

Determining to Pay Individuals through Payroll or Accounts Payable

If the scope of the services provided is for *Instruction, Teaching, etc.*, payments must be processed via Payroll. Any payments for Instruction cannot go through AP

Purpose of Payment	Pay Through Payroll	Pay Through Accounts Payable	Foreign National Individual
<p>Awards for student employees, faculty, staff, prior employees, retirees</p> <p>**Scholarship Awards should be processed through Financial Aid</p>	<p>If the award is in anyway related to employment it should be paid through Payroll</p>	<p>If the award is strictly academic and work was not involved in the decision to give the award it should be paid through AP</p> <p>**Must have documentation from the department</p>	<p>Taxed through Payroll</p>
<p>Awards for non-employees</p>	<p>No. Process through Accounts Payable</p>	<p>Yes. Complete a Purchase Order for payment through HokieMart.</p> <p>If the award is \$600 or greater, or if combined payments to the individual in the calendar year exceed \$600, the individual will receive a Form 1099.</p>	<p>Taxable @ 30%</p>
<p>Gift Cards & Cash Equivalents for student employees, faculty, staff, prior employees, retirees</p>	<p>Yes. Please send all information pertaining to the gift card or cash equivalent to payroll@vt.edu.</p> <p>*Please note these are always taxable</p>	<p>No. Process through Payroll</p>	<p>Taxed through Payroll</p>
<p>Gift Cards & Cash Equivalents for non-employees</p>	<p>No. Process through Accounts Payable</p>	<p>Not allowable on state funds unless following the IRB process. See Procedure 23715c.</p>	<p>Taxed through AP at 30%</p>
<p>Honorariums for student employees, staff, prior employees, retirees</p>	<p>Honorariums are token payments made to bestow recognition to an individual for services they perform, for which payment is not required. Virginia Tech does not pay these to employees. Policy No. 3220</p> <p>For other payment types please refer to Payments for Services.</p>		
<p>Honorariums for non-employees</p>	<p>No. Process through Accounts Payable</p>	<p>Yes. Complete a Purchase Order for payment through HokieMart.</p> <p>If the award is \$600 or greater, or if combined payments to the individual in the calendar year exceed \$600, the individual will receive a Form 1099.</p>	<p>Taxable @ 14% for F or J Visa</p> <p>Taxable@ 30% for any other visa status</p>

Purpose of Payment	Pay Through Payroll	Pay Through Accounts Payable	Foreign National Individual
Payments for Services for student employees, faculty, staff, prior employees, retirees	Yes. Payments made to employees for services, including consulting should pay via Payroll. Please contact the HR Service Center to set up payment Anything outside of the normal scope of the employees work will need to be evaluated.	No. Process through Payroll.	Taxed through Payroll
Payments for Services for non-employees	If the individual does not qualify as an Independent Contractor per the Independent Contractor check list, they must be paid through Payroll. Please contact the HR Service Center to set up payment	Complete the Independent Contractor Form. If the individual qualifies as an Independent Contractor through the Independent Contractor list, they should be paid through Accounts Payable.	Taxable @ 14% for F or J Visa Taxable@ 30% for any other visa status
Prizes	Should follow protocol for Awards	Should follow protocol for Awards	Taxable @ 30%
Reimbursements for student employees, faculty, staff, prior employees, retirees	No. Process through Accounts Payable	Yes. Complete an Expense Request through Chrome River. *Reimbursement requests that are over 1 year old at submission are taxable by IRS regulations.	Not taxed if reimbursement falls under the accountable plan. Travel Grant are Taxable @ 14% for F or J Visa Taxable@ 30% for any other visa status