

FOREIGN NATIONAL COMPLIANCE

Legal Authority: NCGS 115D-20.1; NCGS 143-599

OPR: Vice President for Administration

Approval: June 12, 2019

Revisions:

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The North Carolina Office of State Controller (OSC) establishes policies for the withholding and reporting on payments to nonresident aliens (foreign nationals) and foreign vendors in accordance with the Internal Revenue Code (IRC) Section 144. This policy directs the President of the College to establish and maintain procedures that will assure compliance with these OSC policies.

As part of the Foreign National Compliance Program, Craven Community College shall implement written procedures that establish internal business flow process between Human Resources/Payroll, Student Services, and Account Payable/Purchasing, at a minimum. Any payment to foreign employees, vendors, contractors, or students must be tracked. The College will designate a contact person or persons in the areas of Human Resources/Payroll, Student Services, and Accounts Payable/Purchasing to communicate with the North Carolina Community College System (NCCCS) Office and OSC on matters related to foreign nationals. The College will submit a Foreign National College Contacts form assigning the contact(s) for each area and the NCCCS verifying these contacts periodically. The College may select as many contacts in each area as needed, and the same person can be the contact for one or more areas.

The College must submit and maintain a Foreign National College Authorized Signature Form. The designated individuals are responsible for signing a Foreign National Data Gathering Form and the Foreign National Payment Certification Form, certifying that the information being submitted has been reviewed and is accurate to the best of their knowledge. These individuals are also responsible for signing the forms to be submitted to the IRS or foreign person or vendor when necessary. Authorized signature designees will include the Chief Financial Officer and the Executive Director of Human Resources, at a minimum.

When presented with a foreign national vendor, contractor, student, or employee, the College should complete either the Foreign National Vendor Data Gathering Form or the Foreign National Data Gathering Form as required. Once the form has been reviewed and processed, the NCCCS Accounting staff will notify the College of the applicable taxation rules.

No payments will be made to foreign individuals or organizations until an analysis of the facts and circumstances surrounding the transaction has been performed. If payments made by the College to the foreign vendor, contractor, student, or employee are taxable, the College must withhold federal and/or state taxes as applicable. Payments and tax withholdings must be certified to the NCCCS Accounting and Special Projects Division of Business and Finance every quarter using the Foreign National Payment Certification Form.

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