



TAX WITHHOLDING PROCEDURES

1. Cash awards are processed through an online student award entry screen and batch fed to the student's account in the Treasurer's Information System; no requests for cash awards are processed directly through the Accounts Payable System.
2. Treasurer's Information System produces a report of all awards (exemptions and cash awards) fed into that system by the student award system; the report is distributed to Accounts Payable.
3. Accounts Payable establishes an accounts receivable on the students' accounts in the Treasurer's system for applicable federal income taxes on taxable exemptions and all cash awards.
4. Periodic extracts of exemptions and awards processed to international students are provided to Accounts Payable; the report itemizes all exemptions (broken into taxable and tax exempt categories) and cash awards. Any balance of taxes reflected on the extract as due the university are reviewed for tax treaty benefit. If the student has filed a W-8 BEN with the Accounts Payable office, he/she will be exempt from the tax due; if the student does not have a W-8 BEN on file, an accounts receivable will be established on that student's account.
5. Treasurer's system applies cash awards and student deposits, to amounts due from the student (including the receivable for federal taxes) and, if the student account reflects a credit balance, the treasurer's system batch feeds a "credit balance refund request" to the Accounts Payable System.
6. The Accounts Payable System writes the student a check for the net amount due; students receives billings from the Treasurer's office that reflect any amounts due the university, including federal taxes.
7. Federal income taxes withheld are deposited into our tax depository account.
8. Forms 1042 and 1042S are reported annually to the international students and visiting scholars and to the Internal Revenue Service.