***Royalty or Rent Payments to a Foreign National***

**Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Type of Payment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Date of Payment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Pre-payment planning:**

* Finalize the payment details: type of payment; date; time; and amount.
* Determine if foreign national is eligible for a tax treaty exemption:
	+ If eligible, ask if they have a U.S. taxpayer ID number - a SSN or ITIN (for individuals) or EIN (for entities). **Note**: tax treaty cannot be claimed without a valid U.S. taxpayer ID number.

**Foreign national completes the following and sends to the department:**

* If eligible to claim a tax treaty benefit, foreign national completes the appropriate Form W-8 and sends the original to the department:
	+ W-8BEN, “Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding”
		- For foreign individuals and entities except for: governments, private foundations, or tax-exempt organizations
	+ W-8EXP, “Certificate of Foreign Government or Foreign Organization for United States Tax Withholding”
		- For foreign governments, private foundations, and tax-exempt organizations

**Department completes the following and sends to AP:**

* Check request form 1570 (if amount is under $10,000) OR enters purchase order and prepares invoice voucher form 1730 (if over $10,000).
* Attach the original form W8 received from the foreign payee, if they are eligible to receive a tax treaty benefit

**Pay the foreign national:**

* Will pick up check from Mailing Services **OR**
* Wire funds (additional fee of $25.00 applies) **OR**
* Check should be mailed to directly foreign national’s address by Accounts Payable