer and modem, you can get the forms and information you need using the IRS Web Site at **www.irs.gov** or File Transfer Protocol at **ftp.irs.gov.**

CD-ROM. For small businesses, return preparers, or others who may frequently need tax forms or publications, a CD-ROM containing over 2,000 tax products (including many prior year forms) can be purchased from the National Technical Information Service (NTIS).

To order **Pub. 1796,** Federal Tax Products on CD-ROM, call **1-877-CDFORMS** (1-877-233-6767) toll free or connect to **www.irs.gov/cdorders.**

Tax Help for Your Business

IRS-sponsored Small Business Workshops provide information about your Federal and state tax obligations. For information about workshops in your area, call 1-800-829-1040 and ask for your Taxpayer Education Coordinator.

How To Apply

You can apply for an EIN by telephone, fax, or mail depending on how soon you need to use the EIN.

Application by Tele-TIN. Under the Tele-TIN program, you can receive your EIN by telephone and use it immediately to file a return or make a payment. To receive an EIN by telephone, IRS suggests that you complete Form SS-4 so that you will have all relevant information available. Then call the Tele-TIN number at 1-866-816-2065. (International applicants must call 215-516-6999.) Tele-TIN hours of operation are 7:30 a.m. to 5:30 p.m. The person making the call must be authorized to sign the form or be an authorized designee. See **Signature** and **Third Party Designee** on page 6. Also see the **TIP** below.

An IRS representative will use the information from the Form SS-4 to establish your account and assign you an EIN. Write the number you are given on the upper right corner of the form and sign and date it. Keep this copy for your records.

If requested by an IRS representative, mail or fax (facsimile) the signed Form SS-4 (including any Third Party Designee authorization) **within 24 hours** to the Tele-TIN Unit at the service center address provided by the IRS representative.

TIP *Taxpayer representatives can use Tele-TIN to apply for an EIN on behalf of their client and request that the EIN be faxed to their **client** on the same day. (**Note:** By utilizing this procedure, you are authorizing the IRS to fax the EIN without a cover sheet.)*

Application by Fax-TIN. Under the Fax-TIN program, you can receive your EIN by fax within 4 business days. Complete and fax Form SS-4 to the IRS using the Fax-TIN number listed below for your state. A long-distance charge to callers outside of the local calling area will apply. Fax-TIN numbers can only be used to apply for an EIN. **The numbers may change without notice.** Fax-TIN is available 24 hours a day, 7 days a week.

Be sure to provide your fax number so that IRS can fax the EIN back to you. (**Note:** By utilizing this procedure, you are authorizing the IRS to fax the EIN without a cover sheet.)

Do not call Tele-TIN for the same entity because duplicate EINs may be issued. See **Third Party Designee** on page 6.

Application by mail. Complete Form SS-4 at least 4 to 5 weeks before you will need an EIN. Sign and date the application and mail it to the service center address for your state. You will receive your EIN in the mail in approximately 4 weeks. See also **Third Party Designee** on page 6.

Call 1-800-829-1040 to verify a number or to ask about the status of an application by mail.

If your principal business, office or agency, or legal residence in the case of an individual, is located in:	Call the Tele-TIN or Fax-TIN number shown or file with the "Internal Revenue Service Center" at:
Connecticut, Delaware, District of Columbia, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia	Attn: EIN Operation Holtsville, NY 00501 Tele-TIN 866-816-2065 Fax-TIN 631-447-8960
Illinois, Indiana, Kentucky, Michigan	Attn: EIN Operation Cincinnati, OH 45999 Tele-TIN 866-816-2065 Fax-TIN 859-669-5760
Alabama, Alaska, Arizona, Arkansas, California, Colorado, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Puerto Rico, South Dakota, Tennessee, Texas, Utah, Washington, Wisconsin, Wyoming	Attn: EIN Operation Philadelphia, PA 19255 Tele-TIN 866-816-2065 Fax-TIN 215-516-3990
If you have no legal residence, principal place of business, or principal office or agency in any state:	Attn: EIN Operation Philadelphia, PA 19255 Tele-TIN 215-516-6999 Fax-TIN 215-516-3990

Specific Instructions

Print or type all entries on Form SS-4. Follow the instructions for each line to expedite processing and to avoid unnecessary IRS requests for additional information. Enter "N/A" (nonapplicable) on the lines that do not apply.

Line 1—Legal name of entity (or individual) for whom the EIN is being requested. Enter the legal name of the entity (or individual) applying for the EIN exactly as it appears on the social security card, charter, or other applicable legal document.

Individuals. Enter your first name, middle initial, and last name. If you are a sole proprietor, enter your individual name, not your business name. Enter your business name on line 2. Do not use abbreviations or nicknames on line 1.

Trusts. Enter the name of the trust.

Estate of a decedent. Enter the name of the estate.

Partnerships. Enter the legal name of the partnership as it appears in the partnership agreement.

Corporations. Enter the corporate name as it appears in the corporation charter or other legal document creating it.

Plan administrators. Enter the name of the plan administrator. A plan administrator who already has an EIN should use that number.

Line 2—Trade name of business. Enter the trade name of the business if different from the legal name. The trade name is the "doing business as " (DBA) name.



Use the full legal name shown on line 1 on all tax returns filed for the entity. (However, if you enter a trade name on line 2 and choose to use the trade name instead of the legal name, enter the trade name on ***all returns*** *you file.) To prevent processing delays and errors,* ***always*** *use the legal name only (or the trade name only) on* ***all*** *tax returns.*

Line 3—Executor, trustee, "care of" name. Trusts enter the name of the trustee. Estates enter the name of the executor, administrator, or other fiduciary. If the entity applying has a designated person to receive tax information, enter that person's name as the "care of" person. Enter the individual's first name, middle initial, and last name.

Lines 4a-b—Mailing address. Enter the mailing address for the entity's correspondence. If line 3 is completed, enter the address for the executor, trustee or "care of" person. Generally, this address will be used on all tax returns.



File ***Form 8822****, Change of Address, to report any subsequent changes to the entity's mailing address.*

Lines 5a-b—Street address. Provide the entity's physical address **only** if different from its mailing address shown in lines 4a-b. **Do not** enter a P.O. box number here.

Line 6—County and state where principal business is located. Enter the entity's primary **physical** location.

Lines 7a-b—Name of principal officer, general partner, grantor, owner, or trustor. Enter the first name, middle initial, last name, and SSN of **(a)** the principal officer if the business is a corporation, **(b)** a general partner if a partnership, **(c)** the owner of an entity that is disregarded as separate from its owner (disregarded entities owned by a corporation enter the corporation's name and EIN), or **(d)** a grantor, owner, or trustor if a trust.

If the person in question is an **alien individual** with a previously assigned individual taxpayer identification number (ITIN), enter the ITIN in the space provided and submit a copy of an official identifying document. If necessary, complete **Form W-7,** Application for IRS Individual Taxpayer Identification Number, to obtain an ITIN.

You are **required** to enter an SSN, ITIN, or EIN unless the only reason you are applying for an EIN is to make an entity classification election (see Regulations section 301.7701-1 through 301.7701-3) and you are a nonresident alien with no effectively connected income from sources within the United States.

Line 8a—Type of entity. Check the box that best describes the type of entity applying for the EIN. If you are an alien individual with an ITIN previously assigned to you, enter the ITIN in place of a requested SSN.



This is not an election for a tax classification of an entity. See ***"Limited liability company (LLC)"*** *on page 4.*

Other. If not specifically mentioned, check the "Other" box, enter the type of entity and the type of return, if any, that will be filed (for example, "Common Trust Fund, Form 1065" or "Created a Pension Plan"). Do not enter "N/A." If you are an alien individual applying for an EIN, see the **Lines 7a-b** instructions above.

- **Household employer.** If you are an individual, check the "Other" box and enter "Household Employer" and your SSN. If you are a state or local agency serving as a tax reporting agent for public assistance recipients who become household employers, check the "Other" box and enter "Household Employer Agent." If you are a trust that qualifies as a household employer, you do not need a separate EIN for reporting tax information relating to household employees; use the EIN of the trust.
- **QSub.** For a qualified subchapter S subsidiary (QSub) check the "Other" box and specify "QSub."
- **Withholding agent.** If you are a withholding agent required to file Form 1042, check the "Other" box and enter "Withholding Agent."

Sole proprietor. Check this box if you file Schedule C, C-EZ, or F (Form 1040) and have a qualified plan, or are required to file excise, employment, or alcohol, tobacco, or firearms returns, or are a payer of gambling winnings. Enter your SSN (or ITIN) in the space provided. If you are a nonresident alien with no effectively connected income from sources within the United States, you do not need to enter an SSN or ITIN.

Corporation. This box is for any corporation **other than a personal service corporation.** If you check this box, enter the income tax form number to be filed by the entity in the space provided.



If you entered ***"1120S"*** *after the "Corporation" checkbox, the corporation* ***must*** *file Form 2553* ***no later than the 15th day of the 3rd month of the tax year the election is to take effect.*** *Until Form 2553 has been received and approved, you will be considered a Form 1120 filer. See the Instructions for Form 2553.*

Personal service corp. Check this box if the entity is a personal service corporation. An entity is a personal service corporation for a tax year only if:

- The principal activity of the entity during the testing period (prior tax year) for the tax year is the performance of personal services substantially by employee-owners, and
- The employee-owners own at least 10% of the fair market value of the outstanding stock in the entity on the last day of the testing period.

Personal services include performance of services in such fields as health, law, accounting, or consulting. For more information about personal service corporations,

see the Instructions for Forms 1120 and 1120-A and Pub. 542.

Other nonprofit organization. Check this box if the nonprofit organization is other than a church or church-controlled organization and specify the type of nonprofit organization (for example, an educational organization).



*If the organization also seeks tax-exempt status, you **must** file either Package 1023 or Package 1024. See Pub. 557 for more information.*

If the organization is covered by a group exemption letter, enter the four-digit **group exemption number (GEN).** (Do not confuse the GEN with the nine-digit EIN.) If you do not know the GEN, contact the parent organization. Get Pub. 557 for more information about group exemption numbers.

Plan administrator. If the plan administrator is an individual, enter the plan administrator's SSN in the space provided.

REMIC. Check this box if the entity has elected to be treated as a real estate mortgage investment conduit (REMIC). See the Instructions for Form 1066 for more information.

Limited liability company (LLC). An LLC is an entity organized under the laws of a state or foreign country as a limited liability company. For Federal tax purposes, an LLC may be treated as a partnership or corporation or be disregarded as an entity separate from its owner.

By **default,** a domestic LLC with only one member is **disregarded** as an entity separate from its owner and must include all of its income and expenses on the owner's tax return (e.g., **Schedule C (Form 1040)**). Also by default, a domestic LLC with two or more members is treated as a partnership. A domestic LLC may file Form 8832 to avoid either default classification and elect to be classified as an association taxable as a corporation. For more information on entity classifications (including the rules for foreign entities), see the instructions for Form 8832.



Do not** file Form 8832 if the LLC accepts the default classifications above. **However, if the LLC will be electing S Corporation status, it must timely file both Form 8832 and Form 2553.

Complete Form SS-4 for LLCs as follows:

- A single-member, domestic LLC that accepts the default classification (above) does not need an EIN and generally should not file Form SS-4. Generally, the LLC should use the name and EIN of its **owner** for all Federal tax purposes. However, the reporting and payment of employment taxes for employees of the LLC may be made using the name and EIN of **either** the owner or the LLC as explained in Notice 99-6, 1999-1 C.B. 321. You can find Notice 99-6 on page 12 of Internal Revenue Bulletin 1999-3 at **www.irs.gov.** (**Note:** If the LLC-applicant indicates in box 13 that it has employees or expects to have employees, the owner (whether an individual or other entity) of a single-member domestic LLC will also be assigned its own EIN (if it does not already have one) even if the LLC will be filing the employment tax returns.)
- A single-member, domestic LLC that accepts the default classification (above) and wants an EIN for filing employment tax returns (see above) or non-Federal purposes, such as a state requirement, must check the "Other" box and write "Disregarded Entity" or, when applicable, "Disregarded Entity—Sole Proprietorship" in the space provided.
- A multi-member, domestic LLC that accepts the default classification (above) must check the "Partnership" box.
- A domestic LLC that will be filing Form 8832 to elect corporate status must check the "Corporation" box and write in "Single-Member" or "Multi-Member" immediately below the "form number" entry line.

Line 9—Reason for applying. Check only **one** box. Do not enter "N/A."

Started new business. Check this box if you are starting a new business that requires an EIN. If you check this box, enter the type of business being started. **Do not** apply if you already have an EIN and are only adding another place of business.

Hired employees. Check this box if the existing business is requesting an EIN because it has hired or is hiring employees and is therefore required to file employment tax returns. **Do not** apply if you already have an EIN and are only hiring employees. For information on employment taxes (e.g., for family members), see Circular E.



You may be required to make electronic deposits of all depository taxes (such as employment tax, excise tax, and corporate income tax) using the Electronic Federal Tax Payment System (EFTPS). See section 11, Depositing Taxes, of Circular E and Pub. 966.

Created a pension plan. Check this box if you have created a pension plan and need an EIN for reporting purposes. Also, enter the type of plan in the space provided.



Check this box if you are applying for a trust EIN when a new pension plan is established. In addition, check the "Other" box in line 8a and write "Created a Pension Plan" in the space provided.

Banking purpose. Check this box if you are requesting an EIN for banking purposes only, and enter the banking purpose (for example, a bowling league for depositing dues or an investment club for dividend and interest reporting).

Changed type of organization. Check this box if the business is changing its type of organization. For example, the business was a sole proprietorship and has been incorporated or has become a partnership. If you check this box, specify in the space provided (including available space immediately below) the type of change made. For example, "From Sole Proprietorship to Partnership."

Purchased going business. Check this box if you purchased an existing business. **Do not** use the former owner's EIN unless you became the "owner" of a corporation by acquiring its stock.

Created a trust. Check this box if you created a trust, and enter the type of trust created. For example, indicate if the trust is a nonexempt charitable trust or a split-interest trust.

Exception. Do **not** file this form for certain grantor-type trusts. The trustee does not need an EIN for the trust if the trustee furnishes the name and TIN of the grantor/owner and the address of the trust to all payors. See the Instructions for Form 1041 for more information.



***Do not** check this box if you are applying for a trust EIN when a new pension plan is established. Check "Created a pension plan."*

Other. Check this box if you are requesting an EIN for any other reason; and enter the reason. For example, a newly-formed state government entity should enter "Newly-Formed State Government Entity" in the space provided.

Line 10—Date business started or acquired. If you are starting a new business, enter the starting date of the business. If the business you acquired is already operating, enter the date you acquired the business. Trusts should enter the date the trust was legally created. Estates should enter the date of death of the decedent whose name appears on line 1 or the date when the estate was legally funded.

Line 11—Closing month of accounting year. Enter the last month of your accounting year or tax year. An accounting or tax year is usually 12 consecutive months, either a calendar year or a fiscal year (including a period of 52 or 53 weeks). A calendar year is 12 consecutive months ending on December 31. A fiscal year is either 12 consecutive months ending on the last day of any month other than December or a 52-53 week year. For more information on accounting periods, see Pub. 538.

Individuals. Your tax year generally will be a calendar year.

Partnerships. Partnerships must adopt one of the following tax years:

- The tax year of the majority of its partners,
- The tax year common to all of its principal partners,
- The tax year that results in the least aggregate deferral of income, or
- In certain cases, some other tax year.

See the Instructions for Form 1065 for more information.

REMICs. REMICs must have a calendar year as their tax year.

Personal service corporations. A personal service corporation generally must adopt a calendar year unless:

- It can establish a business purpose for having a different tax year, or
- It elects under section 444 to have a tax year other than a calendar year.

Trusts. Generally, a trust must adopt a calendar year except for the following:

- Tax-exempt trusts,
- Charitable trusts, and
- Grantor-owned trusts.

Line 12—First date wages or annuities were paid or will be paid. If the business has or will have employees, enter the date on which the business began or will begin to pay wages. If the business does not plan to have employees, enter "N/A."

Withholding agent. Enter the date you began or will begin to pay income (including annuities) to a nonresident alien. This also applies to individuals who are required to file Form 1042 to report alimony paid to a nonresident alien.

Line 13—Highest number of employees expected in the next 12 months. Complete each box by entering the number (including zero ("-0-")) of "Agricultural," "Household," or "Other" employees expected by the applicant in the next 12 months. For a definition of agricultural labor (farmwork), see Circular A.

Lines 14 and 15. Check the **one** box in line 14 that best describes the principal activity of the applicant's business. Check the "Other" box (and specify the applicant's principal activity) if none of the listed boxes applies.

