

PURPOSE & PROCESS RESPONSIBILITIES

This document has been created to assist UD employees in the collection of accurate tax documents for onboarding foreign suppliers and is for INTERNAL USE ONLY.

To reduce delays in onboarding foreign suppliers, best practice is for the engaging department to review the suppliers’ tax forms for accuracy *prior* to submitting them to Procurement. This document outlines the key elements that the Procurement Supplier Team will review on tax documents. By performing an initial review in your department, you can reduce the likelihood that tax forms will be returned for corrections and thus, the overall document processing time.

Please be reminded that UD employees CANNOT assist suppliers in the completion of tax forms or complete the forms on a supplier’s behalf.

As a withholding agent, UD is required to collect a valid IRS W-8 tax form from all foreign individuals or entities receiving payment from the University. These forms help determine the foreign supplier’s tax withholding status and are required to comply with IRS and other government regulations associated with the Foreign Account Tax Compliance Act (FATCA). In addition to the IRS W-8, payment addresses and banking details are collected on the Supplier Data Collection Form (SDC). These forms are required by UD Procurement as part of the supplier onboarding and maintenance process, and must be on file to allow processing of payments.

Foreign supplier tax forms should be collected and submitted in pairs; a *W-8* and an associated *SDC*.

IRS W-8 Form Types			
Form Name	Use	DBA Name Permitted	Notes
W-8BEN	Individual	N	Used to claim foreign status or treaty benefits.
W-8BEN-E	Business or other entity	Y	Used to claim foreign status, treaty benefits or chapter 4 status.
W-8ECI*	Foreign Beneficial Owner of US based business	Y	Used by beneficial owner to claim that all income is connected with a business within the US.
W-8EXP*	Government and other tax exempt organizations	Y	Used to claim exemption from withholding for foreign governments, tax exempt organizations, private foundations, US possessions, and foreign central banks.
W-8IMY*	Withholding entity or trust	Y	Used by an intermediary, a withholding partnership or trust, or flow through entity. Evidence and withholding statements must be attached.

*Transactions with these types of entities are uncommon.

GENERAL W-8 GUIDELINES

- The *supplier* should determine which IRS W-8 form is appropriate for their use.
- Guidance on how to complete the form as well as additional instructions and hotlines are available via the IRS website.
- IRS W-8 tax forms must be the current form revision. Please refer to the IRS website for more information.
- It is recommended that the forms be completed using Adobe products (available free on most platforms). Other editing programs can cause issues, preventing visibility of data.
- Forms must be complete, unadulterated, and fully legible.
- UD employees CANNOT assist suppliers in the completion of tax forms or complete the forms on a supplier's behalf.
- Please **do not collect bank letters** or other account validation documents with the W-8 and SDC forms. Audit guidelines require for Procurement to perform an independent verification process the first time a new account is used, and obtaining bank documents in advance interferes and limits our ability to complete this process.
- Highlights, indicators and other such mechanisms are considered form completion assistance and are prohibited.
- Indication of Adobe or DocuSign electronic certification is not valid and must not appear anywhere on the form.
- "CamScanner" or other application watermarks added to the form render it invalid.
- Forms must be submitted by payee in PDF format. UD employees cannot convert or otherwise alter tax documents.
- Minors must complete and sign their own forms. There is no age restriction, as the W-8 is not a contract.
- Forms must be fully legible and completed in the English Language. Signatures can be in the signer's native writing system, if appropriate.
- **Electronic signatures are not valid to certify either the IRS W-8 or SDC forms. All forms must be "wet" signed and scanned.**
- UD requires that newly submitted W-8 forms be signed and dated *within the last 12 months* to be valid.
- IRS W-8 tax forms are only valid for 3 years from the date of signing. The supplier is required to provide updated forms upon expiration.

PLEASE BE ADVISED:

Forms must be submitted **by the UD department employee** via the outlined process. Procurement **will not** process unsolicited supplier requests, forms submitted directly by the foreign supplier, or forms submitted directly to or by a Procurement staff member.

