



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

R. Scott Ralls, President

April 17, 2012

IMPORTANT

MEMORANDUM

TO: Chief Business Officers

FROM: Jennifer Haygood, Vice President of Business and Finance
Tracy Williams Pender, Systems Accountant

SUBJECT: Accounting Procedures Manual Update: Foreign National Compliance

As part of the Foreign National Compliance Program, all North Carolina State Government Agencies, Universities, Community Colleges, and Institutions are responsible for withholding and reporting on payments to foreign national individuals, vendors, contractors, students, and employees in accordance with the IRS Code Regulations Section 1441 and policies established by the Office of the State Controller (OSC) and the NC Community College System (NCCCS).

Section 4 of the Accounting Procedures Manual has been updated to reflect changes to the NCCCS Foreign National Compliance Policy for those colleges managed centrally through the System Office.

Questions about the NCCCS Foreign National Compliance Policy can be directed to Tracy Williams Pender at pendert@ncccommunitycolleges.edu or (919) 807-7230.

jh/twp
pc: Personnel Officers

CC12-010
E-Mail

New subsection to Section 4 of the Accounting Procedures Manual:

“XII: Foreign National Compliance Policy

As part of the Foreign National Compliance Program, all colleges must develop written internal policies and procedures that establish their own internal business flow process between Human Resources, Student Services, and Accounts Payable. Any payments to foreign employees, vendors, contractors, and students must be tracked within each college. All colleges must designate a contact person or persons in the areas of Human Resources/ Payroll, Student Services, and Accounts Payable/Purchasing to communicate with the System Office and the Office of the State Controller (OSC) on matters related to foreign nationals and the Windstar Tax Navigator software. Each college submits a Foreign National College Contacts form assigning the contact(s) for each area, and the System Office verifies and updates these contacts periodically. Colleges can select as many contacts in each area as needed, and the same person can be the contact for one or more areas.

Software contract terms for the Windstar Tax Navigator software package, which is used to assist in properly withholding and reporting payments made to foreign nationals, stipulate that 10 community colleges have licenses to use, manage and maintain the software locally on their campuses, while the remaining 48 colleges are managed through a central database at the North Carolina Community College System Office (NCCCSO) Systems Accounting and Special Projects section of the Division of Business and Finance. The 10 Colleges that have the software on campus are:

Alamance	Guilford Tech
Asheville-Buncombe	Montgomery
Central Piedmont	Sandhills
College of the Albemarle	Surry
Fayetteville Tech	Wake Tech

The 48 colleges managed centrally through the System Office must also submit and maintain a Foreign National College Authorized Signature Form. The designated individuals are responsible for signing the 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 his/her knowledge. These individuals are also responsible for signing the forms to be submitted to the IRS or Immigration office when necessary. It is recommended that the authorized signature designees for each college be the Chief Financial Officer and the Human Resources Director.

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 found Business and Finance website and return to the Systems Accounting and Special Projects section of the Division of Business and

Finance. Once the form has been reviewed and processed through Windstar, Systems Accounting staff will notify the college of the applicable taxation rules.

It is the college's responsibility to gather all data for each individual to be tracked through the Windstar software, whether processing the data in the locally installed software or whether processing through the System Office, before payment is issued.

If payments made by the college to the foreign national vendor, contractor, student or employee are taxable, the college must withhold federal and/or state taxes as instructed. Payments and tax withholdings must be certified to the Systems Accounting and Special Projects Division of Business and Finance every quarter using the Foreign National Payment Certification Form.”