Use line 15 to describe the applicant's principal line of business in more detail. For example, if you checked the "Construction" box in line 14, enter additional detail such as "General contractor for residential buildings" in line 15.



Do not complete lines 14 and 15 if you entered zero "(-0-)" in line 13.

Construction. Check this box if the applicant is engaged in erecting buildings or other structures, (e.g., streets, highways, bridges, tunnels). The term "Construction" also includes special trade contractors, (e.g., plumbing, HVAC, electrical, carpentry, concrete, excavation, etc. contractors).

Real estate. Check this box if the applicant is engaged in renting or leasing real estate to others; managing, selling, buying or renting real estate for others; or providing related real estate services (e.g., appraisal services).

Rental and leasing. Check this box if the applicant is engaged in providing tangible goods such as autos, computers, consumer goods, or industrial machinery and equipment to customers in return for a periodic rental or lease payment.

Manufacturing. Check this box if the applicant is engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is also considered to be manufacturing.

Transportation & warehousing. Check this box if the applicant provides transportation of passengers or cargo; warehousing or storage of goods; scenic or sight-seeing transportation; or support activities related to these modes of transportation.

Finance & insurance. Check this box if the applicant is engaged in transactions involving the creation, liquidation, or change of ownership of financial assets and/or facilitating such financial transactions;

underwriting annuities/insurance policies; facilitating such underwriting by selling insurance policies; or by providing other insurance or employee-benefit related services.

Health care and social assistance. Check this box if the applicant is engaged in providing physical, medical, or psychiatric care using licensed health care professionals or providing social assistance activities such as youth centers, adoption agencies, individual/family services, temporary shelters, etc.

Accommodation & food services. Check this box if the applicant is engaged in providing customers with lodging, meal preparation, snacks, or beverages for immediate consumption.

Wholesale–agent/broker. Check this box if the applicant is engaged in arranging for the purchase or sale of goods owned by others or purchasing goods on a commission basis for goods traded in the wholesale market, usually between businesses.

Wholesale–other. Check this box if the applicant is engaged in selling goods in the wholesale market generally to other businesses for resale on their own account.

Retail. Check this box if the applicant is engaged in selling merchandise to the general public from a fixed store; by direct, mail-order, or electronic sales; or by using vending machines.

Other. Check this box if the applicant is engaged in an activity not described above. Describe the applicant's principal business activity in the space provided.

Lines 16a-c. Check the applicable box in line 16a to indicate whether or not the entity (or individual) applying for an EIN was issued one previously. Complete lines 16b and 16c **only** if the "Yes" box in line 16a is checked. If the applicant previously applied for **more than one** EIN, write "See Attached" in the empty space in line 16a and attach a separate sheet providing the line 16b and 16c information for each EIN previously requested.

Third Party Designee. Complete this section **only** if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of Form SS-4. The designee's authority terminates at the time the EIN is assigned and released to the designee. **You must complete the signature area for the authorization to be valid.**

Signature. When required, the application must be signed by **(a)** the individual, if the applicant is an individual, **(b)** the president, vice president, or other principal officer, if the applicant is a corporation, **(c)** a responsible and duly authorized member or officer having knowledge of its affairs, if the applicant is a partnership, government entity, or other unincorporated organization, or **(d)** the fiduciary, if the applicant is a trust or an estate. Foreign applicants may have any duly-authorized person, (e.g., division manager), sign Form SS-4.

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need it to comply with section 6109 and the regulations thereunder which generally require the inclusion of an employer identification number (EIN) on certain returns, statements, or other documents filed with the Internal Revenue Service. If your entity is required to obtain an EIN, you are required to provide all of the information requested on this form. Information on this form may be used to determine which Federal tax returns you are required to file and to provide you with related forms and publications.

We disclose this form to the Social Security Administration for their use in determining compliance with applicable laws. We may give this information to the Department of Justice for use in civil and criminal litigation, and to the cities, states, and the District of Columbia for use in administering their tax laws. We may also disclose this information to Federal, state, or local agencies that investigate or respond to acts or threats of terrorism or participate in intelligence or counterintelligence activities concerning terrorism.

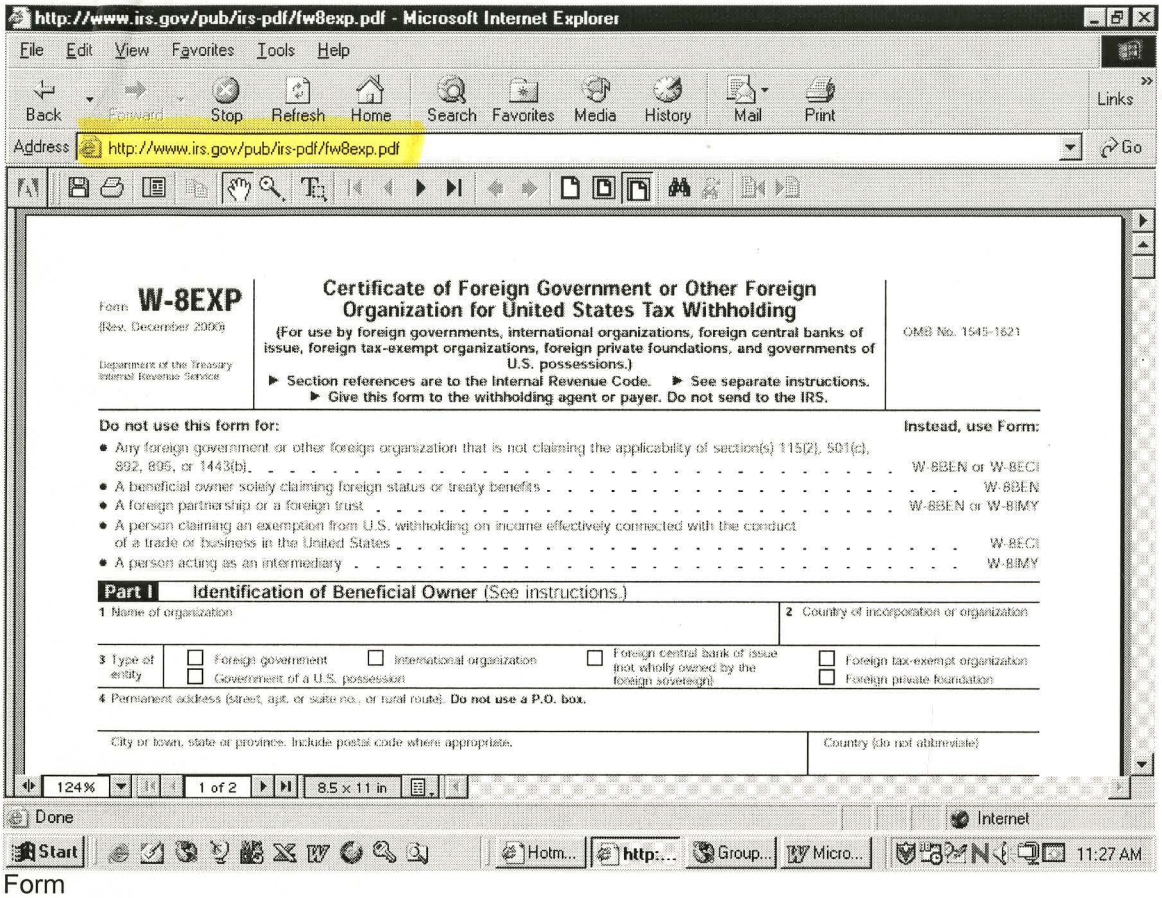
We will be unable to issue an EIN to you unless you provide all of the requested information which applies to your entity. Providing false information could subject you to penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

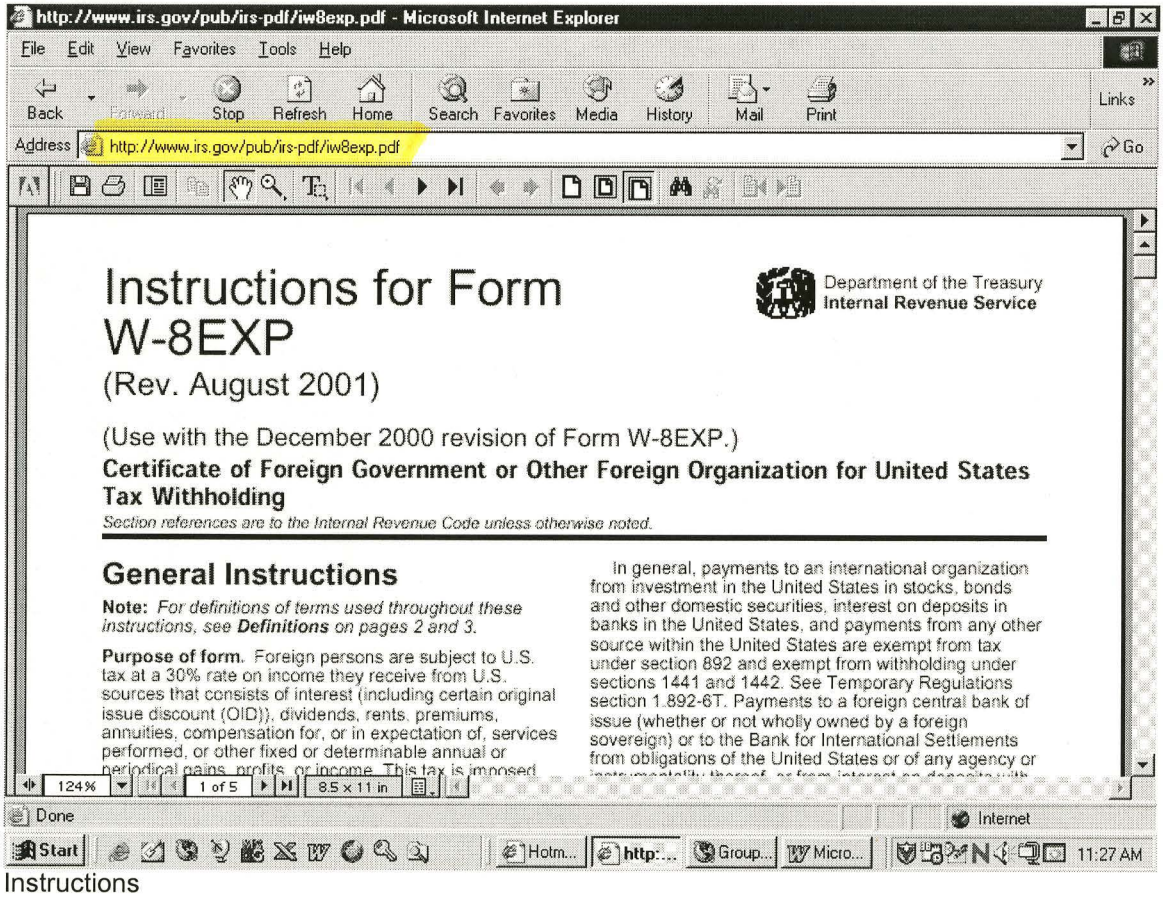
The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is:

Recordkeeping	6 min.
Learning about the law or the form	22 min.
Preparing the form	46 min.
Copying, assembling, and sending the form to the IRS	20 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this address. Instead, see **How To Apply** on page 2.



Form



Instructions

Form **W-8EXP**
(Rev. December 2000)

Department of the Treasury
Internal Revenue Service

Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding

(For use by foreign governments, international organizations, foreign central banks of issue, foreign tax-exempt organizations, foreign private foundations, and governments of U.S. possessions.)

► Section references are to the Internal Revenue Code. ► See separate instructions.

► Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:	**Instead, use Form:**
• Any foreign government or other foreign organization that is not claiming the applicability of section(s) 115(2), 501(c), 892, 895, or 1443(b)	W-8BEN or W-8ECI
• A beneficial owner solely claiming foreign status or treaty benefits	W-8BEN
• A foreign partnership or a foreign trust	W-8BEN or W-8IMY
• A person claiming an exemption from U.S. withholding on income effectively connected with the conduct of a trade or business in the United States	W-8ECI
• A person acting as an intermediary	W-8IMY

Part I Identification of Beneficial Owner (See instructions.)

1 Name of organization

2 Country of incorporation or organization

3 Type of entity
☐ Foreign government ☐ International organization ☐ Foreign central bank of issue (not wholly owned by the foreign sovereign) ☐ Foreign tax-exempt organization
☐ Government of a U.S. possession ☐ Foreign private foundation

4 Permanent address (street, apt. or suite no., or rural route). **Do not use a P.O. box.**

City or town, state or province. Include postal code where appropriate.

Country (do not abbreviate)

5 Mailing address (if different from above)

City or town, state or province. Include postal or ZIP code where appropriate.

Country (do not abbreviate)

6 U.S. taxpayer identification number, if required (see instructions)

7 Foreign tax identifying number, if any (optional)

8 Reference number(s) (see instructions)

Part II Qualification Statement

9 For a foreign government:

a ☐ I certify that the entity identified in Part I is a foreign government within the meaning of section 892 and the payments are within the scope of the exemption granted by section 892.

Check box 9b or box 9c, whichever applies:

b ☐ The entity identified in Part I is an integral part of the government of .....

c ☐ The entity identified in Part I is a controlled entity of the government of .....

10 For an international organization:

☐ I certify that:

- The entity identified in Part I is an international organization within the meaning of section 7701(a)(18) **and**
- The payments are within the scope of the exemption granted by section 892.

11 For a foreign central bank of issue (not wholly owned by the foreign sovereign):

☐ I certify that:

- The entity identified in Part I is a foreign central bank of issue,
- The entity identified in Part I does not hold obligations or bank deposits to which this form relates for use in connection with the conduct of a commercial banking function or other commercial activity, **and**
- The payments are within the scope of the exemption granted by section 895.

(Part II and required certification continued on page 2)

Part II Qualification Statement *(continued)*

12 For a foreign tax-exempt organization, including foreign private foundations:

If any of the income to which this certification relates constitutes income includible under section 512 in computing the entity's unrelated business taxable income, attach a statement identifying the amounts.

Check either box 12a or box 12b:

a ☐ I certify that the entity identified in Part I has been issued a determination letter by the IRS dated ..... that is currently in effect and that concludes that it is an exempt organization described in section 501(c).

b ☐ I have attached to this form an opinion from U.S. counsel concluding that the entity identified in Part I is described in section 501(c).

For section 501(c)(3) organizations only, check either box 12c or box 12d:

c ☐ If the determination letter or opinion of counsel concludes that the entity identified in Part I is described in section 501(c)(3), I certify that the organization is not a private foundation described in section 509. I have attached an affidavit of the organization setting forth sufficient facts for the IRS to determine that the organization is not a private foundation because it meets one of the exceptions described in section 509(a)(1), (2), (3), or (4).

d ☐ If the determination letter or opinion of counsel concludes that the entity identified in Part I is described in section 501(c)(3), I certify that the organization is a private foundation described in section 509.

13 For a government of a U.S. possession:

☐ I certify that the entity identified in Part I is a government of a possession of the United States, or is a political subdivision thereof, and is claiming the exemption granted by section 115(2).

Part III 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 organization for which I am signing is the beneficial owner of the income to which this form relates,
- The beneficial owner is not a U.S. person,
- For a beneficial owner that is a controlled entity of a foreign sovereign (other than a central bank of issue wholly owned by a foreign sovereign), the beneficial owner is not engaged in commercial activities within or outside the United States, **and**
- For a beneficial owner that is a central bank of issue wholly owned by a foreign sovereign, the beneficial owner is not engaged in commercial activities within the United States.

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

Sign Here ....

Signature of authorized official	Date (MM-DD-YYYY)	Capacity in which acting

Instructions for Form W-8EXP

(Rev. December 2000)

Certificate of Foreign Government or Other Foreign Organization for United States Tax Withholding

Section references are to the Internal Revenue Code unless otherwise noted.

Department of the Treasury
Internal Revenue Service

General Instructions

Note: *For definitions of terms used throughout these instructions, see* ***Definitions*** *on pages 2 and 3.*

Purpose of form. Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of interest (including certain original issue discount (OID)), dividends, rents, premiums, annuities, compensation for, or in expectation of, services performed, or other fixed or determinable annual or periodical gains, profits, or income. This tax is imposed on the gross amount paid and is generally collected by withholding on that amount. A payment is considered to have been made whether it is made directly to the beneficial owner or to another person for the benefit of the beneficial owner.

If you receive certain types of income, you must provide Form W-8EXP to:

- Establish that you are not a U.S. person,
- Claim that you are the beneficial owner of the income for which Form W-8EXP is given, and
- 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.