FOREIGN SUPPLIER ONBOARDING PROCESS

ENGAGING DEPARTMENT RESPONSIBILITIES:

- The UD employee in the engaging department will provide **links** to the IRS and Supplier Data Collection (SDC) forms, requesting that the individual or entity complete and return the forms directly to them. **Links are available on the Procurement webpage.**
- **To minimize delays**, best practice is for the UD employee to carefully review all forms completed by the supplier to ensure that the requirements outlined in this guide have been met. If they have not been met, the UD employee should contact the supplier to make corrections **before** submitting the forms.
 - The supplier onboarding system treats new *and* resubmitted forms *equally*, with each entry being placed last in the queue as it is submitted. Following the steps below can save you multiple days of avoidable delay by preventing the need for resubmissions.
- The UD employee sends an email to procurement@udel.edu to create a TeamDynamix (TDX) ticket.
 - Subject line should read: “W-8, *Supplier Name*”
 - Attach the completed IRS and SDC forms (all pages) as separate PDF file attachments, one per document type.
 - Briefly explain the engagement/reason for payment and the need for the supplier to be onboarded.
- The TDX ticket will be assigned to a Supplier Team member for processing.

PROCUREMENT SUPPLIER TEAM RESPONSIBILITIES:

- The Supplier Team member reviews the forms to ensure all requirements are met.
- If requirements **are not** met, the Supplier Team member will respond to the TDX ticket and inform the UD employee of the corrections that the potential supplier needs to make prior to resubmission.
- If the requirements **are** met, the Supplier Team member creates or updates the supplier record in UDX and submits it to the registration workflow.
- When complete, the Supplier Team member closes the TDX ticket, informing the UD employee that the supplier is *in the process* of being approved.
- The Supplier Team Approver reviews the supplier record/attachments and activates the supplier record for use.

REVIEWING W-8-BEN FOR INDIVIDUALS	
Form Version	Must be the current revision linked on the IRS website.
Required Sections to be completed	Part I , Fields: 1-6, 8 Part III (including the certification check box)
Part I, Field 1	Full legal name must be entered. Individuals cannot use a business name or DBA (Doing Business As) or Disregarded Entity name.
Part I, Field 2	Primary Country of Citizenship must be entered.
Part I, Field 3	Address must be a permanent foreign street address. <ul style="list-style-type: none"> - PO Boxes, "in care of" and US addresses are not valid. - Mail codes are required when available. - Address labels or other explanatory notes are not valid and should not be entered on the W-8. - The address on the W-8 must match the address on the companion SDC form.
Part I, Field 4	Address can be a domestic street address. <ul style="list-style-type: none"> - Required if it is the address associated with the bank account owner on the SDC. - This field is NOT used to collect email address information.
Part I, Field 5	Must be provided if assigned. <ul style="list-style-type: none"> - Individual does not have the ability to "opt out" of providing TIN. - Request for payment can be rejected if TIN is not provided.
Part I, Field 6a,b	Foreign tax ID must be provided. <i>OR</i> Field 6b should be checked if it is not required in the supplier's country of origin.
Part I, Field 8	Must be provided per IRS regulations.
Part III	Certification box must be checked. Form certification must be completed by the payee as follows: <ul style="list-style-type: none"> ● Unique handwritten legal signature of payee must be provided directly on the form. <ul style="list-style-type: none"> ○ "Copy and pasted" images, printed handwriting font or other digital signatures are not valid. ○ Seals, stamps and other elements that obscure any part of the signature are not permitted. ○ Indication of Adobe or DocuSign electronic certification is not valid. ○ Parent or other 3rd parties cannot sign the form on the payee's behalf. ● Printed full legal name of the person signing (payee) must be entered. ● Date the form was signed must be provided. <ul style="list-style-type: none"> ○ Must be within 1 year from the current date.

