

Procurement Processes for Award Payments

In keeping with our commitment to ensure accurate payments and tax accounting, the following processes are in place to pay award payments from the University of Delaware:

- **Individuals on University Payroll.** Procurement cannot pay awards to any individual who is paid by the University's Payroll department. Please contact Payroll regarding awards to employees.
- **Individuals NOT on University Payroll but Matriculated.** Individuals matriculated in a degree program at the University of Delaware but not active on payroll should be paid using the **Payment to Individual webform** and selecting the payee from the PeopleSoft search function on the webform. Award payments cannot be made to students by entering them on the form manually by name or UDSIS number. Awards must use account code 149200.
- **Payment to Third-Party Individual/Entity.** **UD Exchange** is used for the payment to any third-party individual or entity, including undergraduate students matriculated at other universities. Award payments are made using **the Non-PO Payment Form (NPOP)** with commodity code NP-AWARD and account code 149200.
 - **Individual Payment.** When an award is given to an individual, the individual must complete the University's online W9 if they are a United States citizen or resident alien. If neither, the individual must complete the IRS' W-8 BEN and the Supplier Data Collection Form for foreign suppliers and submit it to the department requesting the award, which should then email it to procurement@udel.edu. After all documentation has been reviewed and approved by Procurement's Supplier team, the payee will be available for selection on the appropriate form. Detailed information about the requirements for the submission of tax documentation is available on the procurement website.
 - **Group Award.** When an award is given to a group, there are two options for disbursement:
 - 1) If the group is a legal entity using that group name, the group's representative must complete the University's online W9 if based in the USA with a tax identification number, or the IRS' W-8 BEN-E and Supplier Data Collection Form if based outside the USA. After all documentation has been reviewed and approved by Procurement's Supplier team, the group name will be available to select as a payee on the NPOP form in UD Exchange.
 - 2) Alternately, if the group is not a legal entity, the award should be divided between all members of the group and each member must complete the necessary documentation mentioned above for individual payees.

PAYMENT & TAX INFORMATION

If ACH payment is selected on the online W9 form, the individual or entity submitting the form must be named as an accountholder on the account. If the payee does not have a bank account, they must select check payment. **The University will not send payments to anyone other than the award recipient**, either as a selected payee on the webform/NPOP, or to a bank account associated with another individual submitted on the W9.

Award payments are taxable income to the payee. For those completing the W9, the payment will be coded as 1099-eligible and the payee will receive a 1099 for that tax year if total taxable payments from the University meet or exceed \$600 and they are not exempt based on their legal structure. For those completing the W8, non-resident alien withholding may be performed unless the documentation attached to the requisition confirms that all activities leading to the award were performed in the payee's host country. Awards granted for a specific purpose (such as travel) cannot be submitted with a travel account code but must have the 149200 award code. Only direct travel reimbursement payments with receipts should use the 13- prefix account codes.

REQUIRED DOCUMENTATION

The required documentation for any award payment requisition is, at a minimum, the letter to the award recipient. If this does not include descriptive information about the award that was given, that should also be attached. If the award is granted as a result of a competition to a group but paid to individuals, documentation related to the competition and the members of each group should also be attached.

QUESTIONS

Please send any questions about this process to procurement@udel.edu.