In general, payments to a foreign government (including a foreign central bank of issue wholly-owned by a foreign sovereign) from investments in the United States in stocks, bonds, other domestic securities, financial instruments held in the execution of governmental financial or monetary policy, and interest on deposits in banks in the United States are exempt from tax under section 892 and exempt from withholding under sections 1441 and 1442. Payments other than those described above, including income derived in the U.S. from the conduct of a commercial activity, income received from a controlled commercial entity (including gain from the disposition of any interest in a controlled commercial entity), and income received by a controlled commercial entity, do not qualify for exemption from tax under section 892 or exemption from withholding under sections 1441 and 1442. See Temporary Regulations section 1.892-3T. In addition, certain distributions to a foreign government from a real estate investment trust (REIT) may not be eligible for relief from withholding and may be subject to withholding at 35% of the gain realized. For the definition of "commercial activities," see Temporary Regulations section 1.892-4T.

In general, payments to an international organization from investment in the United States in stocks, bonds and other domestic securities, interest on deposits in banks in the United States, and payments from any other source within the United States are exempt from tax under section 892 and exempt from withholding under sections 1441 and 1442. See Temporary Regulations section 1.892-6T. Payments to a foreign central bank of issue (whether or not wholly owned by a foreign sovereign) or to the Bank for International Settlements from obligations of the United States or of any agency or instrumentality thereof, or from interest on deposits with persons carrying on the banking business, are also generally exempt from tax under section 895 and exempt from withholding under sections 1441 and 1442. In addition, payments to a foreign central bank of issue from bankers' acceptances are exempt from tax under section 871(i)(2)(C) and exempt from withholding under sections 1441 and 1442.

Payments to a foreign tax-exempt organization from certain types of U.S. source income are also generally exempt from tax and exempt from withholding. Gross investment income of a foreign private foundation, however, is subject to withholding under section 1443(b) at a rate of 4%.

Payments to a government of a possession of the United States are generally exempt from tax and withholding under section 115(2).

To establish eligibility for exemption from 30% tax and withholding, a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession must provide a Form W-8EXP to a withholding agent or payer with all necessary documentation. The withholding agent or payer of the income may rely on a properly completed Form W-8EXP to treat the payment associated with the Form W-8EXP as a payment to a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession exempt from withholding at source (or, where appropriate, subject to withholding at a 4% rate).

Provide Form W-8EXP to the withholding agent or payer before income is paid or credited to you. Failure by a beneficial owner to provide a Form W-8EXP when requested may lead to withholding of a 30% or 31% amount from the payment.

Note: *For additional information and instructions for the withholding agent, see the* ***Instructions for the***

Requester of Forms W-8BEN, W-8ECI, W-8EXP, and W-8IMY.

Who must file. You must give Form W-8EXP to the withholding agent or payer if you are a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession. Submit Form W-8EXP whether or not you are claiming a reduced rate of, or exemption from, U.S. tax withholding.

Do not use Form W-8EXP if:

- You are not a foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession claiming the applicability of section 115(2), 501(c), 892, 895, or 1443(b). Instead, provide **Form W-8BEN,** Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, or **Form W-8ECI,** Certificate of Foreign Person's Claim for Exemption From Withholding on Income Effectively Connected With the Conduct of a Trade or Business in the United States. For example, if you are a foreign tax-exempt organization claiming a benefit under an income tax treaty, provide Form W-8BEN.
- You are receiving income that is effectively connected with the conduct of a trade or business in the United States. Instead, provide Form W-8ECI.
- You are a tax-exempt organization receiving unrelated business taxable income subject to withholding under section 1443(a). Instead, provide Form W-8BEN or Form W-8ECI for this portion of your income.
- You are a foreign partnership, a foreign simple trust, or a foreign grantor trust. Instead, provide Form W-8ECI or **Form W-8IMY,** Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding.
- You are acting as an intermediary (i.e., acting not for your own account, but for the account of others as an agent, nominee, or custodian). Instead, provide Form W-8IMY.

Giving Form W-8EXP to the withholding agent. Do not send Form W-8EXP to the IRS. Instead, give it to the person who is requesting it from you. Generally, this person will be the one from whom you receive the payment or who credits your account. Generally, a separate Form W-8EXP must be given to each withholding agent.

Give Form W-8EXP to the person requesting it before the payment is made to you or credited to your account. If you do not provide this form, the withholding agent may have to withhold tax at a 30% or 31% rate. If you receive more than one type of income from a single withholding agent, the withholding agent may require you to submit a Form W-8EXP for each different type of income.

Change in circumstances. If a change in circumstances makes any information on the Form W-8EXP you have submitted incorrect, you must notify the withholding agent within 30 days of the change in circumstances and you **must** file a new Form W-8EXP or other appropriate form.

Expiration of Form W-8EXP. Generally, a Form W-8EXP filed without a U.S. taxpayer identification number (TIN) will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year. However, in the case of an integral part of a foreign government (within the meaning of Temporary Regulations section 1.892-2T(a)(2)) or a foreign central bank of issue, a Form W-8EXP filed without a U.S. TIN will remain in effect until a change in circumstances makes any of the information on the form incorrect. A Form W-8EXP furnished with a U.S. TIN will remain in effect until a change in circumstances makes any information on the form incorrect provided that the withholding agent reports on **Form 1042-S,** Foreign Person's U.S. Source Income Subject to Withholding, at least one payment annually to the beneficial owner.

Definitions

Beneficial owner. For payments other than those for which a reduced rate of withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the income in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee or other agent. The beneficial owners of income paid to a foreign simple trust (i.e., a foreign trust that is described in section 651(a)) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee or other agent. The beneficiaries of a foreign grantor trust (i.e., a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (i.e., a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

The beneficial owner of income paid to a foreign estate is the estate itself.

Foreign person. A foreign person includes a nonresident alien individual, foreign corporation, foreign partnership, foreign trust, foreign estate, foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession, and any other person that is not a U.S. person. It also includes a foreign branch or office of a U.S. financial institution or U.S. clearing organization if the foreign branch is a qualified intermediary. Generally, a payment to a U.S. branch of a foreign person is a payment to a foreign person.

Foreign government. A foreign government includes only the integral parts or controlled entities of a foreign

sovereign as defined in Temporary Regulations section 1.892-2T.

An ***integral part*** of a foreign sovereign, in general, is any person, body of persons, organization, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a foreign country. The net earnings of the governing authority must be credited to its own account or to other accounts of the foreign sovereign, with no portion benefiting any private person.

A ***controlled entity*** of a foreign sovereign is an entity that is separate in form from the foreign sovereign or otherwise constitutes a separate juridical entity only if:

1. It is wholly owned and controlled by the foreign sovereign directly or indirectly through one or more controlled entities;

2. It is organized under the laws of the foreign sovereign by which it is owned;

3. Its net earnings are credited to its own account or to other accounts of the foreign sovereign, with no portion of its income benefiting any private person; and

4. Its assets vest in the foreign sovereign upon dissolution.

A controlled entity also includes a ***pension trust*** defined in Temporary Regulations section 1.892-2T(c) and may include a ***foreign central bank of issue*** to the extent that it is wholly owned by a foreign sovereign.

A foreign government must provide Form W-8EXP to establish eligibility for exemption from withholding for payments exempt from tax under section 892.

International organization. An international organization is any public international organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288-288(f)). In general, to qualify as an international organization, the United States must participate in the organization pursuant to a treaty or under the authority of an Act of Congress authorizing such participation.

Amounts exempt from tax under section 892. Only a foreign government or an international organization as defined above qualifies for exemption from taxation under section 892. Section 892 generally excludes from gross income and exempts from U.S. taxation income a foreign government receives from investments in the United States in stocks, bonds, or other domestic securities; financial instruments held in the execution of governmental financial or monetary policy; and interest on deposits in banks in the United States of monies belonging to the foreign government. Income of a foreign government from sources other than those enumerated above or that is **(a)** derived from the conduct of any commercial activity, **(b)** received directly or indirectly from a controlled commercial entity, or **(c)** derived from the disposition of any interest in a controlled commercial entity is not exempt from U.S. taxation. For the definition of "commercial activity," see Temporary Regulations section 1.892-4T.

Section 892 also generally excludes from gross income and exempts from U.S. taxation income of an international organization received from investments in the United States in stocks, bonds, or other domestic securities and interest on deposits in banks in the United States of monies belonging to the international organization or from any other source within the United States.

Controlled commercial entity. A controlled commercial entity is an entity engaged in commercial activities (whether within or outside the United States) if the foreign government **(a)** holds any interest in the entity that is 50% or more of the total of all interests in the entity **or (b)** holds a sufficient interest or any other interest in the entity which provides the foreign government with effective practical control of the entity.

Note: *A foreign central bank of issue will be treated as a controlled commercial entity only if it engages in commercial activities within the United States.*

Foreign central bank of issue. A foreign central bank of issue is a bank that is by law or government sanction the principal authority, other than the government itself, to issue instruments intended to circulate as currency. Such a bank is generally the custodian of the banking reserves of the country under whose law it is organized. For purposes of section 895, the Bank of International Settlements is treated as though it were a foreign central bank of issue.

A foreign central bank of issue must provide Form W-8EXP to establish eligibility for exemption from withholding for payments exempt from tax under either section 892 or section 895.

Amounts exempt from tax under section 895. Section 895 generally excludes from gross income and exempts from U.S. taxation income a foreign central bank of issue receives from obligations of the United States (or of any agency or instrumentality thereof) or from interest on deposits with persons carrying on the banking business unless such obligations or deposits are held for, or used in connection with, the conduct of commercial banking functions or other commercial activities of the foreign central bank of issue.

Amounts subject to withholding. Generally, an amount subject to withholding is an amount from sources within the United States that is fixed or determinable annual or periodical (FDAP) income. FDAP income is all income included in gross income, including interest (as well as original issue discount (OID)), dividends, rents, royalties, and compensation. FDAP income does not include most gains from the sale of property (including market discount and option premiums).

Withholding agent. Any person, U.S. or foreign, that has control, receipt, or custody of an amount subject to withholding or who can disburse or make payments of an amount subject to withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies. Generally, the person who pays (or causes to be paid) an amount subject to withholding to the foreign person (or to its agent) must withhold.

Specific Instructions

Part I

Note: *Before completing Part I, complete the* ***Worksheet for Foreign Governments, International Organizations, and Foreign Central Banks of Issue*** *on page 5 to determine whether amounts received are or will be exempt from U.S. tax under section 892 or 895 and exempt from withholding under sections 1441 and 1442. Use the results of this worksheet to check the appropriate box in Part II.* ***Do not*** *give the worksheet to the withholding agent. Instead, keep it for your records.*

Line 1. Enter the full name of the organization.

Line 2. Enter the country under the laws of which the foreign government or other foreign organization was created, incorporated, organized, or governed.

Line 3. Check the **one** box that applies. A foreign central bank of issue (wholly owned by a foreign sovereign) should check the "Foreign government" box.

Line 4. The permanent address of a foreign government, international organization, or foreign central bank of issue is where it maintains its principal office. For all other organizations, the permanent address is the address in the country where the organization claims to be a resident for tax purposes. **Do not** show the address of a financial institution, a post office box, or an address used solely for mailing purposes.

Line 5. Enter the mailing address only if it is different from the address shown on line 4.

Line 6. A U.S. taxpayer identification number (TIN) means an Employer Identification Number (EIN). A U.S. TIN is generally required if you are claiming an exemption or reduced rate of withholding based solely on your claim of tax-exempt status under section 501(c) or private foundation status. Use **Form SS-4,** Application for Employer Identification Number, to obtain an EIN.

Line 7. If the country of residence for tax purposes has issued the organization a tax identifying number, enter it here.

Line 8. This line may be used by the filer of Form W-8EXP or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. For example, withholding agents who are required to associate the Form W-8EXP with a particular Form W-8IMY may want to use line 8 for a referencing number or code that will make the association clear. A filer may use line 8 to include the number of the account for which the filer is providing the form.

Part II

Line 9. Check box 9a **and** box 9b or box 9c, whichever applies. Enter the name of the foreign sovereign's country on line 9b (if the entity is an integral part of a foreign government) or on line 9c (if the entity is a controlled entity). A central bank of issue (wholly owned by a foreign sovereign) should check box 9c.

Line 10. Check this box if you are an international organization. By checking this box, you are certifying to all the statements made in line 10.

Line 11. Check this box if you are a foreign central bank of issue not wholly owned by a foreign sovereign. By checking this box, you are certifying to all the statements made in line 11.

Line 12. Check the appropriate box if you are a foreign tax-exempt organization.

Caution: *If you are a foreign tax-exempt organization, you must attach a statement setting forth any income that is includible under section 512 in computing your unrelated business taxable income.*

Box 12a. Check this box if you have been issued a determination letter by the IRS. Enter the date of the IRS determination letter.

Box 12b. Check this box if you do not have an IRS determination letter, but are providing an opinion of U.S. counsel concluding that you are an organization described in section 501(c).

Box 12c. If you are a section 501(c)(3) organization, check this box if you are **not** a private foundation. You must attach to the withholding certificate an affidavit setting forth sufficient facts concerning your operations and support to enable the IRS to determine that you would be likely to qualify as an organization described in section 509(a)(1), (2), (3), or (4).

Box 12d. Check this box if you are a section 501(c)(3) organization and you are a private foundation described in section 509.

Part III

Form W-8EXP must be signed and dated by an authorized official of the foreign government, international organization, foreign central bank of issue, foreign tax-exempt organization, foreign private foundation, or government of a U.S. possession, as appropriate.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping,** 7 hr., 10 min.; **Learning about the law or the form,** 5 hr., 28 min.; **Preparing and sending the form to IRS,** 5 hr., 49 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send Form W-8EXP to this office. Instead, give it to your withholding agent.

WORKSHEET FOR FOREIGN GOVERNMENTS, INTERNATIONAL ORGANIZATIONS, AND FOREIGN CENTRAL BANKS OF ISSUE

(Do not give to the withholding agent. Keep for your records.)

Complete this worksheet to determine whether amounts received are or will be exempt from United States tax under section 892 or 895 and exempt from withholding under sections 1441 and 1442.

- *Foreign governments and foreign central banks of issue, start with question* ***1.***
- *International organizations, go directly to question* ***6.***

FOREIGN GOVERNMENT	Yes	No
1a Is the foreign government an integral part of a foreign sovereign (see **Definitions**)? . . . . . (If "Yes," go to question **4.** If "No," answer question **1b**.)		
b Is the foreign government a controlled entity of a foreign sovereign (see **Definitions**)? . . . . . (If "Yes," answer question **2a**. If "No," go to question **7a**.)		
2a Is the controlled entity a foreign central bank of issue (see **Definitions**)? . . . . . (If "Yes," answer question **2b**. If "No," go to question **3**.)		
b Is the foreign central bank of issue engaged in commercial activities within the United States? . . . . . (If "Yes," go to question **7a**. If "No," go to question **4**.)		
3 Is the controlled entity engaged in commercial activities anywhere in the world? . . . . . (If "Yes," income is **not** exempt from tax under section 892 and may be subject to withholding. **Do not** complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," answer question **4**.)		
4 Does the foreign government or foreign central bank of issue (wholly owned by the foreign sovereign) receive income directly or indirectly from any controlled commercial entities or income derived from the disposition of any interest in a controlled commercial entity (see **Definitions**)? . . . . . (If "Yes," income is **not** exempt from tax under section 892 and may be subject to withholding. **Do not** complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," answer question **5**.)		
5 Is any of the income received by the foreign government or foreign central bank of issue (wholly owned by the foreign sovereign) from sources other than investments in the United States in stocks, bonds, other domestic securities (as defined in Temporary Regulations section 1.892-3T(a)(3)), financial instruments held in the execution of governmental financial or monetary policy (as defined in Temporary Regulations section 1.892-3T(a)(4) and (a)(5)), or interest on deposits in banks in the United States? . . . . . (If "Yes," income is **not** exempt from tax under section 892 and may be subject to withholding. **Do not** complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," check the appropriate box on **line 9** of Form W-8EXP.)		

INTERNATIONAL ORGANIZATION	Yes	No
6 Is the international organization an organization in which the United States participates pursuant to any treaty or under an Act of Congress authorizing such participation and to which the President of the United States has issued an Executive Order entitling the organization to enjoy the privileges, exemptions, and immunities provided under the International Organization Immunities Act (22 U.S.C. 288, 288e, 288f)? . . . . . (If "Yes," check the box on **line 10** of Form W-8EXP. If "No," income may be subject to withholding. **Do not** complete this form for such income. Instead, complete Form W-8BEN or W-8ECI.)		

