

## How to Pay for International Activities Payroll, Purchasing, Services and Travel

<i>Method</i>	Pay Salaries for MSU Employees Who Work Abroad	Pay Foreign Vendor for Goods & Services for Use Abroad*	Pay Independent Contractor for Services Performed Abroad*	INTERNATIONAL TRAVEL – INDIVIDUALS		
				Pay for international flight	Pay for international lodging	Pay for meals while abroad (based on per diem rates)
Bank Cards						
<a href="#">MSU PayCard</a>	YES	NA	NA	NA	NA	NA
Personal credit card	NA	YES	NA	YES	YES	YES
<a href="#">ProCard</a>	NA	YES	YES	NA	NA <sup>1</sup>	NA <sup>1</sup>
Meeting Planner Card <sup>5</sup>	NA	YES	YES	NA <sup>2</sup>	NA <sup>2</sup>	NA
<a href="#">Prepaid Airfare</a> (Preferred Travel Agencies)	NA	NA	NA	YES	NA	NA
Cash (Personal funds or cash converted from advance)	NA	YES	YES	YES	YES	YES
<a href="#">Direct Deposit</a>	YES	NA	NA	NA	NA	NA
MSU Check	YES	YES <sup>3</sup>	YES <sup>3</sup>	NA	NA <sup>4</sup>	NA <sup>4</sup>
Foreign Currency Draft <sup>6</sup>	NA	YES	YES	NA	NA <sup>4</sup>	NA <sup>4</sup>
Wire Transfer <sup>7</sup>	NA	YES	YES	NA	NA <sup>4</sup>	NA <sup>4</sup>

NA = not available as a payment method

\*See Page 5 for additional information regarding paying independent contractors (foreign and U.S.), submitting Disbursement Vouchers, and preferred payment methods.

<sup>1</sup>Special access ProCards may be used to purchase group lodging during overseas travel (Education Abroad). Cash Advances are also available with these special cards.

<sup>2</sup>Card may be used for the purchase of non-MSU participant in-country travel and lodging when hosting an event.

<sup>3</sup>It may be problematic for a foreign vendor or independent contractor to cash an MSU check.

<sup>4</sup>May be used for lodging or food for a group event (e.g., conference) for non-MSU participants.

<sup>5</sup>A program designed to allow the direct procurement of travel arrangements associated with university related meetings and group travel.

<sup>6</sup>A bank draft (check) drawn in a foreign (not USD) currency.

<sup>7</sup>An electronic transfer of funds between banks. Funds can be transferred in USD or foreign currencies.

## How to Pay for International Activities

### Direct Deposit (Employee Salaries and Employee Expense Reimbursement)

Method	Responsibilities		Cost	Maximum Transaction Limit	Transaction Time	Advantages	Disadvantages
	Employee	MSU Office					
<b>Direct deposit to employee's <u>U.S.</u> personal bank account or MSU PayCard</b>	Employee signs up for direct deposit through Employee Self-Service website	MSU Payroll Office answers questions about direct deposit	No cost	No limit on amount of direct deposit	Effective on posted pay dates, or within two banking days for employee reimbursements.	Quick and secure method of receiving pay or reimbursement	Requires foreign-based employee to have a US bank account or MSU PayCard
<b>Direct deposit to employee's <u>foreign</u> personal bank account*</b>	NA	NA	NA	NA	NA	NA	NA

\*MSU does not currently initiate International ACH transactions.

