OFFICE OF THE CONTROLLER

Payments to Individuals

April 2025

UNIVERSITY OF
South Carolina

Table of Contents

UNIVERSITY OF
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Royalties, Participants, and Mentors

UNIVERSITY OF
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Royalties

Royalties and commissions are payments made by one party to another in exchange for the right to use intellectual property or physical assets for which work is typically copyrighted or patented. All royalty and commission payments will utilize payment request in PeopleSoft.

Dollar Limit	Account Code	Supplier (Yes/No)	Attachments Needed
No dollar limit	52255: Royalties *This includes international.*	Yes W-9 or W-8 BEN (International)	1. Royalty Agreement/Amount calculation 2. This can be department specific or use the form provided on Controller's Office website

Resources:
- Royalty and Commission Payment Form [pdf]
- PS - Payment Request - Royalties and Commissions [pdf]

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Research Incentives

Research incentives are payments made to individuals as an incentive to participate in a research study, screening, program, survey for means of gathering data, etc. for programs supported by the University.

For more than 10 individuals, you may use the AP Upload spreadsheet. It will require attachments listed here plus the Upload approval form.

Dollar Limit	Account Code	Supplier (Yes/No)	Attachments Needed
No dollar limit	• 54533: Incentives under $50 • 54534: Incentives over $50 • 54535: Human subject incentives	Yes W-9 or W-8 BEN (International)	1. Participant Program Memo that outlines program and dates. Not participant specific, same memo can be attached for all participants. 2. IRB approval must be attached to request if Human Subjects Research.

Resources:
• Institutional Review Board (IRB) Resources

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Program Expense Card

- The Program Expense Card is a credit card used for educational programs (eg. Study Abroad, Summer Programs, etc.) and participant incentive payments. The cardholder must be a USC employee.

- Use the program expense card to provide research incentives (preferred method over individual payment request).

Participant Definition

- Restricted budget category frequently used on NSF (National Science Foundation) awards.

- Not the same as incentives or human subject costs used in clinical trials or research projects.

Who is a Participant?

- Recipient of training associated with a workshop, conference, seminar, symposium or other short-term instructional/information sharing activity.
- Student, scholar, scientist from another institution, private sector employees, teachers, state/local employees.

Who is Not a Participant?

- Paid Interns
- Employees of the University
- Anyone who is providing a service to the project

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Participant Support Costs

Payments (USCSP & USCIP only) for stipends and subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants and trainees, but not employees, in connection with conferences/trainings or projects.
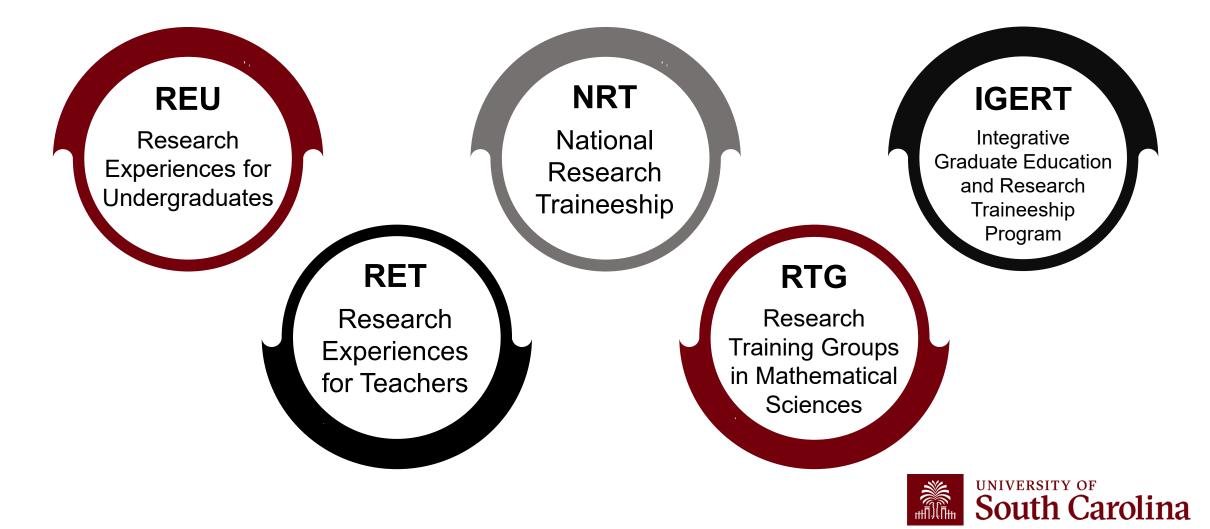
Dollar Limit	Account Code	Supplier (Yes/No)	Attachments Needed
No dollar limit	• 54536: Participant Stipend • 54560: Participant Subsistence • 54520: Participant Fees • 54563: Participant Materials • 54541: Participant Travel	Yes W-9 or W-8 BEN (International)	Participant Support Payment Form Participant Travel - submitted through TA/TRV GT eForm - see Travel Website for resources