FOREIGN CENTRAL BANK OF ISSUE	Yes	No
7a Is the entity, whether wholly or partially owned by the foreign sovereign, a foreign central bank of issue? . . . (If "Yes," answer question **7b**. If "No," income is **not** exempt from tax under section 895 and may be subject to withholding. **Do not** complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI.)		
b Is the income received by the foreign central bank of issue from sources other than obligations of the United States (or any agency or instrumentality thereof) or from interest on deposits with persons carrying on the banking business? . . . . . (If "Yes," income is **not** exempt from tax under section 895 and may be subject to withholding. **Do not** complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," answer question **7c**.)		
c Are the obligations of the United States (or any agency or instrumentality thereof) or bank deposits owned by the foreign central bank of issue held for, or used in connection with, the conduct of commercial banking functions or other commercial activities by the foreign central bank of issue? . . . . . (If "Yes," income is **not** exempt from tax under section 895 and may be subject to withholding. **Do not** complete Form W-8EXP for such income. Instead, complete Form W-8BEN or W-8ECI. If "No," check the box on **line 11** of Form W-8EXP.)		

Exhibit 77-L

Central Withholding Agreement Procedures

(Excerpt from IRS Publication 515 "Withholding of Tax on Nonresident Aliens and Foreign Entities")

Nonresident alien entertainers or athletes performing or participating in athletic events in the United States, may be able to enter into a withholding agreement with the IRS for reduced withholding provided certain requirements are met. Under no circumstances will a withholding agreement reduce taxes withheld to less than the alien's anticipated income tax liability.

Nonresident alien entertainers or athletes requesting a central withholding agreement must provide the following information.

1. A list of the names and addresses of the nonresident aliens to be covered by the agreement.
2. Copies of all contracts that the aliens or their agents and representatives have entered into regarding the time period and performances or events to be covered by the agreement including, but not limited to, contracts with:
    a. Employers, agents, and promoters,
    b. Exhibition halls,
    c. Persons providing lodging, transportation, and advertising, and
    d. Accompanying personnel, such as band members or trainers.
3. An itinerary of dates and locations of all events or performances scheduled during the period to be covered by the agreement.
4. A proposed budget containing itemized estimates of all gross income and expenses for the period covered by the agreement, including any documents to support these estimates.
5. The name, address, and telephone number of the person the IRS should contact if additional information or documentation is needed.
6. The name, address, and employer identification number of the agent or agents who will be the central withholding agents for the aliens and who will enter into a contract with the IRS. A central withholding agent ordinarily receives contract payments, keeps books of account for the aliens covered by the agreement, and pays expenses (including tax liabilities) for the aliens during the period covered by the agreement.

When the IRS approves the request, the Associate Chief Counsel (International) will prepare a withholding agreement. The agreement must be signed by each withholding agent, each nonresident alien covered by the agreement, and the Commissioner of the Internal Revenue Service or his delegate.

Generally, each withholding agent must agree to withhold income tax from payments made to the nonresident alien, to pay over the withheld tax to the IRS on the dates and in the amounts specified in the agreement, and to have the IRS apply the payments of withheld tax to the withholding agent's Form 1042 account. Each withholding agent will be required to file Form 1042 and Form 1042-S for each tax year in which income is paid to a nonresident alien covered by the withholding agreement. The IRS will credit the withheld tax payments, posted to the withholding agent's Form 1042 account, in accordance with the Form 1042-S. Each nonresident alien covered by the withholding agreement must agree to file Form 1040NR or, if he or she qualifies, Form 1040NR-EZ.

A request for a central withholding agreement should be sent to the following address at least 90 days before the agreement is to take effect.

Internal Revenue Service
Compliance Area Director, Area 15
950 L'Enfant Plaza South, S.W.
S:C:15
Washington, DC 20024

Exhibit 77-M.

Summary Transaction Diagrams

Summary diagrams of various transactions between the university and nonresident alien payees are available to provide a general perspective on the overall payment process. See the Manual of Business Procedures Section 77 for details.

Compensation for Independent Personal Service Rendered In the USA by A NRA Individual

Compensation for Service Rendered In the USA by A NRA Corporation, Partnership or Fiduciary

Compensation for Service Rendered In the USA by A NRA Non-Profit Organization

Scholarship or Fellowship Award Issued To NRA Individual Not Enrolled In A Degree Program

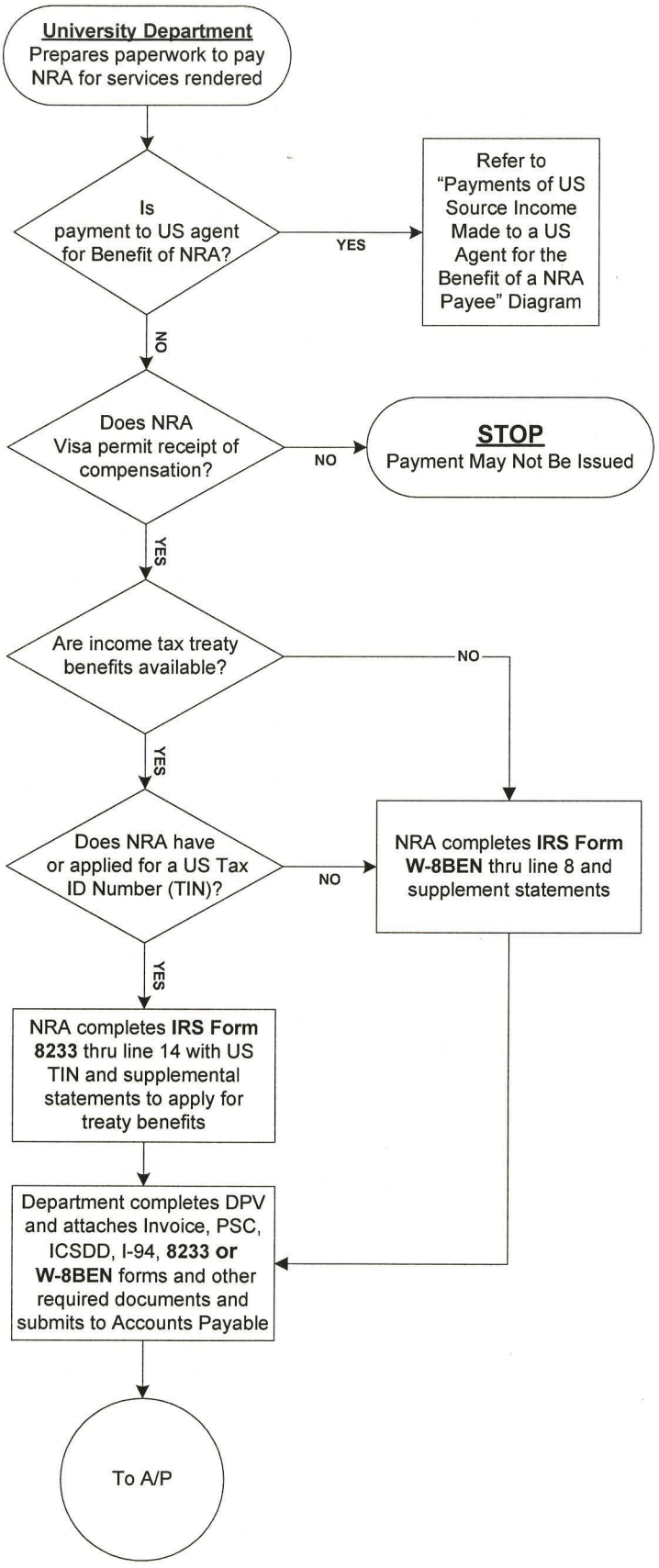
Payment to NRA of Royalties Earned in the USA

Payment of Rent to NRA for Real or Personal Property Located In the USA

Payments of U.S. Source Income Made To A U.S. Agent for the Benefit of A NRA Payee

Compensation for Independent Personal Service Rendered in the USA by a NRA Individual

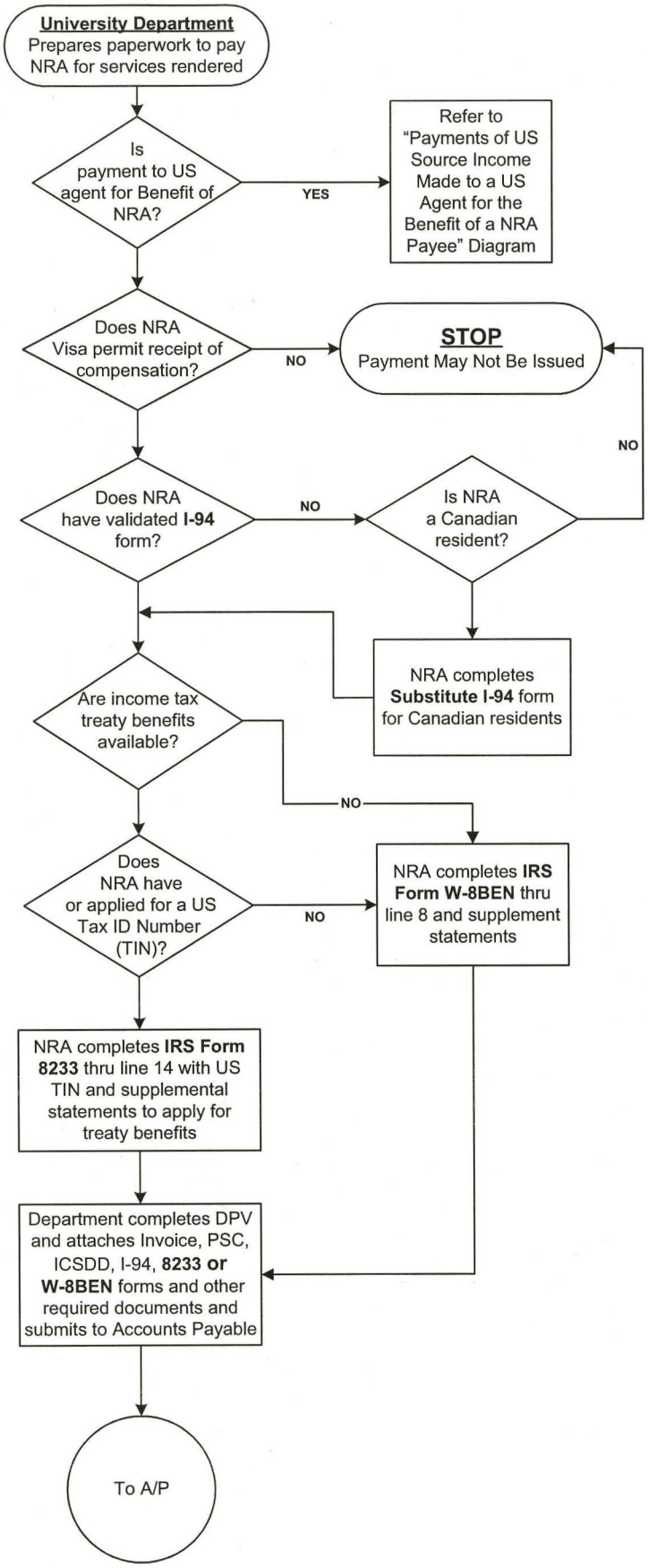
This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77 for details.



Common / NRA Compensation

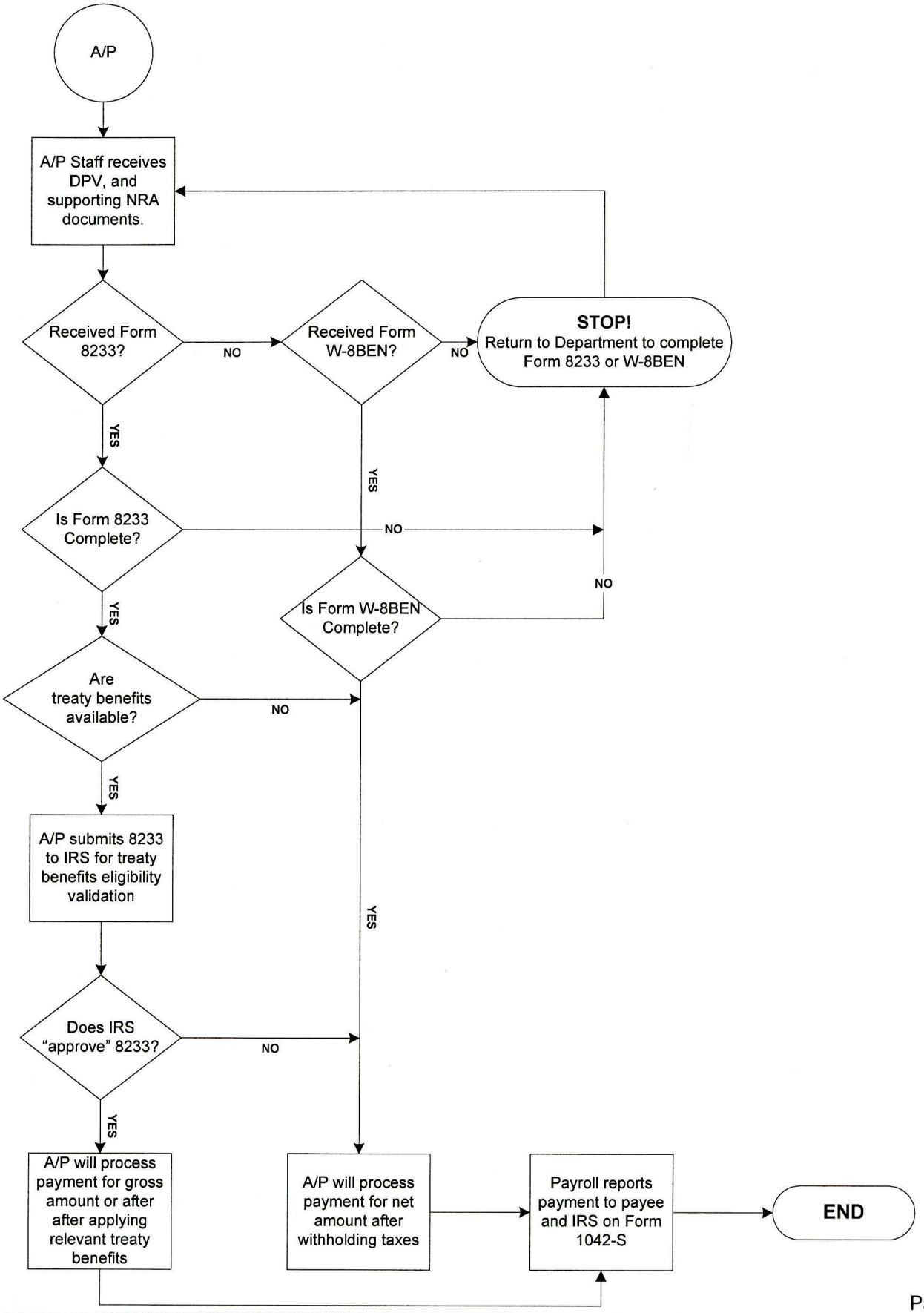
Compensation for Independent Personal Service Rendered in the USA by a NRA Individual

This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77.II and 77.III.A for details.



