

LAMAR UNIVERSITY

GUIDELINES FOR PAYMENTS FOR HONORARIUMS

- I. HONORARIUM
- II. ONE-TIME GUEST SPEAKER\LECTURERS
- III. INFORMATION REQUIRED TO PROCESS PAYMENTS
- IV. ADDITIONAL REQUIREMENT FOR PAYMENTS TO FOREIGN INDIVIDUALS

I. HONORARIUM

An honorarium represents a “thank you” gift to a guest speaker or performer who, at no charge to the University, makes a presentation. The University responds with a token payment as a gesture of appreciation.

Definition: An honorarium is provided as a token of appreciation for participation in an activity or event which no fee is legally required, and **not as a contractual obligation to pay for services rendered**. An honorarium is usually a one-time payment made to an individual (not a corporation, business or partnership) who is not an employee of the University for a special and non-recurring activity or event to recognize or acknowledge the contribution of gratuitous services to the University.

The honorarium payment and the amount are both discretionary. The amount of an honorarium should not be geared to lost fees or wages, expenses, or other opportunity costs incurred by the individual, but rather to the amount of recognition appropriate for the service provided.

Examples would be a nominal payment to a guest speaker or lecturer as a “thank you” and as a gesture of good will and appreciation, or a token payment for other unique, incidental and infrequent services not traditionally required on an on-going bases.

1. A special one-time lecture*
2. Serving as guest speaker at educational event, workshop or other similar function*
3. Participating as a guest speaker at outreach events or presentation*
4. Appearance at an event by a recognized authority in a particular field of endeavor
5. Assistance for set-up or supporting activities at special events
6. Panelist for a workshop
7. Appraisal of a manuscript for professional publication or other creative activity
8. Readings and performances so long as the activity is open without charge to the public and/or students*

* These individuals should have no responsibility for grading or taking class attendance. Events when the audience is composed of non-paying students and/or is open to the general public free of charge.

An honorarium differs from a stipend, which is a fixed sum of money paid periodically for services. Reoccurring events that have individuals expecting payment for services would receive a stipend, not an honorarium.

Honorarium payments are made payable to the individual who provided the gratuitous service. The University does not make charitable contributions to organizations in lieu of

an honorarium payment.

An honorarium cannot be used to pay independent contractors, consultants or Lamar University employees. See **MAPP XX.XXXX** for the definition of independent contractors and consultants.

Determination of Honorarium Payments

1. Is the individual a business, corporation or partnership?
2. Was the payment amount negotiated between the University and the individual?
3. Is there a contractual agreement?
4. Are the individual's services recurring?
5. Is the individual an employee or student employee?
6. Did the individual set the price?

If you have answered "**yes**" to any of the above questions, the payment does not qualify as an honorarium.

Please Note: Under IRS regulations, honoraria payments are considered taxable income. Therefore, as a matter of policy, the recipient of an honorarium payment may not transfer the payment to another organization or individual. If the honorarium recipient wishes to transfer the payment to another organization or individual, he/she must receive the money and then donate it.

IRS Rules for Honorarium Payments are:

- The activity lasts no more than **9 days**. An individual may be at the institution longer than 9 days; however, the number of day limitation applies only to "the event"; and
- The services conducted are of direct benefit to the University; and
- The recipient has not accepted payments from more than **5 institutions** in the previous **6 months**.

II. ONE-TIME GUEST SPEAKER/LECTURERS

A non-employee engaged by the University to lecture, present, or otherwise speak on a subject about which s/he is considered to be knowledgeable. Examples include speakers/presenters at conferences, symposiums, or lecture/speaker series and/or guest lecturers in classes or other training events.

Keep in Mind: Speakers, performing artists and their agents that have their own contracts will be considered an independent contractor and payments to these individuals will not fall under this policy.

