

Transactions with Non-US Individuals and Corporate Entities

Glacier Tax Compliance Software

Effective September, 2017, the University is using Glacier Tax Compliance Software to determine tax and reporting requirements for transactions with all non-US individuals and corporate entities. All University faculty and staff who engage in transactions with non-US individuals and/or entities must ensure that tax clearance is obtained before committing University funds. Payment to such individuals/entities cannot be guaranteed without prior tax clearance.

Glacier tax compliance software is also used to determine tax and reporting requirements for employees and students who are non-US individuals.

Glacier is a secure online Nonresident Alien (NRA) tax compliance system used by the University to determine tax treatment of University transactions with non-US persons. Non-US individuals are asked to provide relevant personal information in a secure online format. Trained staff within relevant units (Business Services, Payroll, Student Account Services, and International Students) apply the Glacier system tools to determine tax residency, tax treaty determinations, and the final taxability of transactions.

The Glacier system maintains all NRA paperwork and data; and prepares the required tax forms and statements.

By allowing Non-US individuals to enter the majority of their information themselves based on their own knowledge or advice of their own accountant, and by relying on the Glacier system tools to calculate the substantial presence test, tax residency, interpretation of tax treaty language, and reporting requirements, the University achieves a consistently high degree of compliance quality, ensures administrative efficiency for the multiple departments involved in these transactions, and ensures integrity in the University's business processes in the fulfillment of its tax compliance obligations.

Glacier Tax Compliance Software allows institutions to:

- achieve and maintain tax compliance with nonresident alien tax issues;
- manage tax liability;
- determine tax residency (perform the substantial presence test);
- evaluate income tax treaty articles with confidence, efficiency and speed;
- maintain data in an easily accessed and shared manner;
- generate ad-hoc and "tickler" reports quickly (and even set automatic reminders);
- control paperwork and supporting documents necessary in the event of a review or audit;
- file Forms 1042 and 1042-S with the IRS;
- electronically post Forms 1042-S for the non-US individuals to easily retrieve and update their records/forms as needed;

- Complete forms with accuracy and efficiency (W-8BEN, form 8233, W-9, Tax Treaty Statement)

Process for Obtaining Tax Clearance

University faculty and/or staff who are engaging in business transactions with non-US persons must ensure that all such persons receive access to complete Glacier forms and obtain tax clearance before committing the University to such transactions. The Glacier forms can be processed concurrently with requisition processing, but must be completed before a purchase order is issued.

Important Policy Points

University procurement policy requires Purchase Orders (PO) for all purchases of goods and/or services. If you are engaging any individual for services (US or non-US), you must obtain a PO prior to committing any University funds.

If you are engaging any non-US individual for services, you must obtain tax clearance prior to committing any University funds. You should expect that at a minimum, there will be an IRS tax reporting requirement. In some cases, if an applicable tax treaty cannot be identified, there may be required tax withholding.

If you are engaging any non-US corporate entity for goods or services, special rules apply and you must obtain tax clearance prior to committing any University funds. Glacier is the tool used by Business Services to determine relevant tax and reporting requirements. In the case of corporate entities, Glacier logons are not available so the entity information must be submitted directly to Business Services for processing the tax clearance.

Procedure

To begin the process, contact the appropriate department to obtain a logon for the non-US individual (or, for corporate entities, to obtain the form for required information):

<u>Type of Non-US person</u>	<u>Contact this department:</u>	<u>Contact name & info</u>
Vendor – Individual Vendor – Corporate Entity	Business Services	Glenda Jara <i>Jarag1@wpunj.edu</i>
Employee	Payroll	Ramzi Chabayta <i>Chabaytar@wpunj.edu</i>
Student (admitted)	Student Account Services	Sandra Bembry <i>Bembrys@wpunj.edu</i>
Student (pre-admission)	International Students	Cinzia Richardson <i>Richardsonc@wpunj.edu</i>

The non-US individuals will receive an email with instructions on how to proceed*. Before logging on, it is suggested that they have ready all relevant documentation such as visa, passport, I-94 or other related support.

Once the non-US individual has completed the online Glacier interview, the system will display forms and/or documentation required for submission and, if applicable, the taxability rate. The required forms/documentation should be submitted asap to (Business Services, Payroll, Student Account Services or International Students) for timely completion of the process.

For non-US corporate entities, Business Services will provide the form necessary to collect required documentation about the entity. This form should be completed and returned to Business Services for processing.

After tax clearance is obtained, the transaction PO may be finalized. Follow-up reporting, withholding, or other requirements will be done by the appropriate area (Business Services, Payroll, Student Account Services or International Students).

*Sample Glacier email instructions:

You have received this email because you may receive payments from **[InstScreenName]**. For your convenience, **[InstScreenName]** allows you to provide the required information and complete the necessary forms via the Internet from any web-accessed computer using the GLACIER Online Tax Compliance System. The information and forms must be provided prior to any payment so that the correct tax withholding and reporting decisions are made; failure to do so may result in the maximum rate of tax withholding and/or delayed payment. Information provided to GLACIER is transmitted and stored securely and will only be used by **[InstScreenName]** for purposes of tax withholding and reporting.

You must access GLACIER and provide the requested information within 10 days of receiving this message. If you do not provide the requested information within 10 days, the maximum amount of U.S. tax will be withheld from any payments made to you.

To login to GLACIER, follow the steps below:

Click on the following web link: <http://www.online-tax.net> ; if the link does not automatically open, simply open your Internet Browser (preferably Internet Explorer) and enter the website address <http://www.online-tax.net>.

Click on the GLACIER logo to enter the website.

At the login screen, enter your temporary access information from below; you will be required to select a new UserID and Password at the time of first access to GLACIER.

UserID: **[UserID]**
Password: **[Password]**

If you have any questions or need additional information about why you have been asked to use GLACIER, please contact me.

Thank you and have a great day.

[SendingAdminFirstName] [SendingAdminLastName]
[InstScreenName]
[SendingAdminEmailAddr] or 1-[SendingAdminPhone].