

## Quick Guide for Reimbursement of Travel Expenses to Independent Contractors

Payments to independent contractors and guest speakers for services will be subject to IRS 1099 or 1042-S tax reporting and/or withholding guidelines.

**Travel, subsistence, and other personal expenses may be paid to an independent contractor, if provided for in the contract, in such amounts as provided for in the contract.** Those expenses must be paid in accordance with the travel policies and procedures of the University. Reimbursements for travel expenses will not be subject to federal tax reporting if receipts are submitted with the Professional Services Agreement and/or the expenses are reimbursed based on the university travel per diem rates. Additional information and paperwork are still required from non-U.S. contractors/speakers in order for the reporting and withholding exclusions to apply.

	Travel	Lodging	Meals and Incidentals
Receipts	Required for reimbursement of actual expenses and 1099 or 1042-S reporting exclusion	Required for reimbursement of actual expenses and 1099 or 1042-S reporting exclusion	Required for 1099 or 1042-S reporting exclusion when actual expenses are to be reimbursed
Per Diem without receipts	Not allowed	Not allowed	Allowed when the university's meal and incidental rates are applied

### Lodging:

Off-campus housing (third party, hotel) must be in the independent contractor's name and must be paid on a reimbursement basis upon submission of the original receipt and/or rental agreement. The PSA agreement or contract must include "travel or out of pocket costs will be reimbursed up to \$XXX". **Note: Reimbursement will NOT be reported as income on their 1099.**

For campus provided housing (i.e. Center Stage Apartments), the value of the housing **may or may not be reported as income on their 1099, if exceptions apply.** Full or partial exceptions apply if the housing is provided for the convenience of the employer, a temporary work location and/or lodging furnished by an educational institution. To determine if the full or partial exceptions apply, please disclose on campus provide housing will be provided on the contract.

### **No Honorarium or Fees Paid to Independent Contractor (only Travel)**

When independent contractors and guest speakers are reimbursed only for their actual travel expenses, the Professional Services Agreement, if applicable, or other documentation with all required attachments must still be submitted. When the department makes travel and lodging payments using the University purchasing card or other forms of payment directly to the vendors on behalf of the independent contractor or guest speaker, all required attachments must still be submitted. **Note: Reimbursement will NOT be reported as income on their 1099.**