



Welcome to Focus on Finance!

October 15, 2015

Agenda

- **Confidentiality Acknowledgements**
- **State of TN Rental Car Contract/Preferred Rates**
- **Non-Resident Alien (NRA) Tax**
- **Fixed Asset Reminders**
- **Cybersecurity Awareness**
- **What's New? What's Due?**



Confidentiality Acknowledgements

Confidentiality Acknowledgements

- **In the coming months, all employees will be asked to acknowledge their compliance with the University's policy on confidentiality**
- **Not the same as previous notices or acknowledgements**
- **Online link will be distributed; simply check to acknowledge**
- **New employees will be certifying on first day of employment during orientation**

Confidentiality Agreements

THE UNIVERSITY OF
MEMPHIS
Dreamers. Thinkers. Doers.

CONFIDENTIALITY ACKNOWLEDGEMENT

I understand that during the course of my employment at the University of Memphis whether as a full-time, part-time, work-study student, graduate assistant or otherwise, may be exposed to confidential documents and/or information related to the University, such as potential or pending litigation, student records, highly sensitive personal or medical, information, donor records, faculty and staff records, etc. that must not be disclosed.

In addition, for information I receive that is not included in a document such as oral communications, voice mail messages and/or emails, I understand that information may be of such a sensitive nature that it also must not be disclosed. I further understand that such documents and/or information may be subject to university policy, state statutory privileges, or federal protection, including, but not limited to, protection of student records under FERPA.

I shall not, directly or indirectly, communicate to any person any information concerning such documents and/or information, except that I may share documents and/or information while performing my job functions with individuals who have a legitimate business need to know in order to perform their job functions. I understand that disclosure of such documents and/or information other than for the above stated reasons may be grounds for termination and/or prohibition of future employment and/or dismissal as a student from the University of Memphis.

Accordingly, I understand my obligation is to preserve the confidentiality of all documents and/or information to which I obtain access through the course of my employment at the University of Memphis. My electronic acknowledgement below indicates that I have read and understand the rights and duties described above.

[LINK TO UofM POLICY](#)

Personal Acknowledgement
☐ I acknowledge the above statement regarding confidentiality.

State of TN Rental Car Contract/Preferred Rates

Non-Resident Alien Tax Compliance

Giovanni Hickman

Tax & Investment Coordinator

Finance Office

TAX COMPLIANCE IS THE GOAL!

Not an International Tax Course - No
CPE Credits Available!



Request for Payment to Individual or Contract

[Click here for online](#)

This authorization may be used in lieu of a written contract if, and only if, the total amount of compensation is less than \$5,000.00. Payments to an individual or contractor for \$5,000.00 or more during the course of a single calendar month (whether fragmented or paid in a lump sum) require an obligated contract established through the Purchasing Department. This form is sent to the Accounting Office any time a payment is requested to be made to an individual regardless of the amount. A form must be completed for each individual to be paid. The form is prepared by the requesting department and is used to secure approval of the authorization and to process the payment. Payments cannot be made to any University or State employee (which includes full or part-time faculty, staff) under this procedure.

I. GENERAL INFORMATION

(This information is necessary to complete IRS Form 1099-MISC. Lines 1-8 must be completed.)

1. Name of Payee:
2. (a) U.S. Social Security Number: OR (b) Federal Tax ID Number:
3. Local Address:
street/city/state/zip+4
4. Permanent Address:
street/city/state/zip+4
5. Telephone Number:
6. Fax Number:
7. E-mail Address:
8. Is payee a U of M student? Yes ☐ No ☐
9. U.S. Citizen? YES ☐ If not, state country of citizenship
(If payee is not a U.S. citizen, withholding may be required. Please complete IRS Form 8233 if individual is not claiming residence in U.S. or IRS Form W-9 if individual is claiming residence in U.S.)
10. Total Amount \$ 11. Index Number/Acct Code -
12. Obligation Number (If none, Section II below must be completed.)
13. Are services being performed? Yes ☐ No ☐ (If "Yes," complete Section A. If "No," complete Section B.)

A. If Item 13 is marked "Yes," describe the services below:

Date Rendered	Units of Service	Brief Description of Services Provided (Be Specific)
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All Request for Payment to Individual or Contractor forms to be submitted to the Accounting department for review before the forms are sent to the Finance department.

Working backwards to paint the big picture of what we're trying to accomplish, and then we'll address the process for determining how payment to international (foreign) persons are made.

Everyone who earns income in the U.S. file income taxes including foreign persons who are employed or visiting the U.S. to perform services.