Additional resources:

• FINA 3.00 Sponsored Awards

• FINA 3.00 Procedure - Participant Support Costs

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Sponsored Projects with Participants

REU

Research Experiences for Undergraduates

RET

Research Experiences for Teachers

NRT

National Research Traineeship

RTG

Research Training Groups in Mathematical Sciences

IGERT

Integrative Graduate Education and Research Traineeship Program

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Research Incentives v. Participant Support Costs

Participant Support Costs	Research (Human Subject) Incentives
Benefits the participant	Motivates the participant
Non-USC employees	Non-USC employees
No F&A incurred	Incurs F&A
Allowable with sponsor approval	Allowable with sponsor approval
No IRB protocol	IRB protocol
Not allowed for human subject payments	Human subject payments allowed

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Mentors

Mentors are payments to staff that function in the role of mentors for all departments outside the **School of Medicine**.

Dollar Limit	Account Code	Supplier (Yes/No)	Attachments Needed
No dollar limit	52070: Contractual Services	Yes W-9 or W-8 BEN (International)	Invoice or Payment Memo

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Honorariums and Stipends

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Honorariums

Honorariums are one-time, nominal payments made to someone outside of the University as an expression of gratitude for a special service that would normally be provided free of charge. They Involve one-time, no-recurring activities (e.g. guest lecture, panel discussion participation)

Honorarium payments should be $5,000 or less. If an honorarium payment greater than $5,000 is requested, approval is required with a justification memo outlining the reason for a greater than normal amount.

Dollar Limit	Account Code	Supplier (Yes/No)	Attachments Needed
No dollar limit	52250: Honorarium & Guest Lecturer	Yes W-9 or W-8 BEN (International)	Honorarium Form

Resources:
- Updated Honorarium Payment Form
- Procedure: Payment Request - Honorariums - US Citizen

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Controller's Office
Honorarium Payment Form

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SOUTH CAROLINA

Complete the form below in full and attach to Payment Request in PeopleSoft.

Per policy FINA 2.13
An honorarium is:
• Made directly to an individual with a scholarly or professional standing
• Intented to show good will and appreciation for voluntary service to USC
• Involve one-time, non-recurring activities (e.g. guest lecture, panel discussion participation)
• Performed voluntarily

An honorarium is not appropriate when:
• The amount or timing of payment is negotiated and agreed-upon between parties
• When associated with a charged fee, invoice, or contract

Honorarium payments should be $5,000 or less. If honorarium payment greater than $5,000 is requested, approval below is required along with a justification memo outlining reason for greater than normal honorarium amount

Legal Name: _____
Mailing Address Line 1: _____
Mailing Address Line 2: _____
City, State & Zip Code: _____
PeopleSoft Supplier ID: _____
Amount: _____

Description of Payment *(include date and event information)* :

Department Head Approval (if payment amount is greater than $5,000):

Honorarium Payment Form

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Honorariums - International

Payments made in recognition of acts or professional services for which custom or proprietary forbids a price to be set.

*No contract, invoice or predetermined price agreed upon Honorarium Intl

Dollar Limit	Account Code	Supplier (Yes/No)	Attachments Needed
No dollar limit	52250: Honorarium & Guest Lecturer	Yes W-9 or W-8 BEN (International)	1. Honorarium Form 2. Copy of passport, I-94 admission record and corresponding visa status documents

Resources:
- Payments to Foreign Nationals Matrix
- Information on Human Resources website for International Services for Scholars

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Stipends

Stipends are payments made as one time or periodic payments as a part of scholarship or fellowship allowance (i.e. participants) or other payments not meeting the definition of an employee/employer relationship, as determined by HR, granted to a student. They can also be for fixed payments as part of employment (i.e. cell phone stipends).

