

Foreign Supplier Purchasing

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Placing Foreign Supplier Orders

- Orders may be placed with foreign suppliers by using a ProCard , or through ARIBA using Purchase Orders and Blanket Purchase Orders (required for Subawards), and may be paid using Non-PO Invoice within the Direct Buy Limit.
- Ariba Non-Catalog and Blanket Purchase Orders (BPO's) have foreign supplier question sections within the modules.
- Foreign suppliers that have successfully registered with the UW are visible in the Supplier Search Portal.

Plan Before You Buy

- Payment can be made to business entities by ProCard within the ProCard limits (i.e. memberships, registrations or goods).
- Foreign suppliers, like U.S. suppliers, must be registered with UW.
- Foreign suppliers are paid by check or wire, specified in ARIBA on the Requisition, Contract Request (CR) or Non-PO Invoice - Ask your supplier about the expected payment method prior to creating your ARIBA transaction.
- If ordering goods, find out if U.S. customs clearance will be required.

Foreign Financial Sanctions

- When placing any order with a foreign supplier, regardless of payment method, you must verify the company does not have sanctions placed on it by the U.S. Government.
- Check the U.S. Treasury website for a list of sanctions programs and country information and pay special attention to the following sections:
 - ✓ OFAC Sanctions List
 - ✓ Search OFAC's Sanctions List
 - ✓ Sanctions Programs and Country Information - see the Complete List of Sanctions Programs and Country Information
 - ✓ <https://www.usa.gov/federal-agencies/U-S-Department-of-the-Treasury>

Foreign Supplier Registration

- Foreign suppliers must be registered with UW. Check if your supplier is registered using the Supplier Search Report in the B.I. Portal (ASTRA authorization required).
- To begin the [Foreign Supplier Registration](#) process:
 1. Department initiates a Foreign Supplier Registration Form by providing the supplier/subrecipient name and email address to request the supplier to register
 2. The campus-initiated request sends an email to the supplier which includes a single-use registration link to access and complete the Foreign Supplier Registration Form
 3. The email registration link is only accessible a single time, therefore suppliers should first review the links to the website guidance which are included in the registration email to understand what information will be needed, and also download, fill out and be ready to attach any required IRS forms.
 - ✓ Once the supplier clicks the registration link, the supplier will need to complete the registration process in full, including attaching electronic copies of completed IRS forms; the form cannot be saved and completed later

Foreign Supplier Registration

4. The supplier will enter their information on the Foreign Supplier Registration Form, including business or individual name, address, entity type and any required IRS forms and submit the form to central office for processing:
 - ✓ Some foreign entities and business types require IRS tax forms during registration. Additional guidance for the IRS forms is available on the [Tax Office website](#).
 - ✓ Individuals should review the UW Privacy Notice at <http://www.washington.edu/online/privacy/>
 5. When the Foreign Supplier Registration Form is submitted by the supplier, both the initiating department and central office will receive confirmation that the process has been completed
 6. Central office will issue a UW supplier number in 2-3 business days
- ❖ **NOTE:** To create an ARIBA Blanket Purchase Order (BPO) to a foreign supplier, the department must also request the supplier register in ARIBA by completing the [ARIBA Supplier Network Registration Request form](#) once the UW Supplier number has been issued.

Common Entity & Business Types

- **Foreign Entity | Purchase of Goods**: Currently no IRS tax form is required for payment of goods to a foreign Corporation, Partnership, Disregarded Entity or Government. Ask your supplier if a U.S. Taxpayer Identification Number (TIN), Foreign TIN or Global Intermediary Identification Number (GIIN) is applicable.
- **Foreign Entity | Purchase of Services | Performed *outside* the U.S.**: Currently no IRS tax form required for payment of services to a foreign Corporation, Partnership, Disregarded Entity or Government. Ask your supplier if a U.S. Taxpayer Identification Number (TIN), Foreign TIN or Global Intermediary Identification Number (GIIN) is applicable.
- **Foreign Entity | Purchase of Services | Performed *within* the U.S.**: An IRS W-8 form is required (commonly W-8BEN-E, also W-8EXP, W-8ECI or W-8IMY). W8 forms are good for 3 years from the signature date.
- **Foreign Individual | Purchase of Services | Performed *outside* the U.S.**: Currently no IRS tax form required. Ask your supplier if a U.S. Taxpayer Identification Number (TIN), Foreign TIN or Global Intermediary Identification Number (GIIN) is applicable.

