

Payments for Services performed for Rowan University

Domestic & Foreign

Policy

It is Rowan University's policy that payments for services are not to be made in cash, whether such services are performed by employees, independent contractors, or vendors. It is also not permissible to make payments for services with a credit card (personal or University).

All payments for services must be made through the Human Resources Office (special assignment contract) or the Accounts Payable Office, in accordance with the procedures described below. This is necessary to ensure compliance with Internal Revenue Service rules and regulations, and to ensure that appropriate internal controls are followed, with regards to payments for services.

Procedures

Payments for services rendered by employees are not to be made in any manner other than through the Human Resources Office, to facilitate the appropriate tax withholding. This includes payments to employees for services performed beyond their normal job duties or outside of the department in which they are regularly employed. This also includes student employees, regardless of whether or not they are performing services beyond their normal job duties or outside of the department in which they are regularly employed.

Payments to independent contract vendors must be made through the Accounts Payable Office. Payments to foreign independent contract vendors require special handling for tax purposes. As a rule, 30% must be withheld from this payment unless the country has a tax treaty with the U.S. That may reduce or negate this obligation. A Foreign national Information Form must be completed and returned to Accounts Payable office before services are provided. In addition, if the person is claiming a tax treaty exemption, an 8233 IRS form must be completed and submitted prior to payment being released. Please contact the Accounts Payable Manager for information.