For Tax Purposes IF foreign person:

- Employed & NRA or RA*
- Self-employed & a NRA
- Self-employed & a RA*
- W-2 Form
- 1042s Form
- 1099-MISC Form

NRA = Non-Resident Alien

RA = Resident Alien

*applies to foreign persons with green card immigration status

Forms & Documents

Contractor Signature _____ Date _____

CONTRACTOR INFORMATION:

U.S. Citizen? Yes ☐ No ☐

If No, state country of citizenship _____ Passport number _____ Exp. Date _____

Type of Visa _____ Dates at U of M: From _____ to _____

Any prior visits to the U.S.? _____

If Yes, please list entry & exit dates, immigration status/Visa type, and primary purpose on separate sheet. Each visit should be listed.

Is the activity to receive the honorarium to last more than nine (9) days? _____

Have you received honorariums from more than five (5) organizations in the last six (6) months? _____

U.S. Social Security # _____ or Federal Tax ID # _____

Permanent Address: _____

Classification: (select one)

☐ Individual (I) ☐ Not-for-Profit Corporation (N) ☐ Foreign Individual (F) ☐ Medical/Health Corporation (M)

☐ Sole Proprietorship (I): Owner's Name: _____ ☐ Partnership (P) ☐ Sub-Chapter S Corporation (S)

☐ Tax Exempt Association, Club, Religious, Charitable or Education Organization (O) ☐ Corporation

Check if Applicable: ☐ Small Business (\$500,000 or less annual sales; 9 or less employees) ☐ Minority Business (51% minority owned and managed)

INSTRUCTIONS: Give two copies to Contractor. Contractor must sign and return one copy. Complete all sections of Part I. Send original to the Accounting Office.

- Non-U.S. Citizens
 - W-8BEN
 - I-20 or DS2019
 - visa & passport
 - social security card or taxpayer identification number
 - employment authorization card
 - U.S. entry & exit dates
- Green card holder (Permanent Resident)
 - Copy of front/back of card
 - W-9

PLEASE COLLECT THE DOCUMENTS!!!!

Information gathered from the documents above are pertinent to the tax process we have to follow.

The reason is a separate set of tax rules & regulations apply to non-U.S. citizens.

First and fundamental question is whether the "individual" will be treated as a U.S. resident or a NRA for tax purposes.

UofM is required to withhold tax from payment to foreign individuals and file reports with the IRS using the NRA or U.S. tax rules & regulations.

What are the facts?

EX 1. Foreign person visiting from Spain (country of citizenship)

- attending a 3 day conference on-campus as a speaker
- contract amount \$1,000
- arrival date, Oct 14th
- departure date, Oct 16th
- prior visits to U.S., visa status and primary purpose
 - 9/2/2011 - 5/7/2012 - J1 - researcher
 - 1/1/2015 - 3/6/2015 - J1 - teacher
 - 10/14/2015 - 10/16/2015 - ESTA - Speaker at conference
- current visa status = ESTA (electronic system for travel authorization)
 - per the Dept Homeland Security, ESTA is a visa waiver program "enabling nationals of designated countries to travel to the U.S. for tourism or business for stays of 90 days or less without first obtaining a visa."
- social security number = yes

facts are entered into the International tax system and then the software performs the substantial presence test (SPT).

the SPT is a calculation of the individual's physical presence in the U.S. to determine his/her residency status for tax purposes.

Ex 1: person is a NRA for tax purposes.

What is the category of income?

Compensation is classified as dependent or independent compensation:

- Dependent = wages, salary
- Independent = consulting fees, honorarium, speaker fees, etc.

Ex 1: person will be paid for independent compensation, a one-time payment for speaker fees.

Does payment constitute taxable income?

The premise is payments made are taxable until proven excluded.

What rate should taxes be withheld if income is taxable?

Income Tax Treaty Agreements

The individual's country of citizenship could have a tax treaty with the U.S., allowing the tax exemption when certain qualifications are met, and the appropriate forms are filed timely.

https://www.irs.gov/pub/irs-pdf/f8233.pdf

Waiting for irs.gov

Faculty & Staff Training Oppo...

Convert Select

1 / 2

100%

Comment Share

Please fill out the following form.

Highlight Existing Fields

Form **8233**
(Rev. March 2009)
Department of the Treasury
Internal Revenue Service

Who Should Use This Form?

Note: For definitions of terms used in this section and detailed instructions on required withholding forms for each type of income, see Definitions on pages 1 and 2 of the Instructions.

DO NOT Use This Form. . .

Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

► See separate instructions.