Dollar Limit	Account Code	Supplier (Yes/No)	Attachments Needed
No dollar limit	• 54530: Fellowships on grants • 54531: Stipends for services rendered	Yes W-9 or W-8 BEN (International)	1. Stipend Form or department stipend information 2. Approved contract and agreement for scholarship or fellowship

Resources:
- Stipends Payment Form [pdf]
- PS - Payment Request - Stipends [pdf]
- Student Payment Method Decision Tree

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South Carolina

Stipend Account Codes

- **54530** is used for scholarships, fellowships, prizes/awards **without** a service component. e.g., the student receives the stipend payment for participating in training or learning but is not contributing or providing a service. Will result in a 1099-M to the student.

- **54531** is used for scholarships, fellowships, prizes/awards **with** a service component. e.g., the student is assisting with research. Should occur in rare instances – refer to the Student Payment Method Decision Tree to determine the appropriate payment method.

Note: Sponsors do not allow students to be employees who are receiving stipends. Will result in a 1099-N. See Student Payment Method Decision Tree.
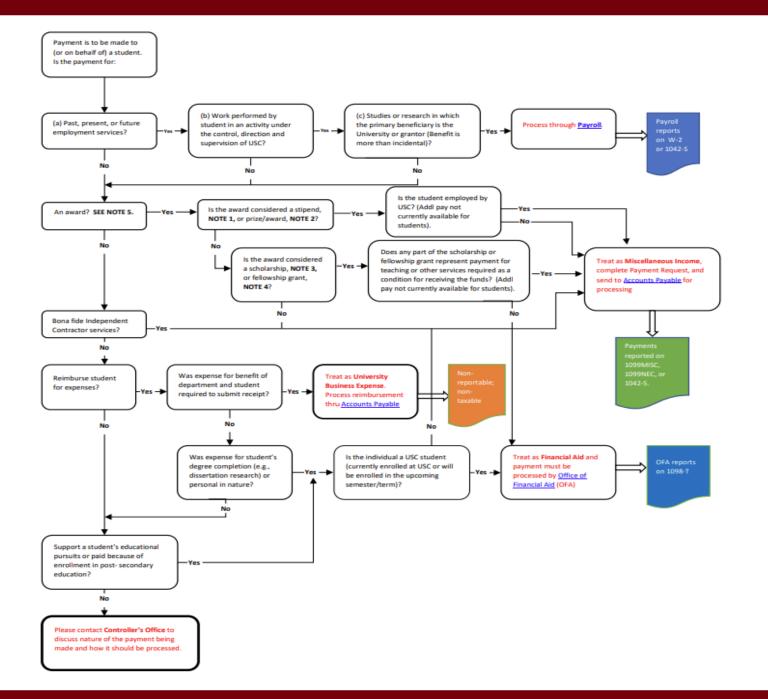
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Payments to Foreign Nationals

Foreign nationals are strictly limited in what sources of income they are authorized to accept. Payment allowability is based on visa status and compliance with explicit documentation requirements. Departments should use the Payments to Foreign Nationals Matrix to ensure applicable requirements are met.

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PAYMENTS TO FOREIGN NATIONALS

Foreign nationals are strictly limited in what sources of income they are authorized to accept. The University **cannot** issue payment to a foreign national unless the following criteria and documentation requirements are met. All payments are subject to tax withholding unless an exemption exists under a U.S. tax treaty or Internal Revenue Service code.

Questions should be directed to the following parties:
Controller's Office Tax Team: tax@mailbox.sc.edu
International Student and Scholar Support: iss@sc.edu