Common Entity & Business Types

- Foreign Individual | Purchase of Services | Performed *within* the U.S.:
 - ✓ If the individual is claiming the Tax Treaty Benefit (i.e. exemption from 30% tax withholding), IRS Form 8233 required
 - ✓ If the individual is not claiming the Tax Treaty Benefit, IRS Form W-8BEN required
 - ✓ *Note: At the time of payment, additional documents or forms may be required for foreign individuals*
- Tax Exempt Organization: Payments to an organization with a Chapter 3 status of "Tax Exempt Organization" will require the IRS Determination Letter or Opinion of Counsel.
- Visit the Tax Office's [Tax Forms for Foreign Payees](#) webpage for additional information about current IRS forms.
- For more information on doing business with foreign individuals, please review the [UW Global Operations](#) Support page regarding [Foreign National Payments and Tax](#).

Payment Types to Foreign Suppliers

- **Check in U.S. Funds** - Unless otherwise specified, payment will be made by check in U.S. funds.
- **Wire Transfer** - Payment by wire transfer should be negotiated at the time the order or contract is established. Requests for payment by wire transfer are not honored unless prior arrangements were made at the time the order or contract was placed. For more information on wire payments, please review our [Wire Payments](#) page.

Customs Clearance for Foreign Purchases

- The University of Washington has contracted with Expeditors International of Washington for customs brokerage service. They can be used for customs clearance needs for purchases made with or without a UW purchase order. Detailed information is available on the [Customs Clearance](#) webpage.
 - ✓ Ask the shipper to include your name and phone number on the shipping label.
 - ✓ Give information to your foreign supplier about our customs broker for the UW to assist with the importation of goods. Be aware that import charges may accrue for foreign purchases. Shippers such as UPS and FedEx are also customs brokers and will usually clear their shipments through U.S. Customs.
 - ✓ If a broker is required for the shipper, UW has a contract with Expeditors International of Washington for import/export services. U.S. Customs and the Port of Seattle are aware of this and will generally notify Expeditors if something comes in for the UW and requires Customs Clearance.

Foreign Supplier Best Practices & Tips

Foreign Supplier Registration:

- Remember to submit the form on the webpage to send the link to the foreign supplier to fill out. Sending the supplier the URL link to the webpage for them to fill out the form will not work.
- PCSHelp cannot assist foreign suppliers with filling out the registration webform. They also cannot tell a foreign supplier what type of company they are. The company needs to figure that out with their tax advisor and the IRS.
- The supplier has to complete the webform at the time they start it. If they have questions or don't know the answer to any of the questions, and need to do some research after they have started the form, they will need to have the department submit a new request. The form cannot be re-sent.
- If you need to have the supplier join the Ariba Network, you'll need to send the Ariba Network Registration request form to them.
- Many foreign supplier purchases are one-time purchases. Only have the supplier go through all the registration/Network enablement steps if it's absolutely necessary. Is a BPO necessary?

Foreign Supplier Best Practices & Tips

Payment Method & Currency:

- Take special care when setting up Contract Requests (BPO's) and Requisitions to be paid by wire transfer if the Foreign company is not from Canada, United Kingdom, New Zealand or Australia. Even for the United Kingdom, New Zealand and Australia, check with the supplier that a check in US funds is acceptable.
- - ✓ If it has to be paid in a foreign currency, then a wire transfer payment is required.
 - ✓ If a check has to be cancelled and a wire payment sent, the BPO will have to be modified before it can be paid by wire.
- The contract/order and invoice should be in USD; especially the invoice. As currency exchange rates change daily, we have to have the invoice in a set USD amount in order to pay them (rather than us figuring out what today's exchange rate is).
 - ✓ It's best if the contract is in USD also for consistency and clarity. If it isn't, then the department should attach an OANDA conversion page to the order so we can see how they arrived at the PO amount.
- Foreign Vendors may charge VAT (Value Added Tax) on the purchase. This is different from WA sales tax. Items that are taxable/shipped in WA are subject to WA use tax.

ANY
QUESTIONS
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