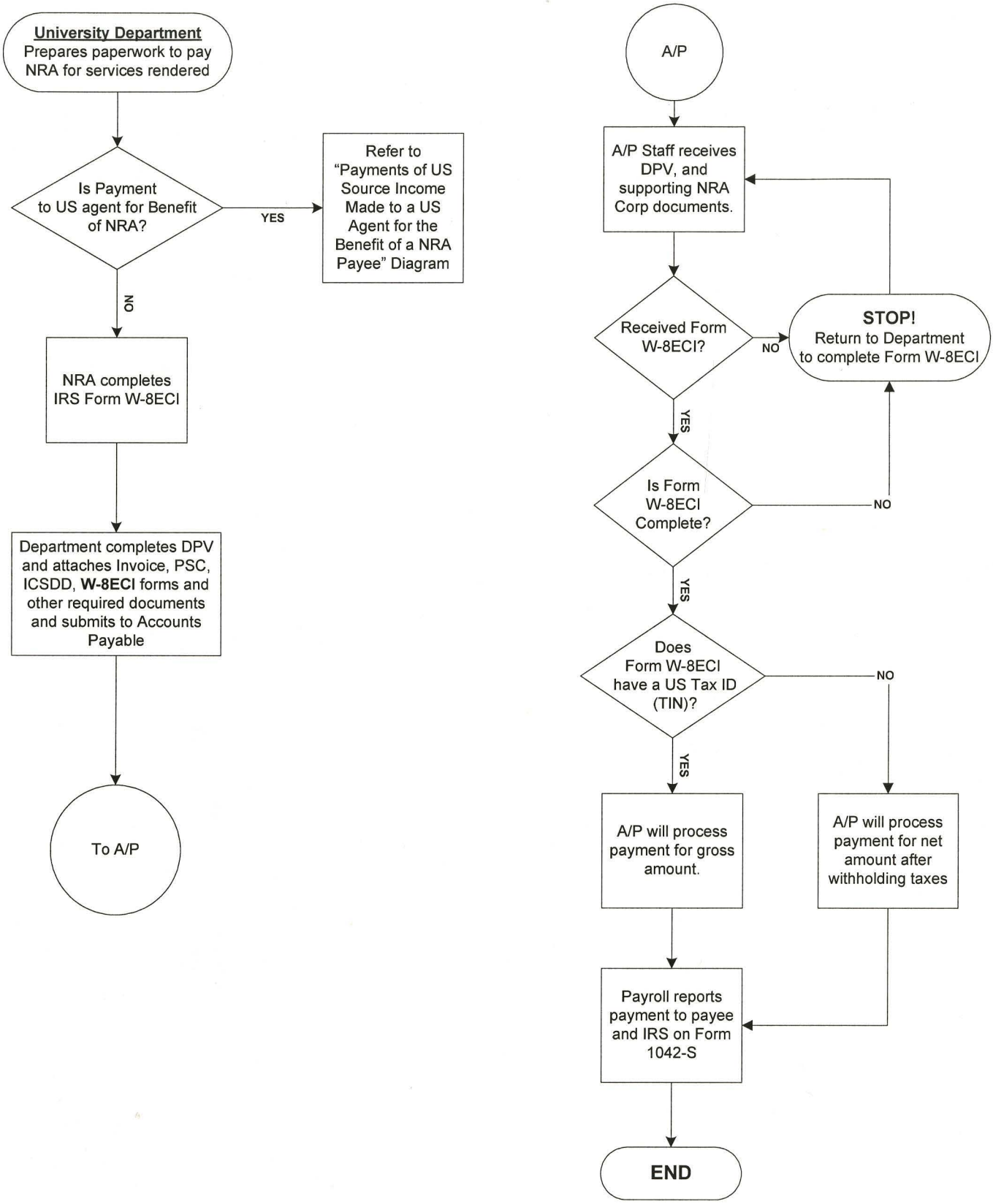
Compensation for Independent Personal Service Rendered in the USA by a NRA Individual

This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77 for details.



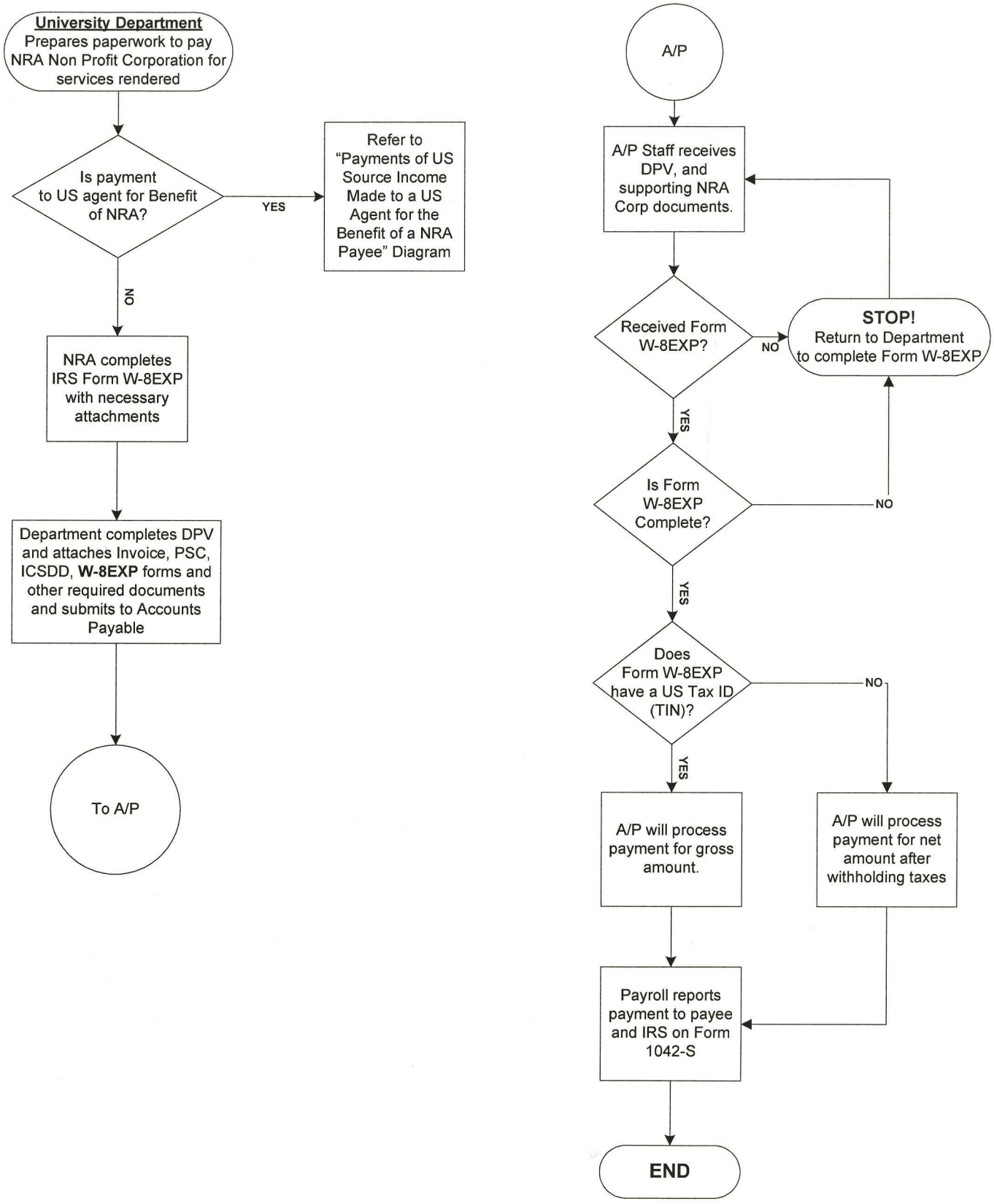
Compensation for Service rendered in the USA by a NRA Corporation, Partnership or Fiduciary

This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77 for details.



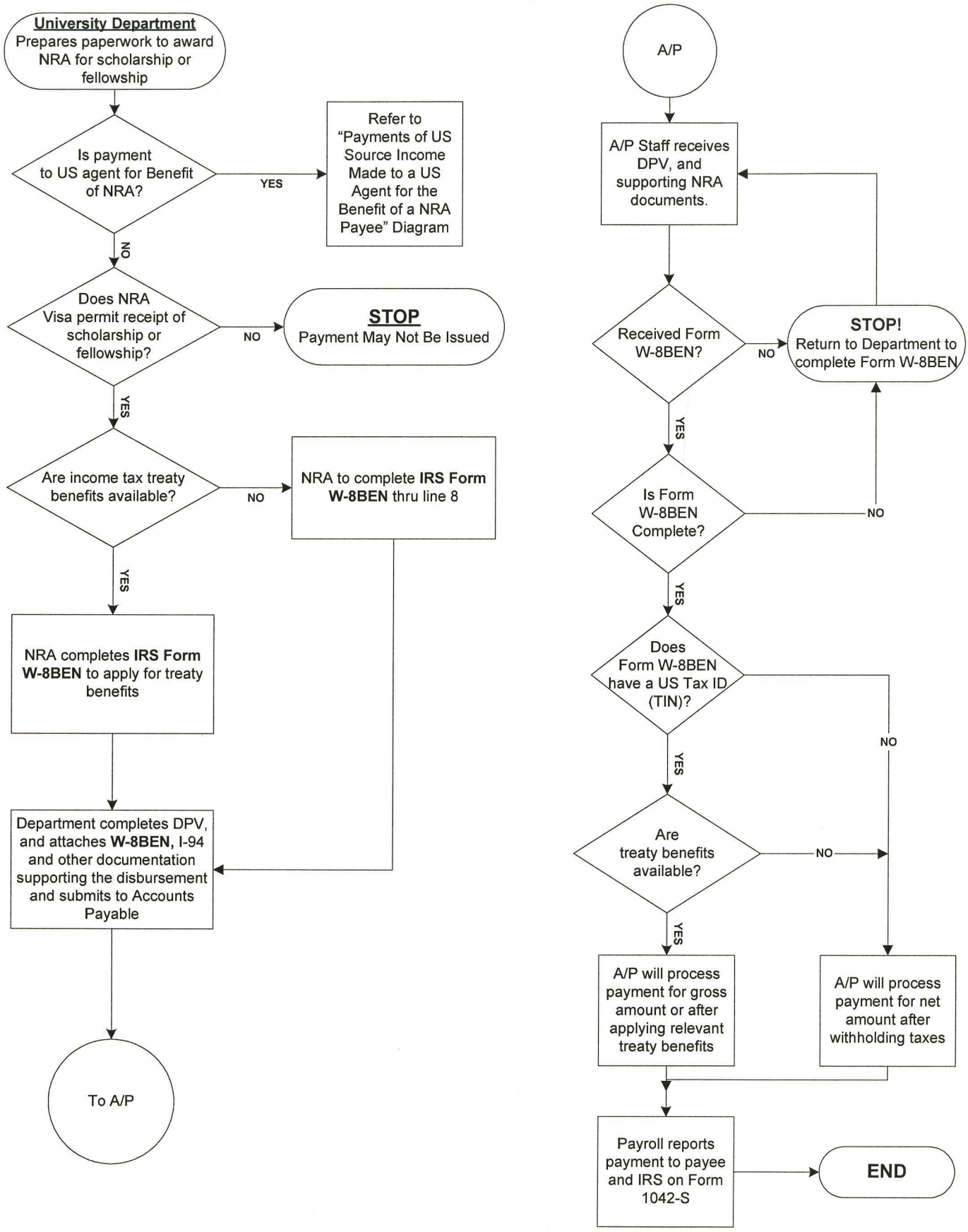
Compensation for Service Rendered in the USA by a NRA Non Profit Corporation

This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77 for details.



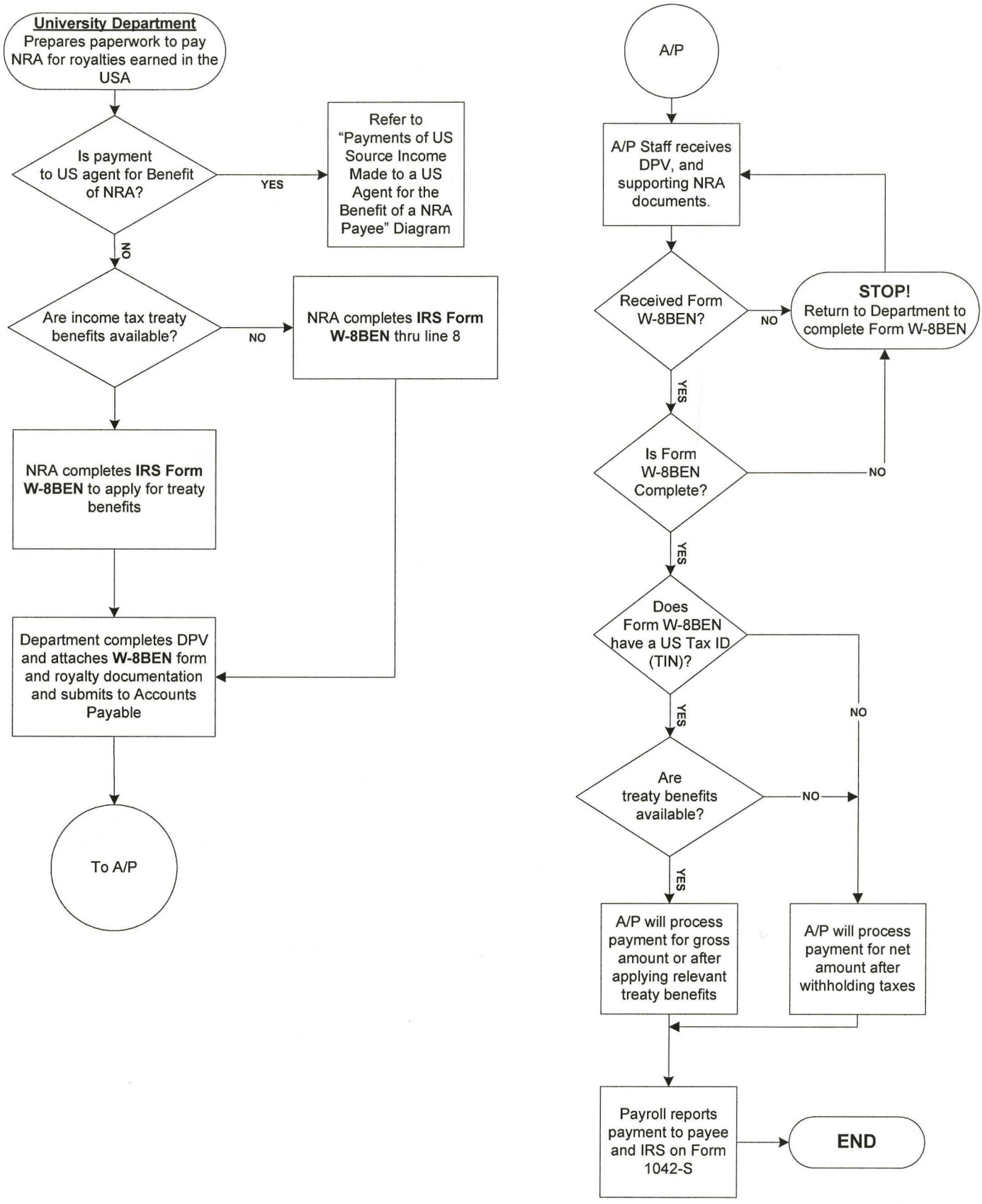
Scholarship or Fellowship Award Issued to NRA Individual Not Enrolled in a Degree Program

This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77 for details.



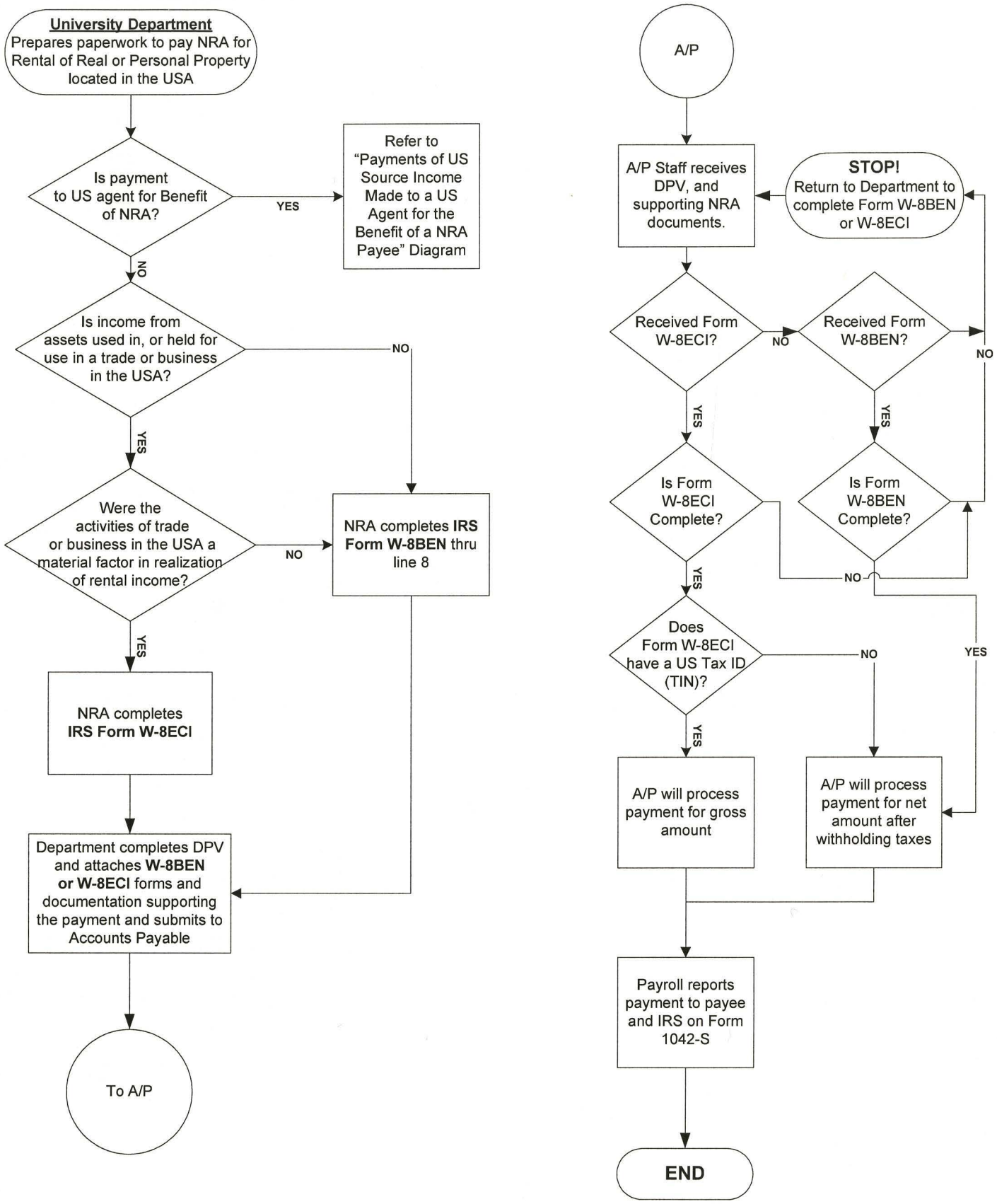
Payment to NRA of Royalties Earned in the USA

This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77 for details.



