

IAS Research and Creative Collaboratives
Reimbursements, Payment, Honoraria
(updated 12 September 2016)

There are two general kinds of payments made for collaborative activities: reimbursements to University of Minnesota employees, and payments to non-University people or companies. Collaboratives also may pay honoraria to visiting speakers or consultants. **All payments using collaborative funds must be done through IAS staff.** Do not submit any forms to your departmental administrators.

Reimbursements

Important guidelines:

- **Only active University employees may be reimbursed for expenses.** Faculty and staff are University employees. Most undergraduate students and many graduate students are not. A fellowship or scholarship **does not** constitute employment. The safest way to avoid having students take on expenses that are not reimbursable is not to ask students to pay for anything unless that student has been **hired** as your collaborative's **paid** research assistant.
- The person requesting reimbursement must be the person who incurred the charge.
- If the reimbursement is being paid with IAS collaborative funds, IAS staff must process the reimbursement. Please do not try to process these through your home department.
- The University's policy is to process reimbursements **within 30 days of the original purchase**; please submit your itemized receipts in a timely manner so we can adhere to this standard. Our accountant has advised us that **reimbursements submitted more than 60 days after the original purchase may be denied.**
- All reimbursements must be processed within the same fiscal year, which ends on June 30. Please contact Susannah in advance if you will have expenses incurred in the month of June. Due to University financial year-end closing, processing needs to occur a couple weeks earlier.
- All employee reimbursements should be done on the University's Employee Expense Worksheet form UM 1612, the Employee Expense Worksheet, available at <http://policy.umn.edu/forms/search?combine=1612>. Reimbursement forms must be signed by the employee before they can be processed.
- **Itemized receipts** are required for all hospitality and purchases, including food and beverages. An itemized receipt means that each individual item is listed. This is particularly important to demonstrate that no alcohol is being charged to the account.
- Your justification of the expense or purchase must include a description of **who, what, where, when, and why.**
- If you have a group of 15 or fewer at a meal, you must **list all names and affiliations.**
- The current mileage rate is 54 cents per mile. This includes gas, maintenance, and insurance. The Employee Expense Worksheet automatically puts in the current rate. Please use the link above for the most up-to-date worksheet.
- The IAS cannot reimburse collaboratives for alcohol purchases.

Complete the form, sign it, and give it along with all applicable itemized receipts to Christina Collins, ccollins@umn.edu, 290 Northrop, Mail code 0251B.

Payments

For a check to be cut to an outside supplier (a non-University person or company) we need the following information:

- Supplier name
- Mailing address

- Social Security number if individual
- Tax ID# if company or sole proprietor
- Telephone number
- A description of what you are paying for
- What budget number it is being paid on (your collaborative accounting string)

All of this information may be presented in either an invoice or memo. This information goes to Karen Kinoshita karenk@umn.edu. Karen can work with you if you have any questions.

If you will be paying more than \$2,999 for a **service** (this includes honoraria of \$3,000 or more), we must execute a **Contract for Professional Services**. This should be initiated **in advance** of the work. Fill out forms 1669 (Professional Services Information Sheet) and 1697 (Statement of Work Attachment for Professional Services) – both are available at the U's Forms Library <http://policy.umn.edu/Forms/Forms.cfm>.

Honoraria

- Karen Kinoshita karenk@umn.edu sets up all paperwork for honorarium and needs the following information:
 - person's legal name
 - Address
 - telephone number
 - social security number or tax identification number
 - citizenship status

Please give Karen the person's email address so she can contact him or her directly to get the necessary information in advance.

- **IMPORTANT NOTE: If you are paying honoraria to international visitors, they must also provide a copy of their current passport and the visa stamp on which they entered.** Payment to non-citizens is not possible without confirmation of visa status, so please remind your international visitors to bring their passports when they come to the IAS office. If they leave the U.S. without giving us a copy of their passport and visa, we might not be able to process payment at all. This is not an idle threat, but based on sad experience!
- Non-citizens who do not have a Social Security number or Individual Tax ID Number (ITIN) may be charged 30% tax on honoraria. It behooves these visitors to apply for an ITIN in advance of their visit to avoid this tax. Other taxes may apply, depending on the tax treaty with that country.
- When a speaker comes for an event, Karen will provide paperwork for signature, an expenses worksheet, and a self-addressed, stamped envelope for returning of itemized receipts. **Please work with Karen in advance to insure that you have all the necessary paperwork to process the honorarium payment.**
- An honorarium of \$3,000 or more requires a Contract for Professional Services (see above). These may be taxed.
- Honoraria for international speakers may be charged additional taxes, depending on what country the speaker is from. Honoraria for international speakers will also be taxed if the speaker does not provide a U.S. Social Security or Tax Identification number. Talk with Karen if you have questions about any country's tax treaty with the U.S.
- **Honoraria payments are processed after the event.** If the speaker has incurred travel expenses which you plan to reimburse, payment processing will not occur until after all itemized receipts are in hand. The goal is to have one check cut per guest speaker that includes both honorarium and incurred travel expenses.