

NRA Lump Sum Scholarship Procedure for Departments/Divisions

Scholarship payments made to a foreign national student are processed differently depending on the student's tax status and U.S. presence. This procedure ensures foreign national students are paid and taxed appropriately.

To determine if a scholarship recipient is an international student, check information from the department, student, SIS, and/or Common Scholarship Application (CSA).

Work with your divisional Scholarship Coordinator to ensure scholarship procedures are completed/finalized before payment.

Departments/Divisions are responsible for knowing if the scholar will be inside or outside the U.S. on the day the payment is issued. Scholars who are outside the U.S. may receive foreign source income (FSI), so additional documents are needed to be sure payments are taxed appropriately and scholars receive the correct tax reporting documents.

Verify international student's tax status **with No Empl ID**

1. If the scholarship recipient does not have an Empl ID, enter the appointment into JEMS Hire, check the box for "foreign national", enter an email address for the employee, and push into HRS.
 - o Enter the appointment for one biweekly pay period. Title (Scholar-SA010 or Fellow-SA002), Pay Group (ARF), Employee Classification (SA1), Pay Basis (L), and Earnings Code (SFF).
 - o Update Reports to field in Job Data with the name of the Scholarship Coordinator and, if using, add a time approver on the TL Security page.
 - o Department/Division HR office sends a letter (draft attached) to the recipient of scholarship about Glacier/foreign source income document requirement.
2. When the scholarship recipient has an Empl ID, move on to the next section, 'Verify international student's tax status **with Existing Empl ID**'.

OR

Verify international student's tax status **with Existing Empl ID**

1. With the scholarship recipient's Empl ID, send an email to glacier@ohr.wisc.edu using the Glacier team's scholarship spreadsheet template to determine tax residency status.
 - o Send an email no later than two weeks before the payroll calc you wish to pay the scholar/fellow.
 - o Email subject line should start with the biweekly pay period the scholarship should be paid (*Your Department Name*) NRA Tax Status.
 - o Spreadsheets will be reviewed on a first come-first serve basis.

2. The Glacier team returns the spreadsheet within two business days. The action you take depends on these results:

| Tax Residency Status | What Does This Mean? | Action Required |
|---|--|---|
| Resident Alien | Make payment as you would a U.S. citizen | Pay through the Bursar's Office |
| Nonresident Alien | Scholarship must be taxed. Glacier and/or Foreign Source Income (FSI) documents are required. | Process payment through HRS. ** Proceed to Step 3. |
| Incomplete | The Glacier team is unable to determine tax status when Glacier is incomplete. | The scholar should complete Glacier to the best of their ability. Resubmit spreadsheet when scholar completes Glacier. If the scholar is unable to complete Glacier, proceed to step 4b. |
| Permanent Resident or Naturalized Citizen | Make payment as you would a U.S. Citizen | Pay through the Bursar's Office |

**Remember, you must confirm with the scholarship recipient if they will be inside or outside the U.S. at the time of payment.

3. For any Nonresident Aliens (NRA) on the spreadsheet without a scholar/fellow appointment, enter the appointment into JEMS Hire, check the box for "foreign national", and enter an email address for the employee, and push into HRS.
 - o Enter the appointment for one biweekly pay period. Title (Scholar-SA010 or Fellow-SA002), Pay Group (ARF), Employee Classification (SA1), Pay Basis (L), and Earnings Code (SFF).
 - o Update Reports to field in Job Data with the name of the Scholarship Coordinator and, if using, add a time approver on the TL Security page, if using.
4. If the scholar is **inside** the U.S. when payment is issued, proceed to step 5.

If the scholar is **outside** the U.S. when payment is issued, proceed to step 4a.

4a. Collect and review updated [Glacier](#) documents, an [I-94 Travel History](#), and [Foreign Source Income Statement](#) for accuracy.

Once your review is complete, upload all documents to your division's Secure Campus Payroll Box folder.

- o Send an email to foreignsourceincome@ohr.wisc.edu for the single-use link to the Secure Campus Payroll Inbox
- o Include your Foreign Source Income Checklist as your file's first page.
- o Label the upload: Foreign Source Income - Last Name, First Name – Empl ID
- o and proceed to step 5.

- Refer to [Division Responsibilities for Paying Foreign Nationals outside the United States](#) for more detail about reviewing and uploading documents.

Document Details:

An **I-94 Travel History** is created by U.S. Customs and Border Protection. It includes an employee’s arrival and departure history for the past 5 years. This will be our proof that the scholar is outside the country.

- The I-94 must include all entries and departures. If an entry and/or departure is not listed, the scholar must write them in with dates.
- If the scholar has not been to the U.S., they will not have an I-94 travel history. They should search their passport information on the USCBP site and submit a screenshot of their ‘no results found’.
- The scholar must also write ‘This travel history is accurate to the best of my knowledge.’ Then sign and date.
- If a scholar changed passports in the last 5 years, they must provide an I-94 travel history for both passports.