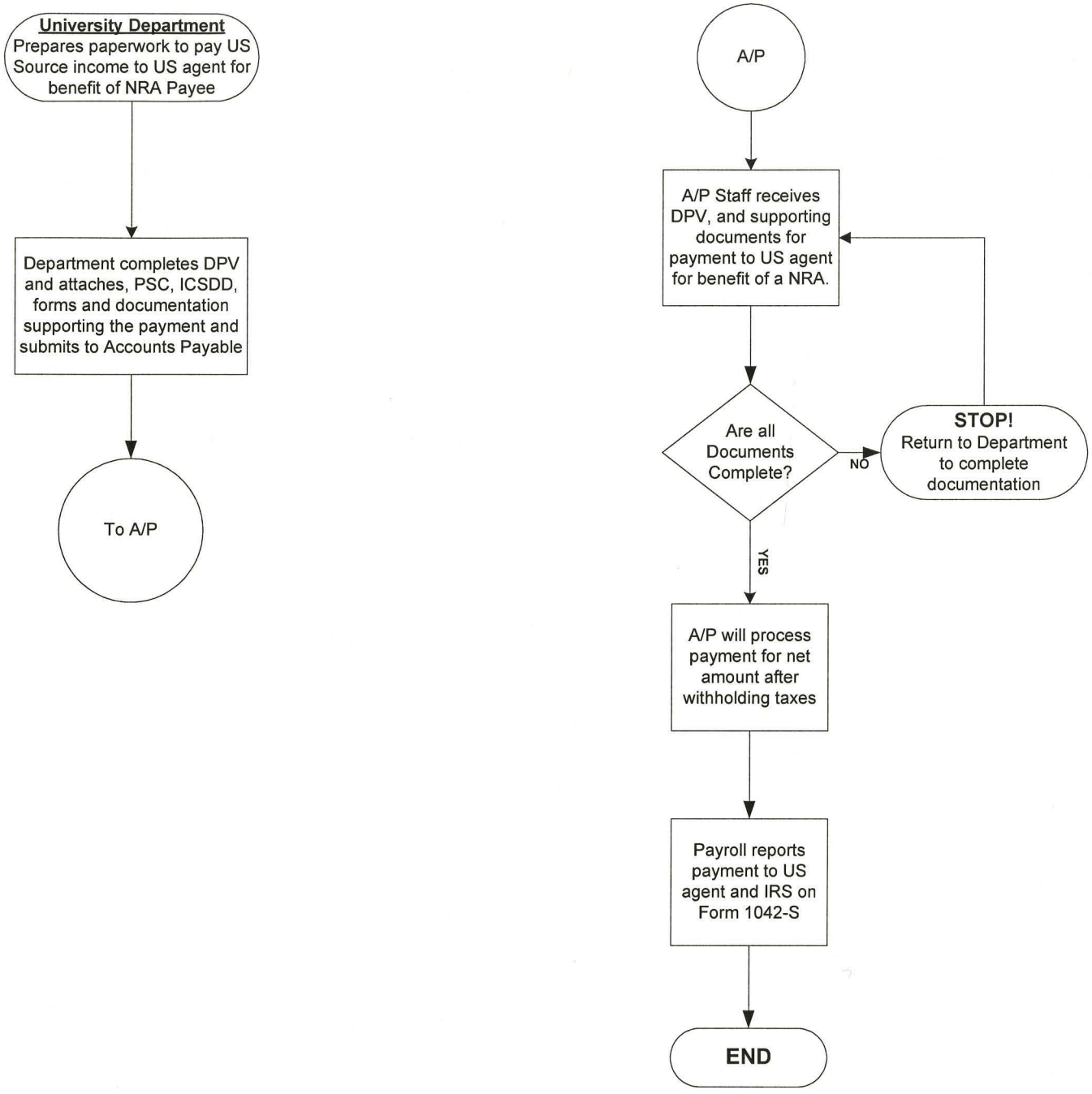
Payment of Rent to NRA for Real or Personal Property Located in the USA

This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77 for details.



Payments of US Source Income Made to a US Agent for the Benefit of a NRA Payee

This diagram is a general presentation intended to provide perspective on the overall NRA payment process for this type of payment.
See Manual of Business Procedures Section 77 for details.



Accounting

CTLR HOME

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Recent News:

Form images with the File Format .pdf can be viewed with Adobe Acrobat 4.0. Most of these forms are interactive. **You must have Adobe Acrobat 4.0 in order to interact with these forms**. Adobe Acrobat does not support saving data you've entered on these interactive forms. You can only type in the information and then print. You can obtain Acrobat as a free add in from Adobe's home page Get Acrobat Reader

Form Name	Form Description	File Formats		
		.pdf	**.doc**	**.xls**
ex5d	Agency Account - Non-Student Organization Application Form	☑		
ex5d_2	Agency Account - Non-Student Organization Policy and Guidelines	☑		
ex5c	Agency Account - Student Organization Application Form	☑		
ex12a	Budget Reallocation Request Form	☑		
ACC1	Cancel Checks Form	☑	☑	
ex5b	Clearing and Deposit Account Request Form	☑	☑	
ex75a	Direct Payment Voucher	☑		☑
ex5g	Guidelines for Development and Documentation of Internal Service Billing Rate(s)	☑		
ex76b	Independent Contractor (IC) Status - Determination and Documentation (ICSDD) Guidelines for Completion of ICSDD Form	☑		
ex76a	Independent Contractor (IC) Status - Determination and Documentation (ICSDD) Procedure Form	☑	☑	
ex76c	Independent Contractors (IC) - Professional Personal Services Contract (PSC)	☑	☑	☑
ex75b	IRS Form W-9 - Request for Taxpayer Identification Number and Certification	☑		
ex40a	Journal Voucher	☑	☑	☑
ACC2	Lost Check Form (Employee/Student)	☑	☑	
ACC3	Lost Check Form (Vendor)	☑	☑	
ex75c	Multiple Check Voucher Form	☑		☑

ACC4	New Account Form	☑	☑	
ex76g	Nonresident Alien Independent Contractor - IRS Form 4224 - Exemption From Withholding of Tax on Income Effectively Connected With the Conduct of a Trade or Business in the United States	☑		
ex76f	Nonresident Alien Independent Contractor - IRS Form 8233 - Exemption From Withholding on Compensation for Independent Personal Services of a Nonresident Alien Individual	☑		
ex75d	Reimbursement Voucher Form	☑	☑	☑
ex5f	Revolving Account Financial Procedures	☑		
ex5e	Revolving Account Policies	☑		
ex5a	Revolving Account Request Form	☑	☑	
ex70d	Travel Voucher	☑		☑

Last Reviewed: October 31, 2001

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Issues Relating to Paying Non-resident Alien Guests and Independent Contractors

- Any payment to a non-resident alien (international visitor admitted to the U.S. on a non-immigrant visa) is subject to regulation by the Immigration and Naturalization Service (INS) and the Internal Revenue Service (IRS).

- INS and IRS regulations apply whether the international visitor is invited from their home country or from another institution in the United States.

- Invitations to non-resident aliens should be coordinated with the Office for International Students and Scholars (telephone = 3-1720) before the invitation is extended.

- Commitments to pay international visitors must not be made unless INS and IRS regulations are met. These agencies will assess penalties against MSU for failure to comply with regulations.

- The term "payments" includes providing the visitor with travel accommodations (transportation, meals, lodging and incidentals) as well as reimbursing the visitor for documented travel expenses. It also includes contractual payment for services rendered and non-contractual payment of honoraria.

- Visitors holding B2 and WB2 (visitors for pleasure/tourist) visas are not eligible for any payment.

- Generally, visitors holding B1 and WB1 (visitors

for business) visas are eligible to receive payment for travel expenses. Legislation passed in 1998 also provides for the payment of reasonable honorarium to these visitors. Unfortunately, the INS has not yet issued implementing regulations for this provision. Prior to committing to or making an honorarium payment to such a visitor, consult with the Office for International Students and Scholars to be certain the visitor is properly documented.

- Typically, contractual compensation is permissible for visitors holding J1 "Exchange Visitor" visas. If the visitor is being hosted by another U.S. institution, a properly completed INS Form IAP66 and a letter from the other institution authorizing "incidental employment" will be required to authorize a contractual engagement and payment to the visitor.

- The IRS requires that all non-resident aliens receiving compensation payments (including honoraria) must posses and must provide to the payer (MSU) a U.S. social security number. All such payments made must be reported by MSU on IRS Form 1042S.

- Compensation payments are subject to income tax withholding unless the visitor is from a country with which the U.S. has an income tax treaty. Application for treaty benefits (exemption from withholding but not reporting and possibly taxation) must be made on IRS Form 8233 in advance of MSU making the payment (10-day waiting period after application).

- Refer to Section 76 "Independent Contractors" of the MSU Manual of Business Procedures.

- Accounts Payable Contact: Pat Lynn (3-2011), Phyllisia Pryor (3-2011)

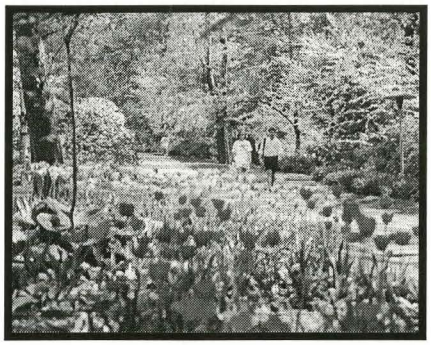
Recent News:

Accounting/Accounts Payable

MSU Accounting/Accounts Payable Department
360 Hannah Administration Building
East Lansing, MI 48824

Telephone Numbers:
Accounting: (517) 355-5000
Invoices/Vouchers: (517) 353-2011

Fax: (517) 353-1706
Email: accounting@ctlr.msu.edu



Information About:

- 1999 MSU Audited Financial Statements
- Common Unit Codes (CUC)
- Help Using the Account Inquiry System (A17)
- Invoice Confirmation
- Invoice Copies via Email
- Invoice Payments Against New Purchase Orders - Requires Adobe Acrobat
- Year End Cut-Off Procedures

BIAG Handouts:

- ~~Issues Relating to Paying Non-Resident Alien Guests and Independent Contractors~~
- Unrelated Business Income Tax (UBIT)

Have a suggestion or comment for the Accounting Office, email them at above address or complete the comment form:
Comment Form

Last Reviewed: December 05, 2001
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MICHIGAN STATE UNIVERSITY

MSU Office of the Controller

305 Administration Building
East Lansing, MI 48824-1046
Phone: 517-355-5020

done 5/11/02 SL

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Delete V

Section 77:

Stores 220 –

From: "Robert Eash" <Bob.Eash@usdwp.msu.edu>
To: <Toomey@ctlr.msu.edu>
Date: 9/24/01 9:18AM
Subject: Re: Manual of Business Procedures

Vol II

Hi Marge,

We have an update just about ready to publish (I think Bev is proofing). Here are the changes:

We've added an Online Return Form ✓

New counter hours are 7:30 a.m. to 5:00 p.m.

We no longer offer a printed catalog.

Open Order limit has been raised to $2,500.

There are new Open Order policies.

Budget Booster is now done by MSU Surplus Store. ~~300~~ 222 OK ?

New service rates.

Thanks.

Robert E. Eash, Manager
University Stores
101 Angell Building
Michigan State University
East Lansing, MI 48824-1234
Phone: (517) 355-1700
Fax: (517) 355-4484
E-mail: eash@msu.edu
Web: http://usdinfo.msu.edu

Section not updated

MBP

From: "Robert Eash" <Bob.Eash@usdwp.msu.edu>
To: <toomey@ctlr.msu.edu>
Date: 2/6/02 6:50AM
Subject: Manual of Business Procedures

Marge,
We will be putting out an updated version of our section 220. It's mostly just some cleaning up of the language. The only actual change is in the Open Order section. We removed space heaters from the restricted list.

Thanks,

Bob

CC: "Boyd Shumaker" <Boyd.Shumaker@usdwp.msu.edu>

Section 220 - nothing to include in update memo -

3/12/02 OK - Confirmed w/ Bob Eash - won't note in update memo mt

221

Change to ORWR's sec. 221. II. B. of the MBP as follows:

Changes highlighted in blue.

<snip> services at MSU, the **Office of Recycling and Waste Management** was formed to initiate and coordinate collection and processing/marketing of recyclable wastes.

1. **OFFICE PAPER**
   a. Regular, Routed Service
      White and Mixed paper collection is available in all academic, administrative and most service buildings. The program works as follows:

      - Free containers are provided to all staff for each of the grades of paper collected (use of an alternative container is acceptable).
      - Faculty and staff will take these containers to an "intermediate" container located in centralized area in their department (usually near copy machines, computers, mail boxes, etc.)
      - Office of Recycling staff collects the materials from there on a regular schedule, and removes it from the building for processing and marketing.

   b. Special Pick up Service
      Special pickup service is available for items such as bound books, glossy brochures, purged files*, etc. Call the MSU *Recycles!* Hotline to arrange for a **special pickup.**

*NOTE that some university documents are required to be kept for varying periods of time to comply with legal and fiscal requirements. Contact University Archives and Historical Collections, Sec. 335, or www.msu.edu/unit/msuarhc/; call 517-355-2330 for more information.

2. **MAGAZINES/CATALOGS**
   These periodicals with all **glossy pages** are collected at different locations throughout academic and administrative buildings in containers provided to each building. Call for location information or to schedule a special pick up.

3. **NEWSPAPERS**

Item II, B, 1, b.
Offic paper

These are collected in all buildings at a designated location, usually at the loading dock. Individuals and departments are required to transport the paper to these containers.

4. **TELEPHONE DIRECTORIES**
Outdated Ameritech, faculty/staff, and student directories are collected on campus at the time of distribution of the new directories. Call the Hotline for location information.

5. **LASER PRINTER TONER CARTRIDGES**
Empty **Toner Cartridges** will be collected for reuse by the Office Paper recycling staff if they are placed in the original packaging and left next to the office paper "intermediate" container.

6. **INK JET CARTRIDGES**
Empty Ink Jet cartridges can be sent to MSU Recycling, via campus mail. Please use the plastic bag furnished with the cartridge purchased from University Stores, or call the Hotline to request one.

7. **SHIPPING PACKAGING**
Corrugated cardboard cartons are collected from many receiving areas and other campus buildings. Please call if you have large amounts of cardboard in your building. The Office of Recycling and Waste Management will provide containers and guidelines to follow for preparation.

In addition, **Polyfoam** "packing peanuts" only (no cups or blocks) are collected and redistributed by University Stores for re-use by shipping departments.
Simply place in a plastic bag, and label for Campus Mail pick up.

8. **RESIDENTIAL MATERIALS**
A mobile **Recycling Center** is available for residents of the **University Apartments**. It accepts household materials such as **newspaper, corrugated cardboard, office papers; and glass, plastic and metal containers.**

A plan for serving the Residence Halls is also being developed.

<snip>

From: "Deborah Dohm" <dddohm@pplant.msu.edu>
To: <toomey@ctlr.msu.edu>
Date: 4/29/02 4:50PM
Subject: Revision to Section 221 - Recycling - MBP

University Archives and Historical Collections asked that we add the following statment to Section 221.II.B of the Manual of Business Procedures regarding recycling. The changes are highlighted in blue and I've also attached a copy of the section with the added material highlighted. We will make the changes. (There are other minor changes to format, but content remains unchanged.) Please call if you have any questions - 5-3366

b. Special Pick up Service
Special pickup service is available for items such as bound books, glossy brochures, purged files*, etc. Call the MSU Recycles! Hotline to arrange for a special pickup.