REVIEW W-BEN-E FOR BUSINESS ENTITIES	
Form Version	Must be the current revision linked on IRS website.
Required Sections to be completed	Part I , Fields: 1-9 Part II – Part XXIV (as required based on answers to Part I) Part XXX (including the certification check box)
Part I, Field 1	Full legal name of the entity must be entered, as well as the DBA (Doing Business As) or Disregarded Entity name, if applicable.
Part I, Field 2	Primary country of incorporation or organization must be entered.
Part I, Field 3	Disregarded entity or DBA (Doing Business As) name of business must be entered here, if applicable.
Part I, Field 4	Entity Type must be selected. Please note: The term “ international organization ” does not apply to a foreign based business, but rather refers to a public international organization that the President of the United States has designated by Executive Order as being entitled to the privileges, exemptions, and immunities provided under the International Organizations Immunities Act. If they have such a status, they must provide the certification document issued by the State Department. Otherwise, they must indicate a more appropriate classification on the W-8, such as Corporation or Partnership.
Part I, Field 5	Tax or FACTA status must be indicated.
Part I, Field 6	The entity’s registered physical street address must be provided. - PO Boxes, “in care of” and US addresses are not valid. - Mail codes are required when available. - Address labels or other explanatory notes are not valid and should not be entered on the W-8. The address on the W-8 must match that on the companion SDC form.
Part I, Field 7	A mailing or remittance address can be indicated if it is different from the permanent physical address. - Required if it is the address associated with the bank account owner on the SDC. - This field is NOT used to collect email address information.
Part I, Field 8	Must be provided if assigned. - Entity does not have the ability to “opt out” of providing TIN. - Request for payment can be rejected if TIN is not provided.
Part I, Field 9a,b,c	Foreign tax ID must be provided, or Field 9c should be checked if it is not required in the supplier’s country of origin.
Part II	Must be completed if applicable, e.g., payment to a different country address.
Part III – Part XXIX	Complete as indicated, based on Part I, Field 5 responses.

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ONBOARDING FOREIGN SUPPLIERS IN
UDX**

Part XXX

Form certification must be completed by the **payee** or **their legally authorized representative** as follows:

- Unique **handwritten** legal signature of payee or representative must be provided directly on the form.
- “Copy and pasted” images, printed “handwriting” font or other digital or electronic signatures are not valid.
- Seals, stamps and other elements that obscure any part of the signature are not permitted.
- Indication of Adobe, DocuSign, or other electronic certification is not valid.
- External 3rd parties cannot sign the form on the payee’s behalf.
- Printed full legal name of the person signing (payee or representative) must be entered.
- Date the form was signed must be provided. Must be within 1 year from the current date.

SUPPLIER DATA COLLECTION (SDC) FORM

Form Version	Must be the current revision linked on Procurement website. All four pages must be submitted as one PDF document.
Required Sections to be completed	All fields are required, with the exception of the DBA name, TIN, Remittance address, if they do not apply, and account information, if check payment is selected.
Legal Name	Full legal individual/entity name must match the name submitted on the W-8.
DBA or trade name	Must be provided if appropriate or if it is the name of the account holder. Individuals cannot use a DBA or Trade name.
Tax Structure	Appropriate tax structure must be indicated. UD cannot pay an individual for work performed by an entity, and vice versa.
Tax Identification Number (TIN)	Entity must provide US TIN, if they have one. They cannot “opt out” of providing US TIN if one has been assigned by IRS.
Permanent Physical Address	Address must match the address submitted on the W-8.
Remittance Address	Remittance address (only) can be foreign or domestic. Must match the mailing address on the W-8.
UD Contact	Entities are required to provide full contact information for the UD department contact who has engaged them. UD contact cannot be a UD Accounts Payable or Procurement staff member.
Payment Method	A payment method must be selected.
Banking Information	All banking information must be completed for Wire/ACH payment method. - Beneficiary Account Holder Legal Name must match the name of the legal entity established in Part I of the W-8. UD does not make 3rd party payments. - Beneficiary address must match permanent or remittance address indicated on W-8. - Full bank name and country must be indicated. - Full bank account information must be provided as indicated.
Conflict of Interest	Conflict of Interest questions must be completed.
Certification	Certification section of the form must be executed with: - Checkmark in the certification box. - Printed name (in English) of the person certifying the form. - Title or position, if applicable. - Unique handwritten or “wet” signature. - “Copied/pasted” and electronic signatures are NOT valid. - Form must be dated within 12 months. - Email address of signer must be provided.