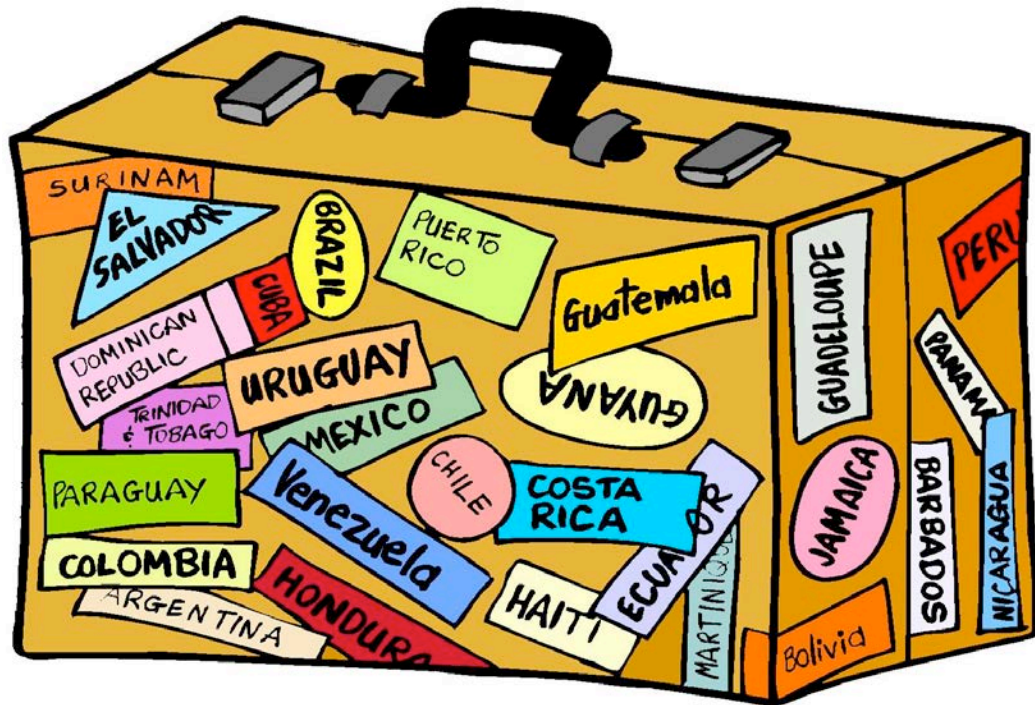


Travel, Non-Resident Aliens, and the International Tax Office(ITO)



Travel? Lodging? Meals?

- In order for Vanderbilt to book and pay for the travel expenses of an international guest through Concur, the guest has to provide the university with a service.

The IRS refers to this as the Accountable Plan ~

<http://www.irs.gov/Individuals/International-Taxpayers/Nonresident-Aliens-and-the-Accountable-Plan-Rules>

- Travel reimbursements or prepaid arrangements are **NOT** taxable as long as they fall under the accountable plan.
- Your visitor **MUST** do something that benefits VU.
- The guest must “establish the business purpose and connection of the expenses.”

Is my guest considered a Non-Resident Alien?

The term Non-Resident Alien (**NRA**) generally refers to any person who is not a U.S. citizen, U.S. national, asylee, refugee, or permanent resident (green card holder).

Non-resident aliens can also be referred to as non-immigrants. The USCIS defines a non-immigrant as “An alien who is admitted to the United States for a specific, temporary period of time. There are clear conditions on their stay.”

USCIS – U. S. Citizenship and Immigration Services

WHY do I need ITO Approval to Book Travel for an NRA??

- **Anything** that is paid TO or on BEHALF of an NRA is considered income by the IRS. This **INCLUDES** conference registration, hotel, meals, and all travel expenses.
- It also includes the \$500 travel grant that John Doe is awarded to offset his expenses.
- If an NRA is in F,J, M, or Q status, this income is taxed at 14%. You are welcome to cover the tax, but you must provide us with an account code and center number to charge it to. At Vanderbilt we primarily have F-1 and J-1 students and scholars.
- **ITO MUST MAKE A DETERMINATION IF THE INDIVIDUAL FALLS INTO THIS CATEGORY AND CARRIES A TAX LIABILITY FOR VANDERBILT. THIS IS WHY ITO APPROVAL IS SO IMPORTANT BEFORE TRAVEL IS BOOKED.**

WHY do I need ITO Approval to Book Travel for an NRA?? (con't)

- If the travel is being covered for a student, and the travel benefits **the student** and not VU or VUMC – ***it is subject to tax withholding and reporting to the IRS.*** This can be a current VU student, a student from another university, or a student recruit. Concur should not be used to book travel for any of the above situations unless it is an extreme circumstance. The travel reimbursement process should be used in the cases where tax liability exists. Please contact ITO for assistance and process explanation if the traveler cannot be reimbursed via check request.
- Vanderbilt is required to report income of any sort, paid to or on behalf of an NRA to the IRS annually. We must have documentation on your international in order to do that correctly.

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