## How to Pay for International Activities MSU Check and Foreign Currency Draft\*

Method	Responsibilities		Cost	Maximum Transaction Limit	Transaction Time	Advantages	Disadvantages
	Dept/MSU	MSU Office					
<b>MSU Check</b>	<p><u>To Pay a Foreign Vendor</u> Dept incurs an expense to a foreign vendor</p> <p>Dept indicates distribution method (pick-up vs. mail)</p>	Accounting or Accounts Payable processes the checks	No departmental charge to produce check (pick-up of check is a \$15 fee)	No maximum dollar amount for check	<p>Checks printed daily (Accounting) or weekly (Accounts Payable)</p> <p>Special Handling checks (rush, pick-up) printed daily</p> <p>Once deposited, additional time may be needed to clear the check depending on the bank and the check amount</p>	<p>No charge to department for check processing (rush or pick-up of check is \$15)</p> <p>For services performed on campus, can present a check directly to the foreign visitor</p>	<p>Can take many weeks for check to clear in a foreign bank account</p> <p>Exchange rate from US dollars to local currency is lower for a check than for a wire transfer</p> <p>Check can get lost or stolen before it's delivered to recipient</p> <p>Generally not an advisable practice for paying foreign vendors when mailing outside of the U.S. and Canada</p>
<b>Foreign Currency Draft</b>	<p><u>To Pay a Foreign Vendor</u> Dept incurs an expense to a foreign vendor</p> <p>Vendor indicates payment method needs to be foreign currency draft</p>	Accounting or Accounts Payable processes the foreign currency draft through MSU's bank	\$25 per foreign currency draft	No maximum amount for foreign currency draft	<p>Dependent on international delivery times – typically 1-2 business days</p> <p>Once deposited, additional time may be needed to clear the foreign currency draft depending on the bank and the amount</p>	<p>May be only option to pay foreign vendor</p> <p>Eliminates or reduces cost to payee for depositing item</p> <p>For services performed on campus, can present a foreign currency draft directly to the foreign visitor</p>	<p>Delivery of a paper foreign currency draft may be difficult in some countries</p> <p>Foreign currency drafts not available in as many currencies as wires</p> <p>Requires deposit with a financial institution in the foreign country</p> <p>Cost to dept of foreign currency draft</p>

\*See Page 5 for additional information regarding paying independent contractors (foreign and U.S.), submitting Disbursement Vouchers, and preferred payment methods.

## How to Pay for International Activities Wire Transfer\*

Method	Responsibilities		Cost	Maximum Transaction Limit	Transaction Time	Advantages	Disadvantages
	Dept	MSU Office					
<b>Wire transfer to <u>US</u> bank account</b>	<u>To Pay a Foreign Vendor</u> Dept incurs an expense to a foreign vendor	<u>For an Imprest Advance</u> Dept requests wire of advanced funds – Accounting wires the funds  <u>To Pay a Foreign Vendor</u> Accounting or Accounts Payable wires the funds	\$25 per wire	No limit to the amount that can be wired	Money can <u>usually</u> be accessed within 1-2 business days	Wire to a domestic account is a quick, secure, transparent method of payment  Bank statement is a reliable and consolidated record of banking transactions	Requires US bank account which may not be an option for a foreign vendor  Cost to dept of wire transfer
<b>Wire transfer to <u>foreign</u> bank account</b>	<u>To Pay a Foreign Vendor</u> Dept incurs an expense to a foreign vendor	<u>For an Imprest Advance</u> Dept requests wire of advanced funds – Accounting wires the funds  <u>To Pay a Foreign Vendor</u> Accounting or Accounts Payable wires the funds	\$25 per wire	No limit to the amount that can be wired	Money can <u>usually</u> be accessed in 2-5 business days from when the wire transfer request is approved  Transaction time may take longer depending on banking system and country that receives the wire	Wire to a foreign account is a secure, transparent method of payment  May be only option to pay foreign vendor	If wiring funds to an employee, foreign bank account must be opened prior to the money being wired  If there's a mistake with the wire, it can be time consuming, difficult to resolve, and may result in a banking charge passed on to dept  Country laws may prohibit repatriating unspent funds from the foreign account either electronically or in cash  Cost to dept of wire transfer

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## How to Pay for International Activities Additional Information

### Vendor Payments

If engaging a non-U.S. person or entity to perform services, the Nonresident Alien Professional Services Contract (NRAPSC) must be completed. The NRAPSC details the specifics of the services will be provided, location of services, associated dates, and the agreed upon fee. The proper W-8 form must be obtained from the person or entity before making payment. See the [Manual of Business Procedures Section 77](#) for more information. See the Summary of [Requirements for Payments to Nonresident Aliens](#) for a listing of required documentation. All documentation collected, and well as receipts for amounts paid, must be included with any reimbursement request.

U.S. persons are subject to taxation on world-wide income. If engaging a U.S. person to perform services, a completed and signed W-9 needs to be obtained before making payment to the individual. See the [Manual of Business Procedures Section 76](#) if engaging a U.S. person or entity in a long term engagement. All documentation collected, and well as receipts for amounts paid, must be included with any reimbursement request so that proper tax reporting can be completed. Documentation must be sent to the Accounting Office by January 14 for the previous calendar year.

See the [Manual of Business Procedures Section 75](#) for information about submitting a Disbursement Voucher and requesting [Special Handling](#) for expedited processing.

Electronic payment methods (ACH, Wire, Card) are preferred where available and applicable to the transaction.