OMB No. 1545-0795

<p>IF you are a nonresident alien individual who is receiving . . .</p>	<p>THEN, if you are the beneficial owner of that income, use this form to claim . . .</p>	
Compensation for independent personal services performed in the United States	A tax treaty withholding exemption (Independent personal services, Business profits) for part or all of that compensation and/or to claim the daily personal exemption amount.	
Compensation for dependent personal services performed in the United States	A tax treaty withholding exemption for part or all of that compensation. <i>Note: Do not use Form 8233 to claim the daily personal exemption amount.</i>	
Noncompensatory scholarship or fellowship income and personal services income from the same withholding agent	A tax treaty withholding exemption for part or all of both types of income.	
<p>IF you are a beneficial owner who is . . .</p>	<p>INSTEAD, use . . .</p>	
Receiving compensation for dependent personal services performed in the United States and you are not claiming a tax treaty withholding exemption for that compensation	Form W-4 (See page 2 of the Instructions for Form 8233 for how to complete Form W-4.)	
Receiving noncompensatory scholarship or fellowship income and you are not receiving any personal services income from the same withholding agent	Form W-8BEN or, if elected by the withholding agent, Form W-4 for the noncompensatory scholarship or fellowship income	
Claiming only foreign status or treaty benefits with respect to income that is not compensation for personal services	Form W-8BEN	

This exemption is applicable for compensation for calendar year _____, or other tax year beginning _____ and ending _____.

Part I Identification of Beneficial Owner (See instructions.)

1 Name of individual who is the beneficial owner	2 U.S. taxpayer identifying number	3 Foreign tax identifying number, if any (optional)
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Ex 1: Spain has an agreement with the U.S. allowing the tax benefit **IF**:

- non-resident alien for tax purposes,
 - performing services in accordance to his primary purpose being in the U.S, and
 - receiving income in the form of independent compensation
-
- ✓ claims the tax benefit, completes and signs 8233 form
 - ✓ tax exemption appears on 1042s form
 - ✓ receives \$1,000.00 for services performed

applies to income federal taxes

Foreign persons are either:

- ❖ exempted on X amount of dollars due to tax treaty or
- ❖ taxed on payment at the 30% withholding rate or
- ❖ taxed at the standard graduated rates that applies to U.S employees

Ex 2: same facts, no SSN/ITIN

- non-resident alien for tax purposes,
 - performing services in accordance to his primary purpose being in the U.S, and
 - receiving income in the form of independent compensation
- **Income tax benefit is denied**...the individual has no SSN or ITIN
 - Contract amount of \$1,000 will be taxed at a 30% withholding rate.
 - \$300.00 will be withheld and for tax reporting purposes, amount to be reported on a 1042s form.

Ex 3: same facts except country of citizenship is India and has a SSN

- Recall facts above, ESTA visa status and form of payment is independent compensation
- No tax treaty with India that exempts person from payment on income tax based on these set of facts.

Ex 4: J1 - Researcher from India (country of citizenship)

What are the facts?

- immigration status is J1 visa
- primary purpose is researcher
 - sponsored by UofM indicated on the DS2019 form
- paid as an employee,
 - form of payment is dependent compensation
- has a social security number
- no prior visits to the U.S.
- tax treaty with India, 2-year rule, exempting J1 researchers on payment of federal income taxes on all U.S. source income.
 - including exempting person on FICA Medicare and Social Security taxes:
 - IRC section 3121(b)(19) states individual must be:
 1. NRA
 2. immigrations status of an F, J, M, or Q and
 3. performing services to carry out the purpose of the issuance of his visa.

Pulling it all together for tax compliance sake!

1. Gather the facts - obtained from request form and foreign person documents
2. Determine residency status in the name of taxation...
3. Define the type of income being paid - as employee or one-time payment
4. To withhold tax or not to withhold tax one of them is the answer
5. At what rate to withhold tax if person is not exempt
6. Report the federal income tax results on the appropriate year end form

Ideally....

1. Request for payment form submitted in advance with required documents
2. Schedule appointment or walk-in hours are 11a.m. to 2p.m. in 276 Admin Bldg
3. The individual to be interviewed to collect the missing information and to have the proper tax forms completed and signed

Concerns, comments, criticisms?!

Email ihickman@memphis.edu with questions!

