Disbursements Update

Points Covered:

– Independent Contractor vs Guest
  • Who is a Guest under our accountable plan?
  • Who is an independent contractor?
  • What changes for a non-resident alien/foreign national?

– Non-Concur Travel Reimbursements
  • Is the reimbursement for a valid business purpose?
  • Process for Guest travel reimbursements / receipts
  • Benefits
  • Process for independent contractor
  • Proper use of object codes
  • Decision tree

– Honoraria
Disbursements Update

Independent Contractor vs Guest –

Who is a Guest under our accountable plan?

– They are visiting the University by invitation
– They are not here to provide a service or a product
– There is no contract or agreement in place
– This is not their main line of business
– A guest may receive a honoraria or award
– Guests include recruits, conference speaker or participant, potential donor
Disbursements Update

Independent Contractor vs Guest –
Who is an independent contractor?

– Not a guest
– Is paid by Penn for a service or product (not normally performed by an employee)
– Can be an individual or small company
Disbursements Update

Independent Contractor vs Guest –

What changes for a non-resident alien/foreign national?

– PDA-F form
– W-8BEN
– Foreign National Information form
– Foreign Visitors Honoraria Certification form
– Copy of visa, passport and I94 card
– Up to a 30% withholding (treaty countries - must submit form 8233 / applicable statement under IRS Procedure 87-9 to ensure that U.S. income tax will not be withheld)
Disbursements Update

Non-Concur Travel Reimbursements –
Is the reimbursement for a valid business purpose?

– Does it support Penn’s core missions:
  • Education
  • Research
  • Patient Care
  • Public Service

– Does the University benefit?

– Does it enable the University to meet its operating goals and objectives and/or support the generation of revenues or meeting related service obligations?
Disbursements Update

Non-Concur Travel Reimbursements –
Process for Guest travel reimbursements / receipts

– Penn should pay for these expenses **directly**
– Attach a GTR worksheet to a PDA-NA or PDA-F form
– Attach receipts, supporting the GTR worksheet (prefer copies)
– Should be coded to travel object codes 5206 (dom.) or 5207 (for.)
– Honoraria and awards should be coded to service object codes 5314 and 5344, respectively, and added to the PDA form
– Invoice numbering/dating on the PDA form for guest travel reimbursement will remain the same, invoice # = date of beginning the trip, invoice date = date of end of trip (e.g., 070114 and 070714)
Disbursements Update

Non-Concur Travel Reimbursements –

Benefits

- Form/receipt images will be available in BEN
- GTR worksheet can be filled out electronically or manually by guest with signature or email confirmation
- Typing not required on the GTR worksheet
- Original receipts not required/desired, scanned copies are fine
- GTR worksheet assists with coding
- Quicker supplier setup using the Markview work flow
- Process is consistent with existing PDA process
Disbursements Update

Non-Concur Travel Reimbursements –
Process for independent contractor

- PO will be preferred (FY16)
  - Supports contractor classification
  - Adds other procurement controls
- PDA-NA or PDA-F form
- Any reimbursements should be specified in the work agreement/contract and be included in their fee structure
  - Contract should communicate how often reimbursements should be paid
- Reimbursements can be limited by a % of the service fee
- Receipts not required but should be made available upon request
- All payments should be coded to a service object code (e.g. 5319, see list on next slide)
Disbursements Update