The most common visa types are **B1**, **VWB**, **F1**, and **J1**

VISA CLASSIFICATION	DEFINITION OF VISA	USC NON-STUDENT EMPLOYMENT	USC STUDENT EMPLOYMENT	USC SCHOLARSHIP OR FELLOWSHIP	VISITING RESEARCHERS/ SCHOLARS	USC PRIZE OR AWARD	HONORARIUM	TRAVEL REIMBURSEMENT	INDEPENDENT CONTRACTOR	PERFORMING ARTIST, ATHLETE, ENTERTAINER	RESTRICTIONS	DOCUMENTS NEEDED (see embedded links for examples)
A1 / A2	Diplomat and Foreign Government Officials and their Dependents	NO	NO	NO	NO	NO	YES, SEE RESTRICTIONS	NO	NO	NO	• Individual may only work for Foreign Government Entity • Payment can only be made to the foreign government entity	• PASSPORT • VISA • I-94
B1	Visitor for Business	NO	NO	NO	NO	NO	YES, SEE RESTRICTIONS	YES	YES, SEE RESTRICTIONS	NO	**Honoraria & Independent Contractor:** • 9/5/6 Rule applies: Paid academic activity cannot last longer than 9 days from more then 5 institutions within a 6-month period	• PASSPORT • VISA • I-94 • 9/5/6 ATTESTATION FORM (not needed if only travel reimbursement)
(VWB) Visa Waiver Business	Visitor for Business	NO	NO	NO	NO	NO	YES, SEE RESTRICTIONS	YES	YES, SEE RESTRICTIONS	NO	**Honoraria & Independent Contractor:** • 9/5/6 Rule applies: Paid academic activity cannot last longer than 9 days from more then 5 institutions within a 6-month period	• PASSPORT • VISA • I-94 • 9/5/6 ATTESTATION FORM (not needed if only travel reimbursement)
B2	Visitor for Tourism	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	N/A	N/A
VWT Visa Waiver Tourism	Visitor for Tourism	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	NO NEVER	N/A	N/A
BCC	Border Crossing Card: Mexico	*****BCC is not sufficient for proof of VISA status. Contact the Tax Team or ISSS for additional assistance*****										
F1 Sponsored by USC (USC Student)	Student	YES, PAYROLL	YES, PAYROLL	YES	NO	YES	NO	YES	NO	NO	N/A	• PASSPORT • VISA • I-94 • I-20

Student Payment Method Decision Tree

Payment is to be made to (or on behalf of) a student. Is the payment for:

(a) Past, present, or future employment services?
— Yes → (b) Work performed by student in an activity under the control, direction and supervision of USC?
— Yes → (c) Studies or research in which the primary beneficiary is the University or grantor (Benefit is more than incidental)?
— Yes → Process through Payroll.
→ Payroll reports on W-2 or 1042-S

No ↓

An award? SEE NOTE 5.
— Yes → Is the award considered a stipend, NOTE 1, or prize/award, NOTE 2?
— Yes → Is the student employed by USC? (Addl pay not currently available for students).
— Yes → Treat as Miscellaneous Income, complete Payment Request, and send to Accounts Payable for processing
— No →

Is the award considered a scholarship, NOTE 3, or fellowship grant, NOTE 4?
— Yes → Does any part of the scholarship or fellowship grant represent payment for teaching or other services required as a condition for receiving the funds? (Addl pay not currently available for students).
— Yes → Treat as Miscellaneous Income, complete Payment Request, and send to Accounts Payable for processing

→ Payments reported on 1099MISC, 1099NEC, or 1042-S.

No ↓

Bona fide Independent Contractor services?
— Yes →

No ↓

Reimburse student for expenses?
— Yes → Was expense for benefit of department and student required to submit receipt?
— Yes → Treat as University Business Expense. Process reimbursement thru Accounts Payable
→ Non-reportable; non-taxable

No ↓

Was expense for student's degree completion (e.g., dissertation research) or personal in nature?
— Yes → Is the individual a USC student (currently enrolled at USC or will be enrolled in the upcoming semester/term)?
— Yes → Treat as Financial Aid and payment must be processed by Office of Financial Aid (OFA)
→ OFA reports on 1098-T

No ↓

Support a student's educational pursuits or paid because of enrollment in post- secondary education?
— Yes →

No ↓

Please contact Controller's Office to discuss nature of the payment being made and how it should be processed.

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Withholding Account Codes Matrix