FIXED ASSET REMINDERS

Fixed Asset Account Codes

- **74504** **Controlled Equipment under \$1,500**
- **74511** **Computers (\$1,500 - \$4,999)**
- **74510** **Sensitive Equipment (\$1,500-\$4,999)**

- **78110** **Office Equipment**
- **78111** **Furniture and Fixtures**
- **78120** **Operational Equipment**
- **78130** **Instructional Equipment**
- **78190** **Other Equipment**
- **78195** **Works of Art**

FIXED ASSET PURCHASES

- A decal/inventory tag should be affixed to the equipment as soon as possible after the item is acquired and placed in operation.
- When an item is purchased, departments may complete the “[Tagging Log Form](#)” and submit Financial Reporting via email at wf-fixedasset-admins@memphis.edu; fax – 901-678-3595 or admin 275 to obtain an inventory tag.
- When Financial Reporting staff identifies new items, they will contact the department to obtain the pertinent information (serial number, model, location) in order to assign a decal to the item.
- REMOVAL FROM PREMISES - Complete/submit the Request for Off-Campus Use of Equipment form to Financial Reporting.

FIXED ASSET WORKFLOW

- **Equipment Transfers (location changes, transferring to another department, to surplus, and to declare an item zero value) will be processed through the Fixed Asset Workflow.**
- **Each organization has a Financial Manager (which is assigned through Banner) and one Equipment Representative in workflow. The Financial Manager (or designee) assigns the Equipment Representative.**
- **Verify all organizations within your department have an equipment representative assigned. Can verify using the Finance Program Guide.**

FOAPALS

[search by index](#)
[search by fund](#)
[search by organization](#)
[search by program](#)
[search by activity](#)
[search by multiple fields](#)
[search by orgn title](#)
[search by index title](#)

SIGNATURES

[signatures by org](#)
[signatures by name](#)
[approval queues by org](#)
[approval queues by name](#)

EQUIPMENT REPS

[assign equipment reps](#)
[view equipment reps](#)
[fixed asset workflow help](#)

Equipment Representative Maintenance [\(logout\)](#)

Please login below to view/edit the users on organizations for which you have authority.

User Name:

Example: jsmith

Password:

Login

Current Equipment Representatives

Org Code	Org Name	UUID (Lookup)	Name	Action
513000	Payroll Office	MISOM	Montoya Williams	Remove
511030	Grants and Contracts Accounting	MISOM	Montoya Williams	Remove
511000	Accounting Office	MISOM	Montoya Williams	Remove

SURPLUS

- **A work order** is completed for all equipment to be picked up by Physical Plant.
- For **active** inventory items (system status code – **I, N, J, G**) the department should request the transfer and work order via the Fixed Asset Workflow system.
- **Inactive** items (system status code – **D or C**), go to Physical Plant's website and complete the work order. Include support (FFIMAST or email from Financial Reporting).
- University-owned computers and portable devices or media must have all confidential and official University data erased from the computer or portable device or media prior to its transfer out of University control, and/or destroyed, using current best practices.
- Decals are to remain on the equipment.

Use Banner INB screen FFIMAST to check asset status

Oracle Fusion Middleware Forms Services: Open > FFIMAST

File Edit Options Block Item Record Query Tools Help

Fixed Asset Master Query FFIMAST 8.7.0.2 (PROD)

Asset Tag: 012599200

Master Information FFIMAST 8.7.0.2 (PROD)

Origination Tag:	T00118678	Origination Tag Date:	04-JUN-2012
Permanent Tag:	012599200	Permanent Tag Date:	03-DEC-2012
Primary Tag:		Last Adjustment Date:	
Subordinate Type:		Origination Tag Cancel Date:	
Asset Description:	Dell OptiPlex 990 Minitower		
Commodity:		System Status Code:	I Invoiced
Unit of Measure:	EA Each	<input type="checkbox"/> Capitalization Indicator	
Asset Type:	NC Sensitive Items Not Capitalized	<input type="checkbox"/> Asset Text Exists	
User Status Code:		<input type="checkbox"/> Tag In Use	
		<input type="checkbox"/> Gift Indicator	
Insurance Value:		Cost:	1,212.06
Market Value:		Total Cost:	1,212.06
Replacement Value:		Net Book Value:	0.00
Book Value:		Total Net Book Value:	0.00



FIXED ASSET INVENTORY

- **A physical inventory of equipment will be made annually (March/April). This includes capital equipment (over \$5,000), sensitive equipment (costing between \$1,500 and \$4,999) and equipment temporarily located off-campus.**
- **During the year, you can review the Fixed Asset Inventory Listing Report (FYFR001) monthly via the Banner Finance Repository (ePrint).**
- **LOST, STOLEN, OR DESTROYED – Complete/submit the Report of Lost or Stolen Property form to Police Services. Also, contact your LSP or IT to determine the type of information, if any, stored on the device. If it is determined that restricted or individually identifiable data is included on the device, the Office of Legal Counsel, Information Technology Services, and the Controller should be contacted to determine a response plan.**
- **When an employee terminates, ensure any University property (including computers) are returned to campus.**