Example of Complete I-94 Travel History:

Passport Number :

Passport Country of Issuance : **Poland**

| | Date | Type | Location |
|----------|-------------------|------------------|-----------------|
| 1 | 2018-09-29 | Departure | CHI |
| 2 | 2018-07-03 | Arrival | NYC |
| 3 | 2018-06-18 | Departure | CHI |
| 4 | 2018-04-02 | Arrival | CHI |
| 5 | 2016-11-22 | Departure | SDP |
| 6 | 2016-11-10 | Arrival | DEN |

This travel history is accurate to the best of my knowledge.

Bucky Badger 06/01/2020

Example of Incomplete I-94 Travel History:



Passport Number:

Passport Country of Issuance : Canada

| | Date | Type | Location |
|----|------------|-----------|------------------------------------|
| 1 | 2019-12-09 | Departure | 427 |
| 2 | 2019-12-09 | Arrival | RBB |
| 3 | 2019-08-10 | Departure | 440 |
| 4 | 2019-07-27 | Arrival | PHU |
| 5 | 2019-06-07 | Arrival | PBB Departed 2019-06-10 |
| 6 | 2019-04-21 | Arrival | PHU Departed 2019-04-24 |
| 7 | 2019-04-15 | Arrival | RBB Departed 2019-04-15 |
| 8 | 2018-11-18 | Arrival | PHU Departed 2018-12-01 |
| 9 | 2018-10-01 | Arrival | CHI Departed 2018-10-06 |
| 10 | 2018-08-12 | Arrival | PHU Departed 2018-08-20 |
| 11 | 2018-08-05 | Arrival | PBB Departed 2018-08-11 |
| 12 | 2018-04-22 | Arrival | LEW Departed 2018-04-28 |
| 13 | 2018-04-14 | Arrival | PHU Departed 2018-04-21 |
| 14 | 2018-02-18 | Arrival | LEW Departed 2018-03-03 |
| 15 | 2017-10-08 | Arrival | LEW Departed 2017-10-28 2017 |
| 16 | 2017-08-13 | Arrival | PBB Departed 2017-09-10 |
| 17 | 2017-07-07 | Departure | Unavailable |
| 18 | 2017-06-11 | Arrival | TOR |
| 19 | 2017-04-16 | Arrival | Unavailable Departed 2017-05-13 |
| 20 | 2017-02-26 | Arrival | LEW Departed 2017-03-15 |
| 21 | 2017-01-08 | Arrival | LEW Departed 2017-02-04 |
| 22 | 2016-11-13 | Arrival | LEW Departed 2016-12-09 |
| 23 | 2016-10-02 | Arrival | LEW Departed 2016-10-14 |
| 24 | 2016-07-31 | Arrival | Unavailable Departed 2016-07-30 |
| 25 | 2016-06-22 | Arrival | ATL Departed 2016-07-29 |
| 26 | 2016-06-12 | Departure | ATL |
| 27 | 2016-02-14 | Arrival | PHU |
| 28 | 2015-12-28 | Arrival | PHU Departed 2015-12-12 |
| 29 | 2015-12-27 | Arrival | PBB Departed 2015-12-27 |
| 30 | 2015-10-04 | Arrival | PHU Departed 2015-12-18 |

This form includes all US entries/exits. Employee Signature
MM/DD/YYYY, ...

This I-94 had missing departures, so the employee wrote in the missing dates to make it complete.

A **Foreign Source Income Statement** contains all current year planned and potential visits. This includes possible visits on any visa type. If they are hoping to come to the U.S. at all, they should include the tentative visit dates.

- i. Number of days present should match those listed on the I-94 travel history
- ii. If no completed or planned visits in the current year, the employee should write '0' in the number of days in the U.S. column.

University of Wisconsin Service Center Human Resource System

**Foreign Source Income Statement:
Nonresident Alien Income for Services/Activity Performed Outside the U.S**

Empl ID: 01234567 Date: 6/1/20
(Not SSN / ITIN. Your Employee ID listed on your Earnings Statement)

Full Name: Bucky Badger

UW Institution: UW-Madison UDDS: A02

I, Bucky Badger (print your name) certify that all of the following statements are true:

- I am not a U.S. citizen or permanent U.S. resident;
- I will not be in the U.S. for enough days this calendar year to pass the IRS substantial presence test (see <http://www.irs.gov/individuals/international-taxpayers/substantial-presence-test>);
- All, or the specified portion, of the services I perform for the University of Wisconsin, and any non-service scholarship or fellowship income received, is for work/activity performed in: POLAND (print country name)

My U.S. presence during 2020 (print year). Provide a separate form for each calendar year.
List all planned and all potential U.S. visits during the specified calendar year. Add a separate page for additional visits.