*NOTE that some university documents are required to be kept for varying periods of time to comply with legal and fiscal requirements. Contact University Archives and Historical Collections, Sec. 335, or www.msu.edu/unit/msuarhc/; call 517-355-2330 for more information.

CC: <millerwh@msu.edu>, "Cena Antes" <CMANTES@pplant.msu.edu>, "Pete Pasterz" <ppasterz@pplant.msu.edu>, "Bob Ellerhorst" <RLELLERH@pplant.msu.edu>

222

From: "Beverley Garrison" <Beverley.Garrison@usdwp.msu.edu>
To: <toomey@ctlr.msu.edu>
Date: 12/5/01 4:47PM
Subject: MBP for Section 222, MSU Surplus Store

Marge - I know you've been just itching for this one.

Major changes:
The new on-line Pick Up Request Form (PURF) is now available (III.A.2). It's quick and easy, no form to buy, and MSU Surplus Store is immediately notified that you have something for them to pick up. This form can ONLY be used for non-inventoried items for no credit.

The Budget Booster (IV.) is now paperless. It is a list-serv that is accessible to all. You may sign up for the list-serv by e-mailing MSU Surplus Store at surpluss@msu.edu.

Other changes * just added some hotlinks

Now Boyd has assured me that this section will get published at least by tomorrow. So you gotta hold your horses just a little bit longer. I'll be watching for this tomorrow...ooh, ooh, Boyd just walked into my office and said that it's published. One problem...there is no link to the PURF, we are working on that and it should be fixed by the end of the week.

I'm still working on Section 300 and that's almost done. Pam George wasn't available to comment on some changes I'm suggesting. I believe that she will be available tomorrow.

Getting close! Bev

CC: "Ruth Daoust" <Ruth#032#Daoust@usdwp.msu.edu>

224

From: "Pam George" <Pam.George@usdwp.msu.edu>
To: <Toomey@ctlr.msu.edu>
Date: 12/4/01 9:07AM
Subject: MBP 224

Marge,

Boyd Shumaker will be uploading the changes to Section 224 this week.

Here is a summary of the major changes:

III. Equipment Criteria - Definitions have been added and the Criteria has been updated.

VI. Equipment Taken Off-Campus - This paragraph has been updated.

Hyperlinks were added throughout Section 224.

Exhibits were removed and hot links were created to the site that "owns" the form.

Thanks
Pam

Pamela D. George
Purchasing Director
102 Angell Building
East Lansing MI 48824-1234
Phone: 517-355-0357
Fax: 517-353-2024

CC: "Beverley Garrison" <Beverley#032#Garrison@usdwp.msu.edu>, "Boyd Shumaker" <Boyd#032#Shumaker@usdwp.msu.edu>, "Glenn DeYoung" <Glenn#032#DeYoung@usdwp.msu.edu>, "Wendy Redinger" <Wendy#032#Redinger@usdwp.msu.edu>

From: "Beverley Garrison" <Beverley.Garrison@usdwp.msu.edu>
To: <toomey@ctlr.msu.edu>
Date: 12/5/01 12:29PM
Subject: MBP224

The Inventory Section 224 is published and I have checked the links and they look ok to me. Pam sent you a brief summary yesterday, so I think we are done with this one.

Still working on Section 222 (MSU Surplus) and Section 300(Equipment Transfer Notice).

They should be done shortly.

Bev

Section 224: Inventory Dept

✓ Section 255

From: Pat Brown
To: Toomey, Marge
Date: 4/25/01 1:07PM
Subject: Re: Manual

OK Marge your updates are done. Any problems, let me know.

****

Patricia M. Brown
Information Technician II
146 Administration Building
East Lansing, MI 48824
brownpa@ctlr.msu.edu

>>> Marge Toomey 04/25/01 07:36AM >>>
Hi Pat.

Section 255 was recently updated for University Services. here is what needs to be done.

In our Table of Contents - Section 255 should read:
I. General
II. Tape Transcription Services (this is what is different)
III. Autopen Services
IV. Spartan Office Aides

Also, please add this to the Changes YTD document:

Section 255 - Office Services Department General Policies:
Condensed and renamed the "Word Processing Services" section to "Tape Transcription Services;" facsimile services have been discontinued.

Be sure current dates are in all of the headers.

Let me know when this is done.

Thanks.

MANUAL OF BUSINESS PROCEDURES - SECTION 255

I. GENERAL
II. TAPE TRANSCRIPTION SERVICES
III. AUTOPEN SERVICES
IV. SPARTAN OFFICE AIDES

OFFICE SERVICES DEPARTMENT GENERAL POLICIES

I. GENERAL

The Office Services Department, telephone number 355-6620, is located at 88 Service Road. It is open Monday through Friday, 8:00 a.m. to noon and 1:00 p.m. to 5 p.m. All services are performed on a charge basis.

II. TAPE TRANSCRIPTION SERVICES

Tape transcription services are available to all departments of the University with a university account number or on a cash basis. All work performed by Office Services is on a first come, first serve basis.

A. Transcription of cassettes

Correspondence, speeches, outline, abstracts, journal articles, reports, notes, minutes of meetings, research papers, focus groups, etc., may by transcribed.

III. AUTOPEN SERVICES

Signing correspondence with an individual's original signature is available. This service is available only when an individual frequently has a large volume of correspondence requiring his/her signature on a continual basis. Individuals wishing to use this services must purchase the matrix. Delivery time for a matrix is six to eight weeks.

IV. SPARTAN OFFICE AIDES

A. Temporary on-call help: Upon request, departments can obtain the services of substitute personnel during leaves of absence, vacations, sickness, overloads of work, vacant positions, etc.

B. Requesting temporary help: to insure that a temporary on-call employee will be assigned to you, we should receive the request for help at least one week prior to the starting date of the assignment. The department must indicate the following:

1. Type of work to be performed
2. Starting date

3. Approximate ending date
4. Working hours
5. Name of supervisor to report to
6. Account number to be charged

Office Services will determine the rate for the service based on the type of work to be performed and will select an employee who best meets the required qualifications of the position.

From: "Bob Felt" <Bob.Felt@usdwp.msu.edu>
To: <Toomey@ctlr.msu.edu>
Date: 4/24/01 2:45PM
Subject: Re: MBP changes for Office Services

Marge,

We condensed and renamed the "Word Processing Services" section to "Tape Transcription Services" and have discontinued facsimile services.

-Bob

>>> "Marge Toomey" <Toomey@ctlr.msu.edu> 04/24/01 02:38PM >>>
Thanks Bob.

Can you give me one sentence that would summarize what changed and I will put that out on our web site under "changes year to date." Your statement will also be included in the annual memo we send (electronically) to the campus community summarizing all changes made to the manual over the past year (10/1 - 9/30).

Thanks again.

>>> "Bob Felt" <Bob.Felt@usdwp.msu.edu> 04/24/01 02:01PM >>>
Hi Marge,

We recently made some changes to the MBP's listed below.

http://usdinfo.msu.edu/Mbp/Sect255.htm

Please let me know if you need more information from US.

Thank you!

-Bob Felt

From: "Glenn DeYoung" <Glenn.DeYoung@usdwp.msu.edu>
To: <toomey@msu.edu>
Date: 9/4/01 10:22AM
Subject: MBP section 270 exhibit 6

Marg,

Per our conversation last week, here is a copy of the new Purchasing Card Application form.
This is exhibit 6 of the MBP section 270.
The "Single Purchase Limit" has been increased to $2,500 from $1,000.

There are a few other exhibits that will be changing in the near future.

Thanks

Glenn

Glenn DeYoung
Systems Analyst
MSU Purchasing Department
517-355-0357 Ext. 106
Fax: 517-353-2024
gdeyoung@msu.edu

CC: "Boyd Shumaker" <Boyd#032#Shumaker@usdwp.msu.edu>, "Marilyn Powell" <Marilyn#032#Powell@usdwp.msu.edu>, "Pam George" <Pam#032#George@usdwp.msu.edu>

Purchasing Card
Cardholder Applicatn

From: "Glenn DeYoung" <Glenn.DeYoung@usdwp.msu.edu>
To: <toomey@msu.edu>
Date: 9/4/01 10:32AM
Subject: MBP section 270 part III A

Marg,

This line in MBP 270 part III A now reads "The Purchasing Card is to be utilized for purchases totaling $2,500 or less."

Sorry I forgot to add this to the previous email.

Glenn

From: "Glenn DeYoung" <Glenn.DeYoung@usdwp.msu.edu>
To: <toomey@msu.edu>
Date: 9/4/01 10:32AM
Subject: MBP section 270 part III A

Marg,

This line in MBP 270 part III A now reads "The Purchasing Card is to be utilized for purchases totaling $2,500 or less."

Sorry I forgot to add this to the previous email.

Glenn

270

glenn.deYoung@usdwp.msu.edu

MEMO TO: Marge Toomey
Controller's Office

FROM: Pamela George
Purchasing

DATE: September 20, 2001

RE: Manual of Business Procedures – Updates for Section 270

I have updated the entire Purchasing Section of the MBP, Section 270. Many of the sections have just been re-organized and further clarification provided. The following list of items represent the areas with significant changes. Please include the list on the Controller's letter that will be distributed to campus in October.

I. General Policy
II. Purchase Requisition

a. Form - Item 2 (on-line authorized user)
b. Purpose – Item 1 (purchase authorization)

Change

III. Bidding Procedures (formerly Section VII)
IV. Purchase Order

d. Open Purchase Orders
f. Maintenance Service Contracts
g. Change Order to a Purchase Order
h. Vendor Exhibits on Campus

V. Returns – Material Return Slip (MR)

c. Preparation
d. Distribution and Routing
e. Transportation Service Request Card (TSR)

VI. Purchasing Card

a. Purpose

VII. Foreign Merchandise Acquisitions – New Item
VIII. Minority and Women Owned Businesses
IX. Code of Ethics

b. Conflict of Interest

MANUAL OF BUSINESS PROCEDURES SECTION 270

I. GENERAL POLICY #GENPOL
II. PURCHASE REQUISITION PURREQ
III. BIDDING PROCEDURES BIDPROC
IV. PURCHASE ORDER PO
V. RETURNS - MATERIAL RETURN SLIP (MR) MR
VI. PURCHASING CARD PCARD
VII. FOREIGN MERCHANDISE ACQUISITIONS FMA
VIII. MINORITY AND WOMEN OWNED BUSINESSES MWOB
IX. CODE OF ETHICS COE

Steph - Please update the MBP TOC to match this ~~our TOC~~ They are not in Sync. ~~The Controller's T.O.C.~~ ~~doc~~ mt

~~Sec 220 - stores~~
~~222 - Supply Store~~
~~224 - Inventory~~
~~255 - Office services~~ - sparta office aids #OFS4
~~285 - Univ Printing~~
300 - equip
320 - Lease Equip Acquisitions
~~325 - Mail~~

270

300

From: "Beverley Garrison" <Beverley.Garrison@usdwp.msu.edu>
To: <toomey@ctlr.msu.edu>
Date: 12/21/01 10:01AM
Subject: MBP, Section 300

Marge û I bet you canÆt believe your eyes! ItÆs actually ready.

Manual of Business Procedures û Section 300.

Major Changes:
Equipment Transfer Notice (ETN) has a slightly different look (Exhibit 1) and the distribution of copies (colors) has been changed. The instructions on ôHow to Use an Equipment Transfer Noticeö have changed slightly to conform to the new form.

The last section, ôCredit for Department Releasing Equipmentö, has been deleted and replaced by ôAccount Numbers and Object Codes on Equipment Transfer Noticesö. This revision primarily clarifies the use of object codes with the Equipment Transfer Notice.

Other Changes:
The wording has changed slightly for the ôDefinition of Equipmentö found under Policies Regarding the Use of the Equipment Transfer Notice.
It conforms with the definition asReceived: from USD-MTA by USDNW1.usd.msu.edu found in the Inventory Section of
the Manual of Business Procedures, Section 224.

Under I. Transfer of Equipment or Supplies to Another Department, MSU Surplus Store offers assistance to departments in determining the value of items.

Other than that, changes are more cosmetic than substantive.

As I mentioned in my voice mail this morning, the old ETN is still Exhibit 1. It will be next week before I can expect the new ETN to show up. I am planning on being around all during the holidays so I will keep an eye out for it. We all realize how important this is because the new Section 300 talks about the new ETN. I'll let you know as soon as I see it. Hopefully early next week.

Have a good holiday! Bev

From: "Whitney Miller" <millerwh@msu.edu>
To: "Marge Toomey" <Toomey@ctlr.msu.edu>
Date: 9/5/01 8:45AM
Subject: Archives Policies

Marge,

I'm glad you wrote me. I have been meaning to get in touch with you about a couple of things.

1) The hotlink from the "Section 335" should go to this address. Note there is an underscore between the "e" of frame and the "r" of records. It just doesn't show up in this format.

http://www.msu.edu/~msuarhc/frame_records.htm (I)

2) We have had quite a problem this year getting people to abide by the university policy on records retention/destruction. Part of the reason is that the office of recycling has been telling people to weed out their records and toss them. While this is not necessarily a bad thing to do, there is a proper procedure to be followed when destroying university records. Thus, I would like to know if we can add a part to our section.

Type is we diff view

Section 335 University Records Program

http://www.msu.edu/~msuarhc/frame_records.htm
I. University Records Transfer and Destruction Policy

added link to reference in Records Transfer & Destruction Policy

http://www.msu.edu/~msuarhc/frame_info.htm

(Note there is an underscore between frame and info as well).

3) In addition, would it be possible to add a line in Section 221 that says something to the effect that for the recycling or destruction of University Records refer to Section 335.

Thanks. Marge. If this message is too confusing please give me a call.

Whitney
5-2330

Section 335: Archives & Historical Collections
http://www.msu.edu/~msuarhc/frame_info.htm
frame_record.htm • I. Records ~~Retention Information~~ Program
frame_info.htm • ~~II~~ I Records Transfer and Destruction Policy
II

looks good.
Jan
5/2/01

315

SECTION 315: GIFTS, GRANTS OR CONTRACTS

I. SPONSORED RESEARCH
   A. BASIC POLICIES FOR ADMINISTRATION
   B. PROPOSAL
   C. COOPERATIVE RESEARCH AGREEMENT
   D. PROCEDURES AFTER APPROVAL BY OUTSIDE AGENCY
II. GIFTS
III. NONCASH GIFTS/GIFTS-IN-KIND (SECURITIES, REAL ESTATE, MINERAL INTERESTS, OR OTHER PERSONAL PROPERTY
IV. CONSIGNMENT EQUIPMENT - GIFTS
V. FINAL APPROVAL
VI. CASH RECEIPTS
VII. EXPENDITURES
VIII. REPORTS
IX. EXHIBITS

SECTION 315: GIFTS, GRANTS OR CONTRACTS

I. SPONSORED RESEARCH

A. Basic Policies for Administration

1. Research projects should be developed consistent with the University's goals.

2. Sponsored research should be accepted only if appropriate time, space and facilities can be made available. Provisions should be made for continuity of support in order to stabilize required staff.

3. The University should retain the rights of first publication for its scholars.

4. The complete cost of the research should be determined. **If grants or contracts are accepted which do not cover all of the direct and indirect costs, the department/college may be asked to provide the additional financial support with the full recognition that it is making a contribution to the cost of the work.**

5. Research projects should conform to established University patent policy (see "Supplementary Statement Regarding Disposition of Patents" at end of section).

B. Proposal

1. The proposal, which is generally developed in the department, should establish the terms and conditions for the provision of funds and the performance of research. Before the final draft of the proposal is completed, the budget should be reviewed by the Office of Contract and Grant Administration, for conformity with policies on such matters as allowable direct and indirect costs.

2. Direct costs involve expenditures that are directly related to a project such as salaries, supplies and services, and purchases of equipment. Indirect costs involve administrative services, maintenance and operation of physical facilities and other expenditures that cannot readily be related directly to the research project. **Indirect costs are computed by multiplying a fixed percentage, which is negotiated with the federal government, times the total direct costs excluding equipment items and the portion of each subcontract which exceeds $25,000. Only the Vice President for Finance and Operations can negotiate indirect cost rates on behalf of the University.**

3. The proposal should not be submitted to an outside agency before it is approved by the unit administrator, dean, and Contract and Grant Administration.

4. If human subjects are involved in the proposed research, approval by the University Committee on Research Involving Human Subjects is required before an account number can be assigned.

5. If animals are to be used in the proposed research, approval by the Committee on Animal Facilities and Care is required before an account number can be assigned.

6. Proposals which call for use of radioactive isotopes, some forms of recombinant DNA, or hazardous organisms or chemicals require approval of the appropriate committee.

7. Proposals to do sponsored research or education projects overseas require approval by the Dean of International Studies and Programs.

