

Rice Payment Reference Guide

Payment Type	Definition	Examples	Party Receiving Payment	Office Issuing Payment	Process Owner	Tax Withholding	Reporting
Compensation *Form I-9 required*	Payment made to an individual for services rendered as an employee for an employer.	Wages, salary, summer salary, bonus, and other one-time payments	Employee	Payroll	Human Resources	Payroll graduated tax tables based on Form W-4, Form 8233 and / or Form W-9	Form W-2 and / or Form 1042-S
			Student				
Graduate Research Assistants *Form I-9 required*	Performing services for research that benefits the sponsoring agency or university and produces a deliverable.	Graduate payments to Research Assistants and Teaching Assistants	Student	Payroll	Human Resources	Payroll graduated tax tables based on Form W-4 and/or Form 8233, Form W-8BEN, Form W-9	Form W-2 and / or Form 1042-S
Graduate Teaching Assistants *Form I-9 required*	Performing services in support of teaching activities.						
Additional Taxable Income	A form of pay (including property, services, cash, or cash equivalent) in addition to stated pay for the performance of services. These benefits are not specifically excluded from income by law.	Gift cards, leased vehicles, cell phone reimbursements, tuition waivers over \$5,250 and classes not deemed a working condition fringe	Employee	Procure to Pay	Procure to Pay	Payroll federal supplemental rate plus FICA and Medicare	Form W-2 and / or Form 1042-S
				Per IRS regulations, the employee will have imputed on his/her income the total of these miscellaneous fringe benefits.			
Scholarship or Fellowship Grant No services required to receive payment. If services provided to receive payment, refer to Compensation for payment process.	Financial support to aid or benefit an individual in pursuit of study or research. Includes graduate fellows, postdoctoral fellows, participant and trainee support (student research trainees, attending program).	Qualified (non-reportable as income): Tuition, required fees, books, supplies, equipment. Non-Qualified (taxable): all other including, but not limited to room, board, travel, research, optional fees, emergency expenses.	Student	Cashier	Various	Qualified: non-taxable	Form 1098-T
				Procure to Pay	Procure to Pay	Non-Qualified: None for US citizens, permanent residents and resident aliens	Students have reporting responsibility to the IRS if US citizens, permanent residents or resident aliens
				Procure to Pay	Procure to Pay	Non-Qualified: 14% if F, J, M, or Q visa or 30% for other nonresident aliens, unless treaty benefit available and claimed	Form 1042-S for nonresident aliens
			Neither employee or student; e.g. visiting scholars	Procure to Pay	Procure to Pay	Non-Qualified: None for US citizens, permanent residents and resident aliens	Form 1099 (\$600 or greater) for US citizens, permanent residents and resident aliens
						Non-Qualified: 14% if F, J, M, or Q visa or 30% for other nonresident aliens, unless treaty benefit available and claimed	Form 1042-S for nonresident aliens

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Payment for Independent Services	Non-employee compensation for professional services.	Consulting fees, Speaker fees, Contractor services, Honoraria	Employee	Payroll*	Human Resources*	Payroll graduated tax tables based on Form W-4, Form 8233 and / or Form W-9*	Form W-2 and / or Form 1042-S
			Student				
			Vendor - US citizens, permanent residents and resident aliens	Procure to Pay	Procure to Pay	None	Form 1099 (\$600 and greater)
			Vendor - Nonresident aliens			30% unless treaty benefit available and claimed	Form 1042-S
			*Proof of independent business required for employee or student payment to go through Procure to Pay.				
Living Expenses	Reimbursement or direct payment by Rice for living expenses.	Housing (on or off campus), meals, allowances	Employee	Procure to Pay	Procure to Pay	Payroll federal supplemental rate plus FICA and Medicare	Form W-2 and / or Form 1042-S
				Per IRS regulations, the employee will have imputed on his/her income the total of these living expenses.			
			Student - US citizens, permanent residents and resident aliens	Procure to Pay (if services required)	Procure to Pay	None	Form 1099 (\$600 and greater)
				Cashier (if no services required)	Various	See Scholarship or Fellowship Grant	See Scholarship or Fellowship Grant
			Student - Nonresident aliens	Procure to Pay (if services required)	Procure to Pay	30% unless treaty benefit available and claimed	Form 1042-S
				Cashier (if no services required)	Various	See Scholarship or Fellowship Grant	See Scholarship or Fellowship Grant
Prizes & Awards	Prizes - financial payment provided based on a competition or other specified criteria. Awards - financial support based on achievement, performance, or other criteria.	Prize - 1 st , 2 nd , 3 rd place in competition or contest. Award - Recognition for excellence or achievement. Either given in cash, gift card or gift certificate.	Employee	Payroll	Human Resources	Payroll federal supplemental rate plus FICA and Medicare	Form W-2 and / or Form 1042-S
			Student - US citizens, permanent residents and resident aliens	Procure to Pay	Procure to Pay	None	Form 1099 (\$600 and greater)
			Student - Nonresident aliens			30%	Form 1042-S
			Neither employee or student - US citizens, permanent residents and resident aliens			None	Form 1099 (\$600 and greater)
			Neither employee or student - Nonresident aliens			30%	Form 1042-S