Equipment Inventory Policy:
<http://umwa.memphis.edu/umpolicies/UM1772.htm>

Workflow Instructions:
<http://bf.memphis.edu/spectrum/fahelp.php>

Fixed Asset Workflow Helpdesk:
wf-fixedasset-admins@memphis.edu

Accounting Office: 678-2271

Fixed Asset Workshop
October 27th 10:00-11:00 AM UC 261

IT Security Awareness

Robert Jackson, Assoc. CIO &
Chief Information Security Officer

Cyber Security Awareness Month

- Stay Safe Online – National Cyber Security Alliance
 - <https://www.staysafeonline.org>
- SANS Cyber Security Awareness
 - <http://cyberaware.securingthehuman.org>
- UofM Face to Face Cyber Security Training
 - Departmental training sessions can be scheduled
 - Approximately 45 minutes, 15 minutes Q&A

University IT Policies

- UM1337 – Data Access
- UM1535 – Acceptable Use of IT Resources
- UM1566 – Security and Protection of IT Resources
- UM1691 – Campus Data Security

University Policies Site – <http://policies.memphis.edu>

Be sure to review policy website regularly!

SANS Securing The Human

- Mandatory annual training:
 - Banner Finance / Banner HR users
 - ITS employees
- Videos followed by short quizzes
- Certificate of completion can be printed at end of assessments
- <https://sso.securingthehuman.org/uofmemphis>

ITS Security Web Site

<http://www.memphis.edu/its/security>

- Reporting an incident
- Alerts and Warnings
- Policies and Guidelines
- Security Best Practices
- Security Awareness
- Web Security Guidelines

Reporting Incidents

- Phishing / Spam email messages can be forwarded to abuse@memphis.edu.
- When in doubt about the legitimacy of emails, forward to abuse@memphis.edu.
- Real or suspected security incidents, such as compromised credentials, compromised system, or evidence of data exposure/release can be reported using the online form at <http://www.memphis.edu/its/security/>

Other Resources

- CIO blog
 - <http://blogs.memphis.edu/cio>
- ITS Service Desk
 - <http://www.memphis.edu/umtech/>
 - Request service via:
 - Extension 8888
 - Email to umtech@memphis.edu
 - <https://helpdesk.memphis.edu>

Q & A

Robert Jackson, Assoc. CIO &
Chief Information Security Officer

rjax@memphis.edu

Ext 5103

<http://www.memphis.edu/its>

Who Knew? / What's New? / What's Due?



What's Due? Workshops

Workshops	Date
Budget Basics UC - Senate Chamber Room 261	Thursday, November 12, 2015 9:30 - 11:00 AM
Accounting Basics UC - Senate Chamber Room 261	Wednesday, November 11, 2015 1:30 - 3:30 PM

What's Due? Accounting Office

Activity	Deadline
Last Accounts Payable Check Run Prior to Thanksgiving Holiday (<i>In order to ensure payments are processed. Documentation should be received at least two weeks prior to deadline, Nov. 9th.)</i>)	Monday, November 23, 2015
Time Sheet for BW24 Biweekly Payroll (Nov. 14 th -Nov. 27 th)	Wednesday, November 25, 2015
Time Sheet for BW26 Biweekly Payroll (Dec. 12 th - Dec. 25 th)	Wednesday, December 16, 2015
Last Accounts Payable Check Run of Calendar Year (<i>In order to ensure payments are processed. Documentation should be received at least two weeks prior to deadline, Dec. 7th.)</i>)	Monday, December 21, 2015

What's Due? Accounting Office

Activity	Deadline
E-Print Financial Reports (June - September 2014)	Tuesday, October 20, 2015
September Over-Expenditure Reports	Tuesday, October 20, 2015
Summer Comp Effort Report - If Required , Submit Salary Redistribution Form to Grants Accounting	Monday, October 19, 2015
Summer Comp Effort Report	Friday, October 30, 2015

What's Due? Bursar's Office

Activity	Deadline
2nd Installment Fee Payment Deadline (4:30 p.m.) for students who utilized the Installment Payment Plan for the Fall 2015 term	Friday, October 30, 2015 for in person payments and Sunday November 1, 2015 for online payments (TigerXpress)
Registration holds will be placed on students account for outstanding debts for the Spring 2016 term.	Friday, November 6, 2015
Spring 2016 Registration Begins	Monday, November 9, 2015
2015/2016 Fee Request due to the Bursar's Office	

Please join us for the
next Focus on Finance
meeting -
November 19, 2015



THANK YOU!

www.memphis.edu/finance