8. Proposals involving new space, alterations, or renovations of existing space and/or facilities require approval of the Office of Facilities Planning and Space Management.

9. One copy of the proposal should be prepared for each person signing the transmittal sheet in addition to those required by the sponsoring agency.

10. A "Transmittal Sheet for Request for Contract, Grant or Gift Support" (see exhibit, 315-A) should be completed and submitted with the proposal through appropriate channels as mentioned above, reaching Contract and Grant Administration after all other approvals have been obtained.

11. Sufficient time for processing within the University should be allowed so that Contract and Grant Administration has two days to review the proposal.

12. Mailing of the proposal is the responsibility of the department.

C. Cooperative Research Agreement

1. It is sometimes advantageous to substitute a Cooperative Research Agreement in lieu of a more extensive contract or grant document. These forms are available from the Contract and Grant Administration web site (355-5040), (see exhibit, 315-B). deleted

2. Research activities utilizing the Cooperative Research Agreement should be processed for campus approvals the same as formal proposals. These agreements should be accompanied by a "Transmittal Sheet for Request for Contract, Grant or Gift Support," which requires unit administrator, college and University level approval **before** the agreement is completed.

D. Procedures After Approval by Outside Agency

Official award notifications should be sent to Contract and Grant Administration, who will notify the project leader, department and coordinate acceptance by the Board of Trustees.

II. GIFTS

A. Definition: A gift is a voluntary transfer of funds or property by a person or organization to Michigan State University without any valuable consideration or compensation to the donor.

B. Gifts will be processed by the Office of University Development to assure that:

1. All gifts are properly receipted and recorded.
2. Each donor receives a prompt and appropriate acknowledgement.
3. Members of the Board of Trustees, the administration, faculty and volunteer organizations are kept fully informed.
4. A central record is maintained on all gifts.

C. Gifts are to be accepted, processed, acknowledged and recorded according to established University policies outlined in the "Procedures and Practices for the Development Program." Copies may be obtained from the Vice President for University Development (355-8257) or the Associate Vice President and Director of Development (355-8257).

D. Checks for unrestricted and designated gifts to be deposited into 31-XXXX accounts should be forwarded immediately by departments to University Development, 220 Hannah Technology & Research Center, for processing. Any correspondence from the donor should be attached.

Gifts for research (non-Federal and non-State) of $1,000 or less should be sent directly to University Development for direct deposit in existing sponsored project accounts. Any correspondence from the donor should be attached. Please include a listing of the following information: **account number, amount, AES project number (if applicable), name of researcher**. Gifts for research of more than $1,000 should be routed through Contract and Grant Administration with appropriate forms attached (see procedures at beginning of section 315).

E. Official acceptance of all gifts to Michigan State University will be made by the Board of Trustees based upon a consolidated quarterly report of the Vice President for University Development. Only those gifts which are in conformity with the needs of the University will be accepted. The University reserves the right to refuse any gift which is judged to be inconsistent with institutional needs or for which University resources are too limited to properly administer the gift. In addition, only those gifts from which disbursements are to be made on a nondiscriminatory basis will be accepted.

III. NONCASH GIFTS/GIFTS-IN-KIND (SECURITIES, REAL ESTATE, MINERAL INTERESTS, OR OTHER PERSONAL PROPERTY).

A. Gifts of real and personal property and gifts-in-kind must be documented on a Consignment/Non-Cash Gift Form (see exhibit, 315-C) and approved by the Secretary to the Board of Trustees for submission to the Board for acceptance. The Office of University

Development or the MSU Foundation is to be contacted immediately if gifts of this nature are contemplated. All property or equipment received by the University as a loan should be processed according to instructions in section 224.

B. A donor must have a written appraisal from an independent, qualified appraiser for gifts of $5,000 or more. The appraisal must conform to current IRS guidelines. It is the donor's responsibility to secure, arrange and pay for appraisals of gift property, with assistance from University Development. The University may request a second independent appraisal or may require its own appraisal prior to establishing gift value. Contact University Development or the MSU Foundation for further information.

C. **Tax Requirements**: Internal Revenue Form 8283, Noncash Charitable Contributions, is required from a donor if the gift is over $500. This form must be signed by the MSU Foundation if the gift is over $5,000.

The Internal Revenue Service requires Form 8282 to be completed when the donated property over $500 has been sold, exchanged, consumed or disposed of within two years after the date the original donee received the property. The MSU Foundation must be notified of any disposition of noncash gifts within the first two years so that they may prepare the proper notification. **NOTE**: The donor receives a copy of this form. If the selling/disposal price is much lower than the gift value, the donor's charitable gift value could be challenged.

IV. CONSIGNMENT EQUIPMENT - GIFTS

(General Stores, stock number 140-2498; see exhibit, 315-C). This form should be processed **after** the gift-in-kind has been received by the University. Documentation for the gift-in-kind (appraisals, etc.) should be attached. Include your common unit code, date **received**, and required signatures as follows:

Department Chairperson
Dean or Designated Representative
MSU Foundation
Contract and Grant Administration
Inventory
Department

V. FINAL APPROVAL OF GIFTS, GRANTS AND CONTRACTS

All gifts, grants or contracts presented to the University must be approved by the Board of Trustees. Contract and Grant Administration will coordinate this activity.

VI. CASH RECEIPTS

Colleges, departments and individuals should process all checks immediately upon receipt as follows:

A. Checks received for Contracts and Grants should be forwarded to Contrant and Grant Administration for processing. Checks for Gifts should be forwarded to University Development (see procedure, item II.D).

Departments and colleges are not permitted to deposit or cash checks.

B. When payment for sponsored programs is not received in advance, the Office of Contract and Grant Administration will bill the sponsor according to the terms of the grant or contract.

VII. EXPENDITURES

A. Expenditures of funds must be made in accordance with policies established by the University unless additionally restricted by the terms of the gift, grant or contract.

B. MSU employees traveling overseas on University business must provide receipts for all currency exchange transactions. If receipts are unavailable, the employee must certify in writing that all funds exchanged have been accounted for and business expense receipts presented must equal the amount received in local currency.

VIII. REPORTS

A. Project leaders will be responsible for preparing technical reports as required by the terms of the grants and contracts.

B. Financial reports for grants and contracts will be prepared by the Office of Contract and Grant Administration and forwarded to sponsors as required.

C. Reports of gifts will be prepared and/or coordinated by the Office of the Vice President for University Development.

SUPPLEMENTARY STATEMENT REGARDING DISPOSITION OF PATENTS

Except as otherwise provided, any discovery or invention which results from research carried on by, or under the direction of, any employee of the University and having the cost thereof paid from University funds or from funds under the control of, or of the employee's duties with the University, or which has been developed in whole or in part by the utilization of University resources or facilities, shall belong to the University and shall be used and controlled in such a manner as to produce the greatest benefit to the University and the public.

Any proposed deviation from this standard University patent policy shall be referred to the Vice President for Research and Graduate Studies.

IX. EXHIBITS

Exhibit 315-A. Transmittal Form for Request for Contract, Grant or Gift Support

Exhibit 315-B. Cooperative Research Agreement

Exhibit 315-C. Consignment/Non-Cash Gift Form



TOC

SECTION 315: GIFTS, GRANTS OR CONTRACTS

I. SPONSORED RESEARCH
   A. BASIC POLICIES FOR ADMINISTRATION
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3. The University should retain the rights of first publication for its scholars.

4. The complete cost of the research should be determined**If grants or contracts are accepted which do not cover all of the direct and indirect costs, the department/college may be asked to provide the additional financial support with the full recognition that it is making a contribution to the cost of the work.**

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1. The proposal, which is generally developed in the department, should establish the terms

and conditions for the provision of funds and the performance of research. Before the final draft of the proposal is completed, the budget should be reviewed by the Office of Contract and Grant Administration, for conformity with policies on such matters as allowable direct and indirect costs.

2. Direct costs involve expenditures that are directly related to a project such as salaries, supplies and services, and purchases of equipment. Indirect costs involve administrative services, maintenance and operation of physical facilities and other expenditures that cannot readily be related directly to the research project**Indirect costs are computed by multiplying a fixed percentage, which is negotiated with the federal government, times the total direct costs excluding equipment items and the portion of each subcontract which exceeds $25,000. Only the Vice President for Finance and Operations can negotiate indirect cost rates on behalf of the University.**

3. The proposal should not be submitted to an outside agency before it is approved by the unit administrator, dean, and Contract and Grant Administration.

4. If human subjects are involved in the proposed research, approval by the University Committee on Research Involving Human Subjects is required before an account number can be assigned.

add the same language below

5. If animals are to be used in the proposed research, approval by the Committee on Animal Facilities and Care is required.

6. Proposals which call for use of radioactive isotopes, some forms of recombinant DNA, or hazardous organisms or chemicals require approval of the appropriate committee.

7. ~~Proposals involving acquisition of major computers or use of television equipment should be approved by the Vice Provost for Computing and Technology.~~

8. Proposals to do sponsored research or education projects overseas require approval by the Dean of International Studies and Programs.

9. Proposals involving new space, alterations, or renovations of existing space and/or facilities require approval of the Office of Facilities Planning and Space Management.

10. One copy of the proposal should be prepared for each person signing the transmittal sheet in addition to those required by the sponsoring agency.

11. A "Transmittal Sheet for Request for Contract, Grant or Gift Support" (see exhibit, 315-A) should be completed and submitted with the proposal through appropriate channels as mentioned above, reaching Contract and Grant Administration after all other approvals have been obtained.

12. Sufficient time for processing within the University should be allowed so that Contract and Grant Administration has two days to review the proposal.

mailing of the proposal is the responsibility of the department.

13. ~~The Office of the Vice President for Research and Graduate Studies will mail proposals to the potential sponsor if requested by the department. Mailing is by first class postage only; therefore, the department should submit the proposal to the Office of Research Development 10 days before the grantor's proposal due date.~~

C. Cooperative Research Agreement

1. It is sometimes advantageous to substitute a Cooperative Research Agreement in lieu of a more extensive contract or grant document. These forms are available from the Contract and Grant Administration web site (355-5040), (seeexhibit, 315-B). Cooperative Research Agreements frequently commit resources of the University in a manner requiring special evaluation and legal counsel.

2. Research activities utilizing the Cooperative Research Agreement should be processed for campus approvals the same as formal proposals. These agreements should be accompanied by a "Transmittal Sheet for Request for Contract, Grant or Gift Support," which requires unit administrator, college and University level approval **before** the agreement is completed.

D. Procedures After Approval by Outside Agency

Official award notifications should be sent to Contract and Grant Administration, who will notify the project leader, department and coordinate acceptance by the Board of Trustees.

II. GIFTS

A. Definition: A gift is a voluntary transfer of funds or property by a person or organization to Michigan State University without any valuable consideration or compensation to the donor.

B. Gifts will be processed by the Office of University Development to assure that:

1. All gifts are properly receipted and recorded.

2. Each donor receives a prompt and appropriate acknowledgement.

3. Members of the Board of Trustees, the administration, faculty and volunteer organizations are kept fully informed.

4. A central record is maintained on all gifts.

C. Gifts are to be accepted, processed, acknowledged and recorded according to established University policies outlined in the "Procedures and Practices for the Development Program." Copies may be obtained from the Vice President for University Development (355-8257) or the Associate Vice President and Director of Development (355-8257).

D. Checks for unrestricted and designated gifts to be deposited into 31-XXXX accounts should be forwarded immediately by departments to University Development, 220 Hannah Technology & Research Center, for processing. Any correspondence from the donor should be attached.

Gifts for research (non-Federal and non-State) of $1,000 or less should be sent directly to University Development for direct deposit in existing sponsored project accounts. Any correspondence from the donor should be attached. Please include a transmittal listing the

following information: **account number, amount, AES project number (if applicable), name of researcher**. Gifts for more than $1,000 should be routed through Contract and Grant Administration with appropriate forms attached (see procedures at beginning of section 315).

E. Official acceptance of all gifts to Michigan State University will be made by the Board of Trustees based upon a consolidated quarterly report of the Vice President for University Development. Only those gifts which are in conformity with the needs of the University will be accepted. The University reserves the right to refuse any gift which is judged to be inconsistent with institutional needs or for which University resources are too limited to properly administer the gift. In addition, only those gifts from which disbursements are to be made on a nondiscriminatory basis will be accepted.

III. NONCASH GIFTS/GIFTS-IN-KIND (SECURITIES, REAL ESTATE, MINERAL INTERESTS, OR OTHER PERSONAL PROPERTY).

A. Gifts of real and personal property and gifts-in-kind must be documented on a Consignment/Non-Cash Gift Form (see exhibit, 315-C) and approved by the Secretary to the Board of Trustees for submission to the Board for acceptance. The Office of University Development or the MSU Foundation is to be contacted immediately if gifts of this nature are contemplated. All property or equipment received by the University as a loan should be processed according to instructions in section 224.

B. A donor must have a written appraisal from an independent, qualified appraiser for gifts of $5,000 or more. The appraisal must conform to current IRS guidelines. It is the donor's responsibility to secure, arrange and pay for appraisals of gift property, with assistance from University Development. The University may request a second independent appraisal or may require its own appraisal prior to establishing gift value. Contact University Development or the MSU Foundation for further information.

C. **Tax Requirements**: Internal Revenue Form 8283, Noncash Charitable Contributions, is required from a donor if the gift is over $500. This form must be signed by the MSU Foundation if the gift is over $5,000.

The Internal Revenue Service requires Form 8282 to be completed when the donated property over $500 has been sold, exchanged, consumed or disposed of within two years after the date the original donee received the property. The MSU Foundation must be notified of any disposition of noncash gifts within the first two years so that they may prepare the proper notification. **NOTE**: The donor receives a copy of this form. If the selling/disposal price is much lower than the gift value, the donor's charitable gift value could be challenged.

IV. CONSIGNMENT EQUIPMENT - GIFTS

(General Stores, stock number 140-2498; see exhibit, 315-C). This form should be processed **after** the gift-in-kind has been received by the University. Documentation for the gift-in-kind (appraisals, etc.) should be attached. Include your common unit code, date **received**, and required signatures as follows:

Department Chairperson
Dean or Designated Representative
MSU Foundation

Contract and Grant Administration
Inventory
Department

V. FINAL APPROVAL OF GIFTS, GRANTS AND CONTRACTS

All gifts, grants or contracts presented to the University must be approved by the Board of Trustees. Contract and Grant Administration will coordinate this activity.

VI. CASH RECEIPTS

Colleges, departments and individuals should process all checks immediately upon receipt as follows:

A. Checks received for Contracts and Grants should be forwarded toContrant and Grant Administration for processing. Checks for Gifts should be forwarded to University Development (see procedure, item II.D).

Departments and colleges are not permitted to deposit or cash checks.

B. When payment for sponsored programs is not received in advance, the Office of Contract and Grant Administration will bill the sponsor according to the terms of the grant or contract.

VII. EXPENDITURES

A. Expenditures of funds must be made in accordance with policies established by the University unless additionally restricted by the terms of the gift, grant or contract.

B. MSU employees traveling overseas on University business must provide receipts for all currency exchange transactions. If receipts are unavailable, the employee must certify in writing that all funds exchanged have been accounted for and business expense receipts presented must equal the amount received in local currency.

VIII. REPORTS

A. Project leaders will be responsible for preparing technical reports as required by the terms of the grants and contracts.

B. Financial reports for grants and contracts will be prepared by the Office of Contract and Grant Administration and forwarded to sponsors as required.

C. Reports of gifts will be prepared and/or coordinated by the Office of the Vice President for University Development.

SUPPLEMENTARY STATEMENT REGARDING DISPOSITION OF PATENTS

Except as otherwise provided, any discovery or invention which results from research carried on by, or under the direction of, any employee of the University and having the

cost thereof paid from University funds or from funds under the control of, or of the employee's duties with the University, or which has been developed in whole or in part by the utilization of University resources or facilities, shall belong to the University and shall be used and controlled in such a manner as to produce the greatest benefit to the University and the public.

Any proposed deviation from this standard University patent policy shall be referred to the Vice President for Research and Graduate Studies.

IX. EXHIBITS

Exhibit 315-A. Transmittal Form for Request for Contract, Grant or Gift Support

Exhibit 315-B. Cooperative Research Agreement

Exhibit 315-C. Consignment/Non-Cash Gift Form

TOC

Section 70: Travel Regulations

Changes to Section 70 include: I.C.5 clarification regarding where reimbursed airfare may be purchased.
I.D updated
II.G.3. added requirement for airfare online reservations (documentation).
IV.G.3. added requirement for airfare online reservations (documentation).
V.B.2.g. added requirement for airfare online reservations (documentation).

date 8/7/02 ST