

## 2.26 Foreign Nationals Compliance

**Last Revised:** November 2024

**Policy:** Piedmont Community College (PCC) has the responsibility of withholding and reporting on payments to foreign nationals (employees, contractors, vendors, and students) in accordance with federal regulations.

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### **Purpose/Definitions:**

#### **Purpose**

The purpose of this policy is to ensure compliance with federal regulations and outline the procedures for withholding and reporting on payments to foreign nationals.

#### **Definitions**

**Foreign national**—any person who is not a citizen of the United States.

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**Approval Authority/Monitoring Authority:** Piedmont Community College’s Board of Trustees has approval authority for this policy. The Vice President, Administrative Services/CFO has monitoring authority for this policy.

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### **Procedure:**

#### Section 1: General Reporting Requirements

- 1.1. PCC completes the Finance and Operations Division Quarterly Foreign Nationals Payment Certification and submits it to the NCCCS via e-mail.
  - 1.1.1. If no foreign nationals are identified, this quarterly report is sufficient.
- 1.2. As soon as foreign nationals are identified, staff in the following areas should report this information to the Office of Human Resources and Organizational Development (HROD).
  - 1.2.1. Office of HROD—Business Partner (Temporary, Full and/or Part-Time Employee/Salary Payments to non-US Citizens)

- 1.2.2. Business Office (Vendors and Contractual/non-Salary Payments to non-US Citizens)
- 1.2.3. Student Development (Scholarship/non-Salary Payments to non-US Citizens)
- 1.2.4. Continuing Education (Scholarship/non-Salary Payments to non-US Citizens)

Section 2: Workflow when a foreign national is identified

- 2.1. PCC identifies a foreign national who will be compensated via payroll, accounts payable, or student services.
  - 2.1.1. PCC completes the College Foreign Nationals Information System (FNIS) Information Form
  - 2.1.2. The appropriate department should maintain a copy of evidentiary and supporting documentation
- 2.2. NCCCS office establishes the initial records in FNIS and notifies PCC via e-mail to enter the data into the web application, if applicable, with guidance from the NCCCS office.
- 2.3. PCC enters demographic data into FNIS, prints data sheet signed by authorized office (Personnel, Business Office, and/or Student Development/Continuing Education), and submits copy to the NCCCS office.
- 2.4. PCC submits the initial payment information to the NCCCS Office on the Foreign National Payments Form for each individual added to the system for tracking. This form will be submitted on a monthly basis to update the payroll information in the Tax Navigator.
- 2.5. NCCCS Office loads initial payment information into Tax Navigator upon receiving the signed FNIS data sheet and performs the Substantial Presence Test (SPT).
  - 2.5.1. Tax Navigator generates any applicable forms.
- 2.6. NCCCS Office sends any forms generated to PCC via e-mail for printing, signatures, and distribution.
- 2.7. PCC submits the Foreign National Payments Form for individuals being tracked in Windstar via e-mail to the NCCCS office quarterly.
- 2.8. NCCCS Office will update all records quarterly from the payment information submitted by PCC.

- 2.9. At the end of the calendar year, IRS Forms 1042, 1042-T and 1042-S will be created by the System Office and sent to the college to be submitted to the IRS by March 15 each year. Form 1042-S must also be distributed by the college to the foreign national individuals and companies by March 15 each year.

**Section 3: Salary Payments to Non-US Citizens Who are Temporary, Full- and/or Part-time Employees**

- 3.1. All new hires will complete the I-9 Form; all non-US Citizens will be required to fill out the Foreign National Information System Data Gathering Form at the time they are hired.
  - 3.1.1. Passports and visas will be photocopied and placed in the employee's personnel file along with the original, signed Information Data Gathering form.
  - 3.1.2. The Office of HROD will be responsible for submitting the information to the NCCCS office per the Workflow for Colleges Managed through the NCCCS office guidelines.
- 3.2. In addition to the I-9 process, electronic verification using the internet-based E-Verify Program is required for every newly hired employee who began work on or after January 1, 2007.
  - 3.2.1. This program is to be used only to determine the employment eligibility of newly hired employees. Attempting to verify the employment eligibility status of a person who was employed by PCC before January 1, 2007 is strictly prohibited.
  - 3.2.2. This verification process is done in the Office of HROD.
- 3.3. To ensure compliance with its provisions, Immigration Reform and Control Act (IRCA) mandates that employers certify the employment eligibility of all new employees (including United States citizens) hired on or after November 7, 1986, by requiring completion of the employment eligibility form, I-9, within three days of employment.

**Section 4: Non-Salary Payments to Non-US Citizens who are Contractors/Vendors**

- 4.1. All potential contractor(s) designated as an individual or a company are required to complete a W-9 Form.
- 4.2. When it is determined that the payee is a non-US Citizen, the Purchasing Office will have the contractor(s)/vendor(s) complete a FNIS Data Gathering Form.

- 4.2.1. Passports and visas will be photocopied and placed in the Purchasing Office files with the original, signed FNIS Data Gathering form.
- 4.2.2. The Business Office is responsible for submitting the information to the NCCCS office per the Workflow for Colleges Managed through the NCCCS office guidelines.

Section 5: Non-Salary Payments to Non-US Citizens who are Students

- 5.1. All potential students are required to complete either a PCC Enrollment Application or a continuing education registration form.
  - 5.1.1. After the application or registration form is reviewed and it is determined that the student is a non-US citizen, the Student Development or Continuing Education Representative will have the student complete a FNIS Data Gathering Form.
  - 5.1.2. Passports and visas will be copied and placed in the student's file along with the original, signed FNIS Data Gathering form.
  - 5.1.3. The Student Development or Continuing Education Representative will be responsible for submitting the information to the NCCCS office per the [Workflow for Colleges Managed through the NCCCS Office](#) guidelines.

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**Legal Citation:** [State of NC Policy and Procedures Pertaining to Payments and Compensation of Foreign Nationals, Governments, and Corporations](#); [26 U.S.C. § 1441](#)

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**History:** Effective: January 2006; Revised January 2011, November 2021, November 2024