III. INFORMATION REQUIRED TO PROCESS PAYMENTS

In order to process payment for an honorarium, the following information is required **BEFORE the event and must be submitted as a requisition in Cardinal Purch**:

1. Honorarium Payment Form listing:
 - Name of speaker / presenter / volunteer;
 - Permanent address of the payee;
 - Faculty Sponsor;

- Host: class / department / program;
 - Date of presentation / event;
 - Topic;
 - Reason for Honorarium (i.e., one-time guest speaker/lecturer, panelist, seminar presenter, program reviewer);
 - Amount of Honorarium; or
 - Travel Expenses to be covered
2. New Vendor Information Form must be on file with Purchasing or submitted to Purchasing prior to the event.
 3. A flyer, announcement, or brochure announcing the speaking engagement that includes the guest speaker's name, event date, time, location, and topic; or, a newspaper clipping of the speaking engagement or a letter offering or accepting an invitation to speak on campus.

Payments to U.S. Citizens are taxable income and must be reported on Form 1099 (if cumulative payments to a recipient in a calendar year are \$600 or more) or IRS Form 1042-S tax reporting and/or withholding guidelines.

Reimbursements for travel expenses will not be subject to the federal tax reporting or withholding requirements if receipts are submitted with the guest speaker form or the meal and incidental expenses are reimbursed based on the University travel per diem rates.

IV. ADDITIONAL REQUIREMENT FOR PAYMENTS TO FOREIGN INDIVIDUALS

Foreign vendors/speakers require special attention as U.S. Law only permits honorariums to be paid to non-resident aliens with certain visa classifications, and treaties with their country and visa status must be taken into account to determine tax-withholding percentages. As soon as you know that the speaker you wish to engage is from a foreign country, contact **Human Resources**.

The [Foreign National Information Form](#) must be submitted to **Human Resources** two (2) weeks in advance and must be completed before any payment can be processed. A copy of both sides of I-94 Form "Arrival and Departure Record", (a small white card inside passport), copy of U.S. VISA from passport, and 1-20 or DS2019 must be attached.

The following documents should be submitted to the **Human Resources** to authorize a payment to a foreign national:

- Location of work service provided
- [Foreign National Information Form](#) (2 pages if printed from link)
- Passport
- Visa
- I-94 departure card
- Social Security card or Individual Taxpayer Number (ITIN)
- I-20 (for F-1 VISA holders)
- DS-2019 (for J-1 VISA holders)
- EAD card (if applicable)

Once **Human Resources** has determined the proper tax status, they will contact Accounts Payable to instruct them on the payment. You will still need to send all required documents through Accounts Payable if the Invoice Voucher is the vehicle of payment.

If treaty prevails, then **Human Resources** will file IRS form 8233 and statement. Individual will need to sign the form prior to performing the services. If the 8233 is not signed prior to the services being performed, taxes will be withheld at 30%.

If it is determined that the Foreign Speaker is taxable and you prefer not to burden them with the tax payment, your department may opt to pay the taxes for them. Since the taxes will be withheld at 30% you will gross up by dividing the payment amount by .7 as in the following example. A net payment of \$175.00 to a Foreign National would require a \$250.00 gross payment on the invoice voucher ($175.00 / .7 = 250.00$).

IRS rules

1. All payments of honoraria to non-resident aliens who come to the University must be reported to the IRS on Form 1042-S.
2. All honoraria payments to foreign nationals will be taxed at a 30% rate, unless exempt by a tax treaty and an IRS form 8233 is properly completed.
3. In order to claim a tax treaty exemption from tax withholding, the non-resident alien must be from a country which has a treaty with the United States that has a teacher/researcher provision and IRS form 8233 and statement must be completed.
4. J-1 Visa's must have a Social Security Number or must apply for one at the local Social Security Office and they must have permission from the entity which sponsored their DS2019.
5. If the visitor does not have a Social Security Number or ITIN prior to the request for payment, treaty benefits cannot be applied and the payment will be taxed at 30%.