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Business Expense Reports or Reimbursements	Purchases made by faculty, staff, students, or visitors for Rice (refer to Rice’s Policy 806 and Policy 840).	Travel, entertainment, business meals, club memberships, athletic travel.	Employee / Student	Procure to Pay	Procure to Pay	Not applicable*	Not applicable*
				*Unreconciled PCard charges or late reimbursements after 60 days do not qualify under the IRS accountable plan rules and will be taxable income to the employee. These amounts will be imputed through Payroll for reporting and withholding.			
Relocation Expenses	Payment to vendors or reimbursement to employee for expenses associated with relocating.	Moving company expenses, travel expenses related to the move, house hunting expenses	Employee	Procure to Pay	Procure to Pay	Payroll federal supplemental rate plus FICA and Medicare	Form W-2 and / or Form 1042-S
			Vendor			None	Form 1099 (\$600 and greater)
			Per the IRS regulations, the employee will have imputed on his/her income the total moving expenses, both received by the employee AND any amounts paid directly by Rice to vendors.				
Royalties	Payment for the right to use some type of intangible property.	Copyright, license fees, subscription fees	US citizens, permanent residents and resident aliens	Procure to Pay	Procure to Pay	None	Form 1099 (\$600 and greater)
			Nonresident aliens			30% unless treaty benefit available and claimed	Form 1042-S
Human Subject	Survey or experiment participant		US citizens, permanent residents and resident aliens	Procure to Pay	Procure to Pay	None	Form 1099 (\$600 and greater)
			Nonresident aliens			30% unless treaty benefit available and claimed	Form 1042-S

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IRS Forms and Definitions

[Form I-9](#) Verifies the identity and employment authorization of individuals hired for employment in the United States. This is a U.S. Citizenship and Immigration Services (USCIS) form, which is required for all individuals hired for employment in the U.S. Undocumented individuals are not eligible for employment in the U.S. DACA (Deferred Action for Childhood Arrivals) individuals are eligible for employment; however, DACA individuals must present documentation from the list of Form I-9 Acceptable Documents.

[Form 1042-S](#) Reports foreign person's U.S. source income subject to withholding for the tax year. Forms issued by Payroll.

[Form 1098-T](#) Reports enrolled amounts students received for qualified tuition and related expense payments for the tax year. Forms issued by the Cashier's Office.

[Form 1099](#) Reports miscellaneous income, rents, royalties, prizes, awards, and other fixed determinable income for the tax year. Forms issued by Procure to Pay.

[Form 8233](#) In general, independent personal services requires 30% income tax withholding (IRS section 1441) and compensation for dependent personal services requires withholding, sometimes at graduated rates (IRS sections 1441, 3401, and 3402). However, some payments may be exempt from withholding because of a tax treaty. **Nonresident aliens** claiming tax treaty benefits on compensation for independent (and certain dependent) personal services complete this form. Form is accessible through the **Foreign National Information System (FNIS)**.

[Form W-2](#) Reports payments (including noncash payments) for employee services and income tax withholding for the tax year. Forms issued by Payroll.

[Form W-4](#) **Employees** complete this form (through iO) so employers can withhold the correct federal income tax from pay.

[Form W-8BEN](#) In general, foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources (IRS section 1441). **Nonresident aliens** certify their non-U.S. tax classification and / or claim tax treaty benefits for other income by completing this form. Form is accessible through the **Foreign National Information System (FNIS)**.

[Form W-9](#) Form requests the taxpayer identification number (TIN) of a U.S. person (including a resident alien) and requests certain certifications and claims for exemption. U.S. citizens and permanent residents certify their U.S. tax classification by submitting this form to Procure to Pay. Resident aliens claiming tax treaty benefits on compensation for independent (and certain dependent) personal services complete this form. Form is accessible through the Foreign National Information System (FNIS).

[Nonresident alien](#) IRS term for a foreign person (not a U.S. citizen) who does not meet one of the two IRS tests - green card test or substantial presence test.

[Permanent resident](#) IRS term for a lawful permanent resident of the U.S. according to the immigration laws, and this status has not been revoked or administratively or judicially determined to have been abandoned.

[Resident alien](#) IRS term for a foreign person (not a U.S. citizen) who meets one of the two IRS tests - green card test or substantial presence test.

[Tax Treaty Benefit](#) The U.S. has income tax treaties with a number of foreign countries. Under these treaties, residents (not necessarily citizens) of foreign countries may be eligible to be taxed at a reduced rate or exempt from U.S. income taxes on certain items of income they receive from sources within the U.S. These reduced rates and exemptions vary among countries and specific items of income.