1099 Reporting
Withholdable Account Codes

1099-MISC (Payments should not be associated with a provided service)		1099-NEC (Payments should be associated with a provided service)			
52071	CONTRACTUAL SER MEDICAL SUPPOR	52040	REPAIRS	52201	LITIGATION SETTLEMENT TO CLAIM
52074	CONTRACTED SER MEDICAL SUPPORT	52041	REPAIRS TO EQUIPMENT-NON USC W	52250	HONORARIUM AND GUEST LECTURER
52255	ROYALTIES	52044	REPAIRS TO BUILDINGS NON USC W	54531	STIPENDS FOR SERVICES RENDERED
54010	RENTS	52045	GENERAL EQUIPMENT MAINTENANCE	57031	ARCHITECTURAL SERVICES
54013	RENTS-NON DATA PROCESSING EQUI	52046	INFO TECH SOFT AND HARD MAINT	57032	ENGINEERING SERVICES
54014	RENTS	52048	CAPITAL EQUIP MAINT CONTRACTS	57033	SURVEYING SERVICES
54015	RENTALS	52050	PRINTING AND ADVERTISING	57034	TESTING SERVICES
54017	CONTINGENT COPIER RENTAL PAY	52052	PRINTING-NON USC WORK	57035	GENERAL SERVICES
54031	BINDING LEASES-STATE OWNED PRO	52054	ADVERTISING	57100	SITE DEVELOPMENT
54033	NON-BINDING LEASES-NON-DATA PR	52066	MARKETING SERVICES	57110	BUILDING CONSTRUCTION
54034	BINDING LEASES-NON STATE-OWNED	52067	PROMOTIONAL SERVICES	57120	RENOVATIONS-BUILDING INTERIOR
54040	EQUIPMENT LEASES	52069	TRAVEL CONTRACTUAL SERVICES	57130	RENOVATIONS-UTILITIES
54520	PARTICIPANT TUITION AND FEES	52070	CONTRACTUAL SERVICES	57140	ROOFING-REPAIRS AND RENOVATION
54525	GRADUATE ASSISTANT TUITION SUP	52072	CONTRACTUAL SER LEGAL	57150	RENOVATIONS-BUILDING EXTERIOR
54530	FELLOWSHIPS ON GRANTS	52073	CONSULTANTS	57160	OTHER PERMANENT IMPROVEMENTS
54533	INCENTIVE UNDER 50.00	52075	CONTRACTED SER ANIMAL CARE	57170	LANDSCAPING
54534	INCENTIVE OVER 50.00	52076	CONT SERV SUBRECIPIENTS-FIRST	59501	EVENT GAME OFFICIALS
54535	HUMAN SUBJECT INCENTIVES	52077	CONTRACTED SER MOVING EXPENSE	59503	EVENT OPERATIONS
54536	PARTICIPANT STIPEND	52078	SYSTEM CONTRACT INSTRUCTION	59504	EVENT FOOD
54541	PARTICIPANT TRAVEL	52080	SECURITY - CONTRACTUAL	59510	OTHER TEAM MEALS
54550	SCHOLARSHIPS	52084	SUBRECIPIENTS	59520	OTHER TEAM TRAVEL EXPENSE
54551	SCHOLARSHIP RECOVERIES NON REP	52085	CONTRACTUAL SERVICES OTHER NON	59521	TEAM LODGING
54560	PARTICIPANT HOUSING	52086	CONT SERV-EMPLOYMENT AGENCY	59522	TEAM MEALS AND PER DIEM
54563	PARTICIPANT MATERIALS	52089	SOM IRB CONTRACT SVCS	59523	TEAM TRANSPORTATION
54570	PRIZES AND AWARDS-USC REPORTAB	52090	DATA PROCESSING SERVICES-COMME	59524	VISITING TEAM EXPENSE
54580	PRIZES AND AWARDS USC NON REPO	52091	SITE LICENSE FEE	59525	AD EVENTS POST SEASON
59401	ATH SCHOLAR-TUITION & FEES	52092	GLOBAL/DOMESTIC CLASSROOM STUD	59526	AD PRESEASON EVENTS
59408	ATH SCHOLARSHIP COST OF LIVING	52093	SOFTWARE AS A SERVICE	59527	AD SEC CHAMPIONSHIP TRAVEL
59532	MEDICAL SERVICES	52100	DATA PROCESSING SERVICES	59531	LAUNDRY SERVICES
59533	AD EVENT EXP RENTALS	52102	AD PUBLIC RELATIONS	59534	REPAIRS OF EQUIPMENT
54590	HUD RW FINANCIAL ASSISTANCE	52103	PROMOTIONAL SUPPLIES	59535	GROUNDS MAINTENANCE
		52104	AD ADVERTISING	59537	EVENT PARKING
		52105	ATH PUBLIC RELATIONS - EVENTS	59541	UNIFORMS AND APPAREL
		52110	JANITORIAL SERVICES - CONTRACT	59544	TICKET SUPPLIES
		52125	DoIT CLOUD SERVICES	59547	PHOTOGRAPHY SERVICES
		52130	PERSONNEL SERVICES -IIT	59560	GRAPHICS

Suppliers and Payment Requests

Supplier Set Up

- Each recipient for Royalties, Honorariums, and Stipends must be set up as a supplier in the Supplier File in advance of the payment.