Non-Concur Travel Reimbursements – Proper use of object codes

<table>
<thead>
<tr>
<th>Object Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MISC1</td>
<td></td>
</tr>
<tr>
<td>5250</td>
<td>External Rentals/leases of facilities</td>
</tr>
<tr>
<td>5252</td>
<td>Rentals/leases of computer and peripherals</td>
</tr>
<tr>
<td>5254</td>
<td>Rentals/leases of other capital equipment</td>
</tr>
<tr>
<td>MISC2</td>
<td></td>
</tr>
<tr>
<td>4910</td>
<td>Royalties from Technology Transfer</td>
</tr>
<tr>
<td>4918</td>
<td>Royalty Internal Distribution</td>
</tr>
<tr>
<td>4919</td>
<td>Royalty External Distribution</td>
</tr>
<tr>
<td>MISC3</td>
<td></td>
</tr>
<tr>
<td>5314</td>
<td>Honoraria</td>
</tr>
<tr>
<td>5316</td>
<td>Human Subject Payments</td>
</tr>
<tr>
<td>5344</td>
<td>Prizes &amp; Awards</td>
</tr>
<tr>
<td>5345</td>
<td>Reimbursements not under the accountable plan</td>
</tr>
<tr>
<td>MISC6</td>
<td></td>
</tr>
<tr>
<td>5325</td>
<td>Benefit Carrier Payments</td>
</tr>
<tr>
<td>MISC7</td>
<td></td>
</tr>
<tr>
<td>5275</td>
<td>Photographic &amp; Illustrative Services</td>
</tr>
<tr>
<td>5300</td>
<td>Accounting &amp; Audit Services</td>
</tr>
<tr>
<td>5301</td>
<td>Legal Services</td>
</tr>
<tr>
<td>5302</td>
<td>Management Consulting Services</td>
</tr>
<tr>
<td>5303</td>
<td>Training &amp; Staff Development Services</td>
</tr>
<tr>
<td>5306</td>
<td>Computer Consulting Services</td>
</tr>
<tr>
<td>5313</td>
<td>Lecture Fees</td>
</tr>
<tr>
<td>5319</td>
<td>Other Professional Services</td>
</tr>
<tr>
<td>5339</td>
<td>Other Services</td>
</tr>
<tr>
<td>1930</td>
<td>Architectural/Engineering Fees</td>
</tr>
<tr>
<td>1931</td>
<td>Architect/Construction Contingency</td>
</tr>
<tr>
<td>1933</td>
<td>Consultants</td>
</tr>
<tr>
<td>1934</td>
<td>Consultants – Landscape Allowance</td>
</tr>
<tr>
<td>1935</td>
<td>Consultants</td>
</tr>
<tr>
<td>MISC14</td>
<td></td>
</tr>
<tr>
<td>5315</td>
<td>Legal Settlement Fees</td>
</tr>
</tbody>
</table>
Disbursements Update

Non-Concur Travel Reimbursements – Decision tree

- **Business Purpose?**
  - **Y**
    - **Non-Affiliate**
      - **N**
        - **Guest**
          - **Y**
            - PDA-NA or PDA-F Form
              - GTR Worksheet
              - Use Service Obj Codes
              - Under accountable plan
      - **Y**
        - Employee/Student
          - **N**
            - Independent Contractor
              - **N**
                - Concur
                  - Under accountable plan
          - **Y**
            - PDA-NA, F or ES Form
              - Use Service Obj Codes
              - Not under accountable plan
Disbursements Update

Honoraria –

What is an Honoraria?

– A token of appreciation for participation in an activity or event, and is not a contractual obligation to pay for services rendered.
– It is for a person’s participation in “Usual Academic Activity”, such as lecturing, teaching, consulting, conducting research, attending meetings, symposia or seminars.
Disbursements Update

Honoraria –

Who should not receive an Honoraria?

- Employees
  • Employees should be paid via additional pay.

- Companies
  • Honoraria's should be paid to the individual, not the company.

- Lecturers
  • If an individual is charging a fee it should be charged to 5313 Lecture Fees.
Disbursements Update

Honoraria –

Department’s role in preparing an Honoraria Payment - Be Proactive!

– Get a copy of your department’s list of guest speakers from your chair, director, or the person organizing your lecture/workshop series.
– For US Citizens or US Resident Aliens be sure to obtain a W9 and provide the flyer or memo that documents the person’s participation in the activity or event.
– Use appropriate PDA-NA or PDA-F form
– Identify the foreign national guest speakers in advance of their arrival.
– Work with your faculty to determine the type of visa the guest speaker will have.
– Assemble the appropriate paperwork necessary for that type of visa. The documentation needed is listed on the AP website: http://www.finance.upenn.edu/comptroller/tax/honorarium_matrix1.shtml