| | | |
|--|--|---|
| Visit Start Date (mm/dd/yyyy) <u>08/01/2020</u> | Number of Days In the U.S. <u>153</u> | Immigration Status During This Visit (example: B1 Visa) <u>J1 Research Scholar</u> |
| Visit End Date (mm/dd/yyyy) <u>12/31/2020</u> | | Purpose of Visit (example: vacation, seminar, etc.) <u>work</u> |

| | | |
|------------------|----------------------------|--------------------------------------|
| Visit Start Date | Number of Days In the U.S. | Immigration Status During This Visit |
| Visit End Date | | Purpose of Visit |

| | | |
|------------------|----------------------------|--------------------------------------|
| Visit Start Date | Number of Days In the U.S. | Immigration Status During This Visit |
| Visit End Date | | Purpose of Visit |

| | | |
|------------------|----------------------------|--------------------------------------|
| Visit Start Date | Number of Days In the U.S. | Immigration Status During This Visit |
| Visit End Date | | Purpose of Visit |

- If my visit plans change, I agree to inform the University immediately by email notification sent to my department payroll contact.
- I realize that if I DO return to the United States during this calendar year, I may owe the University of Wisconsin federal, state, Social Security and Medicare tax for the periods I am present. In addition, if I pass the substantial presence test during this calendar year, I may owe tax retroactively on all income received during the year.

Bucky Badger 06/01/2020

Employee Signature Date (mm/dd/yyyy)

Please return your completed and signed form to your hiring department contact within 30 days of receipt.
Return to:

Office Use Only:
Department Payroll Contact, please forward a copy of this form to your Glider Account Responsible Administrator / Campus Payroll Office.
HRSGLA.20151201

- o 4b. Collect and review the below documents for accuracy, then send an email to foreignsourceincome@ohr.wisc.edu for the single-use link to the Secure Campus Payroll Inbox.

- Refer to [Division Responsibilities for Employing Foreign Nationals outside the United States](#) for more detail about reviewing and uploading documents.

Documents Needed:

These documents will allow OHR Payroll to determine the scholar’s tax residency status and their U.S. presence.

- [I-94 Travel History](#). See details in step 4a.
- [Foreign Source Income Statement](#). See details in step 4a.
- [Nonresident Alien U.S. Visit Summary](#). See below for details.

Document Details:

A **Nonresident Alien U.S. Visit Summary** provides us with the information that we are unable to capture through a Glacier account update.

- i. Lists all U.S. visits since 1986 on an F or J visa
- ii. Lists all U.S. visits in the current and previous two calendar years, regardless of immigration status.

Nonresident Alien U.S. Visit Summary

To be completed by nonresident aliens earning foreign source income from the University of Wisconsin (who are unable to provide information through Glacier account data entry).

Please Print

SECTION I

Name: Badger Bucky _____
Last First Middle

I certify that I am a tax resident of the country of: Poland

SECTION II If you need more space, list additional visits on separate page and attach.

1) List all visits to the U.S., since 1986, when you were in F or J immigration status. Please specify the type of J status listed in box 4 of DS 2019 (i.e. J-1 Student, J-1 Short Term Scholar, etc.)

2) Also list every U.S. visit in the current and two previous calendar years, regardless of the immigration status or whether the visits were affiliated with the University of Wisconsin.

| Year | Immigration status during visit | Number of Days in U.S. during visit. (If visit in current or 2 previous years, list dates of visit.) |
|------|---------------------------------|--|
| 2018 | Short Term Scholar | 182 |
| | | |
| | | |
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| | | |

SECTION III – I certify that to the best of my knowledge, all of the information I have provided above is true, correct and complete. If any of the information provided changes, or if other relevant information becomes available, I will notify the UW System as soon as possible so this information and/or my U.S. tax status may be updated.

Date: 06/01/2020 Signature: Bucky Badger

4/2016

- 5. Department/Division enters lump sum in HRS as Additional Pay (see [KB 17094](#)).
 - If the recipient is outside the U.S., please indicate that in the addl pay description.

- The Add'l Pay should be entered and approved before the first paysheet creation to ensure payment is processed by the biweekly calc.
 - Enter the funding of the Add'l pay into HRS. (FYI Do Not Use Program Code 9.) Funding can be entered as soon as the Oracle email with the Empl Rcd # is received.
6. Scholarship Coordinator approves as level 1 Workflow for Additional Pay approver.
 7. OHR reviews the addl pay at level 2.
 - RA = denied at level 2. Pay through the Bursar's Office.
 - NRA with all documents submitted = OK to Pay. OHR Payroll approves as level 2 workflow approver, the Add'l Pay will pay out on the next payroll.
 8. End of Process.

Other Considerations:

1. Divisions should confirm with employees if they have access to a United States bank account. For employees without a United States bank account, divisions must also collect wire transfer information. Wire transfers must be submitted via the [wire transfer workflow](#). Please share this information with your employees since they need to initiate the process through their MyUW Portal. Shared Services needs wire transfer information at least 7 days before the final calc. Note that divisions may have different deadlines.
2. Foreign Source Income documents must contain original signatures. UW System will not accept electronic signatures.
3. Check the JEMS box that indicates the scholar is a foreign national. Do not check the Foreign National Working outside the U.S. box in Modify a Person or in JEMS. This is a centrally managed function.
4. Another division may be employing your scholar who is outside the United States. If that is the case, coordinate with that division to avoid duplicating efforts.
5. Tax residency status must be verified each semester. See column on NRA Scholarship spreadsheet for change date as a useful guide.