

On July 7, 2008, the procedure for making payments to individuals providing a service using a social security number was converted to an electronic process. These payment requests will be made using the new e-Pro Services Vouchers, which are a part of the Accounts Payable e-Voucher system (accessible through the self service site).

The paper Payroll Voucher form will be accepted through August 31, 2008. Paper forms received after this date will be returned to the department to be resubmitted on the e-Pro Services Voucher.

There are two types of payment requests that will continue to be processed using the paper Payroll Voucher after August 31 and until further programming is complete. These two types of payment requests are:

- **Payments to individuals who do not have or do not provide either a valid social security number (SSN) or Individual Taxpayer Identification Number (ITIN).**
- **Payments to individuals over \$5,000.**

For questions on appropriate use of the forms, contact:
Marianne Stratton 5-2420 marianne-stratton@uiowa.edu
Katie Villhauer 5-2380 katie-villhauer@uiowa.edu

For questions on how to use the new electronic form, contact:
Cindy Humpleby 3-2502 cindy-humpleby@uiowa.edu
Jamie Heefner 4-3342 jamie-heefner@uiowa.edu
Denise Hyche 5-3816 denise-hyche@uiowa.edu

INSTRUCTIONS FOR PAYROLL VOUCHER

Use this form when paying an individual for a service, who is using a social security number, who is not employed by or associated with The University of Iowa, who may be working under a consultant or contractual agreement, or who is an independent contractor. Generally, any person providing a service similar to what we have employees doing on campus may need to be treated as an employee of the University of Iowa. In these cases, please refer to IRS Publication 1779 at www.irs.gov. To obtain guidance on which Payroll forms to use, please contact Marianne Stratton 335-2420 or Katie Villhauer 335-2380 at the Payroll Office.

A written Professional Services Agreement (PSA) must be used for individuals who are not University employees and who receive payments from the University in excess of \$5,000 per project year. Please refer to the policies and procedures on the PSA at: <http://www.uiowa.edu/~purchase/purchase/psahome.htm>

SECTION I

Name must correspond with correct social security number. If the payee does not have a valid U.S. social security number, please indicate so. Do not use an Employer Identification Number (EIN) on this form.

SECTION II

Full Time Federal Employee: may be restricted from consultant fee payments from federal funds.

Primarily a UI Student or University of Iowa Employee: generally, students, current employees and those employed in the previous calendar year are excluded from being paid as Independent Contractors (Consultants) by the "arms length transaction" or continuing relationship rules.

State of Iowa Employee (not UI): cannot pay this individual directly. Payment should be made to the respective employing state agency. Process an e-Voucher through the Accounts Payable e-Pro system.

Relative of the Project Director: may constitute a conflict of interest. Please refer to the UI policies on conflict of interest at: <http://www.uiowa.edu/~our/opmanual/ii/18.htm>

SECTION III

Please provide complete Contact Information.

If the payee is not a U.S. citizen or a resident of U.S. territories, federal tax will be withheld. Requirements affecting nonresident aliens coming to the U.S. in order to participate in academic activities when an honorarium may be awarded can vary. Usually these nonresidents come as Visiting B or VISA Waiver (VW) nonimmigrant aliens. Rules exist that determine whether or not payment is allowed. The criteria for payment are:

- 1) the academic activity can not last longer than 9 days at any given institution.
- 2) the nonresident has not accepted payment or reimbursement for expenses from more than 5 institutions or organizations in the previous 6-month period.

For these individuals, a Compliance Statement must be completed and included with the Payroll Voucher. Both forms are located on the Payroll website. If the individual refuses to sign the W-8Ben or won't submit one, there will be a \$50 fine charged to the department. Contact Pat Meskimen 335-2383, Xuefen Zhen 353-2460 or Katie Villhauer 335-2380 with questions about these rules.

SECTION IV

Provide the dates of service for this payment and a specific, detailed description of service. (i.e. name and /or location of conference or project, honorarium for what type of service, spoke to whom, additional details regarding the consulting service provided, etc.)

SECTION V

Provide the complete MFK to be charged. Payroll vouchers require an Institutional account in the 6000 series, excluding Travel IACT numbers 6025-6064. Indicate the gross amount of compensation to be paid.

SECTION VI

Obtain two authorized signatures. Some departments and colleges may require additional signatures. For information about your specific signature approval requirements, please contact your HR Unit Rep.

Complete the *Special Handling Instructions* fields if necessary.

ALL Payroll Vouchers should be sent to the Payroll, 120-30 USB for audit. After audit is complete, vouchers will be forwarded to the Accounts Payable Department, 202 PCO, for processing and payment. Payment status can be viewed on-line at the Accounts Payable web site, www.bo.uiowa.edu/~ap-po/web_apps.cfm

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