- Supplier Search is accessed in PeopleSoft via the following:
  - Main Menu > Suppliers > Supplier Information > Add/Update > Supplier

- Use the "Find an Existing Value" tab to search for the supplier's name. If the supplier is not found, they will be required to use the new Supplier Onboarding Self-Service portal to register as a supplier to receive a supplier ID.

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Supplier Set Up

- When a supplier registers, they will be required to attach one of the following, which can be found on the Controller's Website:

| IRS Form W-9 (Domestic) | IRS Forms W-8BEN or 8233 (International Individual) | W-8 BEN-E (International Entity) |

- If you have any questions, please email the Supplier Team at APSupplr@mailbox.sc.edu. The Supplier Liaison will receive an email informing them the supplier registration has been approved but please allow 1-3 business days for the supplier to receive final approval from the Supplier Team.

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Payment Requests

- Each individual royalty, honorarium, or stipend must be submitted separately via a Payment Request in PeopleSoft using the corresponding form:
  - Royalty and Commission Payment Form.
  - Honorarium Payment Form
  - Stipends Payment Form

- All documentation to support the royalty/commission payment, which should include all the correct attachments needed, which must be scanned and attached to the Payment Request before submitting via workflow within PeopleSoft.

- Payment Request is accessed in PeopleSoft via the following:
  - Main Menu > Employee Self-Service > Payment Request Center

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Tax Implications

Below are the different tax implications for receiving all the different payments made to individuals.

Royalties

Will receive a:
- 1099–MISC if the payment is $10 or greater
- 1042–S if international person

Participants

Will receive a:
- 1099-MISC if the payment is $600 or greater
- 1042-S if international person

Participant Support Costs

If it is part of accountable plan*, it is not subject to reporting.

If it is part of a non accountable plan, will receive:
- 1099-MISC if payment is $600 or greater
- 1042-S if international person

* Accountable plan – expenses/reimbursements are in connection with performance of a service

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Tax Implications

Below are the different tax implications for receiving all the different payments made to individuals.

Mentors

Will receive a:
- 1099-MISC if the payment is $600 or greater
- 1042-S if international person

Honorariums

Will receive a
- 1099-NEC if the payment is $600 or greater
- 1042-S if international person
- 30% Withholding (with an option for payment gross-up) if international person

Stipends

Will receive a:
- 1099-MISC if the payment is $600 or greater and no services are rendered
- 1099-NEC if the payment is $600 or greater and services are rendered
- 1042-S if international person

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Resources and Contacts

Questions

Controller's Office Contact List

General Accounting (JEs, JVs, Apex, GL issues/Questions)	Email Address
General Email Address	genacctg@mailbox.sc.edu
Cash Advance Settlement	cashadvc@mailbox.sc.edu
Payroll Retro Journal Entries	retroje@mailbox.sc.edu
Chartfield Maintenance	cfmaint@mailbox.sc.edu
Moving & Relocation Mailbox	moving@mailbox.sc.edu
PeopleSoft Finance Security Requests	pssecure@mailbox.sc.edu
Accounts Payable	**Email Address**
General Email Address	ap@mailbox.sc.edu
AP Uploads	apupload@mailbox.sc.edu
Supplier Maintenance	apsupplr@mailbox.sc.edu
Travel Office	**Email Address**
General Email Address	teoffice@mailbox.sc.edu
Student/Non-employee Travel Authorizations and Travel Reimbursement Vouchers	tesubmit@mailbox.sc.edu

Controller's Office Contact List

Capital Assets	Email Address
Physical Inventory	physinv@mailbox.sc.edu
Capital Leases	lease@sc.edu

Cash Management and Treasury	Email Address
General Treasury Email Address	treasury@mailbox.sc.edu
Program Expense Card	cards@mailbox.sc.edu
Team Card	teamcard@mailbox.sc.edu
Travel Card	trvcard@mailbox.sc.edu

Compliance and Tax	Email Address
General Compliance Email Address	concpl@mailbox.sc.edu
General Tax Email Address	tax@mailbox.sc.edu
Research/Development Sales/Use Tax Exemptions	rdequip@mailbox.sc.edu
Time and Effort Reporting	timeandeffort@sc.edu

Controller's Office Contact List

Grants and Funds Management	Email Address
Sponsored Award Specific Questions	Contact your **Post Award Accountant** (PAA)

Payroll	Email Address
General Email Account	payroll@mailbox.sc.edu

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