Understanding reimbursements to Participants at U.H. Extramurally funded conferences
Purpose of this meeting:

- Shed light on misunderstandings and truths on travel reimbursements at U.H. extramurally funded conferences.
- Explain requirements
- Proposed process and guidelines
Misunderstandings and truths:

1. U.H. is processing different than other universities. **Truth:** Based on correspondences with universities, U.H. is doing the same.

2. All travel reimbursements paid on behalf of the participants are not taxable because the extramural grants allow it. **Truth:** depending on the type of participants, travel reimbursements could be taxable and reportable.
Misunderstandings and truths (cont.):

3. Direct payments to vendors on behalf of participants are never taxable. **Truth:** direct payments to vendors could be taxable, depending on the type of participants.

4. All travel reimbursement (direct to vendors or participants) are nontaxable. **Truth:** if participant is foreigner, non-employee or student (undergrad or graduate), travel reimbursements will generally be taxable.
Understanding “requirements”:
Who are participants?
U.S. or foreigners attending the conference with the following status.
1. Employees of U.H. or elsewhere.
2. Independent contractors
3. Non-employee (including unemployed Post doctoral fellows)
4. Students (undergraduate or graduate)
Understanding “requirements” (continue):

What are the types of travel reimbursements?

1. Airfare.
2. Lodging
3. Meals & incidental expenses (i.e. cab fare etc.)

Note: above can be direct payments to vendors or to participants.
Understanding “requirements” (cont.):

What are the Federal tax implications?

1. Person with no tax i.d. number: 30%
2. U.S. person: no tax withholding or reporting
3. U.S. person or foreigner (with tax I.D. #) who is employed or independent contractor, paid via accountable plan: no tax withholding or reporting.
4. Foreign student or unemployed: 0% (if tax treaty) 14% (scholarship) or 30% (other).

(see also Flow Charts)
Assumptions

- WH-1 is required for all participants except UH employees
- All payments made will be covered under the accountable plan which includes direct and indirect (i.e., third party payments) participant costs
- Participant has a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)

The participant is a U.S. Citizen or Resident

Receiving travel reimbursements (Direct or Indirect)

If reimbursed via accountable plan, NO reporting
Analytical Chart on Payments to Conference Participants – Foreigner (Chart #2)

Assumptions
- WH-1 is required for all participants except UH employees
- All payments made will be covered under the accountable plan which includes direct and indirect (i.e. third party payments) participant costs
- Participant has a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN)

The participant is a Foreigner

Employee / Ind. Contractor

Is the participant an Employee, Independent Contractor, Non-Employee, or Student?

Non-Employee / Student

The participant is either an:  
- **Employee** (e.g. UH or employed by another company or institution)  
- **Independent Contractor**

If reimbursed via accountable plan, NO reporting

The participant is either an:  
- **Non-Employee** (i.e. PhD. participant that is not employed)  
- **Student** (Undergrad or Graduate)

Did the Participant pass the Substantial Presence Test?

Yes

If reimbursed via accountable plan, NO reporting

No

VISA Status?

If F1, J1, M or Q visa, withhold 14%

All Others

Non-Resident Alien 1042-S

All other visas withhold 30%

Non-Resident Alien 1042-S
Proposed Guidelines and Processes:

- All participants will be required to complete Form WH-1.
- Form WH-1 will be revised to include self certification on employment of participants.
- Revised Form 1099 reporting policy.
- UH and RCUH to have consistent tax policy and reporting.
- All extramurally funded projects will be processed by RCUH, whether reportable or not.
- Update or write APMs and guidelines to assist UH research community.
Questions?

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