

Honorarium definition

An honorarium is a voluntary payment given to an individual as a token of appreciation for their participation in an activity or event for which no fee is legally or traditionally required. An honorarium payment is made as a gesture of goodwill and in appreciation to recognize or acknowledge the contribution of gratuitous services to the University, rather than as a fulfillment of an obligation. The honorarium amount is discretionary and nominal and is usually a one-time payment made to an individual for a special non-recurring activity.

Important:

- Additional documents and analysis are **required** if the honorarium is paid to a foreign national. Please contact the tax compliance office (csuftaxoffice@fullerton.edu) prior to invitation.
- If travel costs are included as part of the honorarium payment, **the payee must adhere to the University's travel policy** for non-employees and must complete the non-employee travel expense form. Submit **all** receipts to support all expenses stated on the invoice. If receipts are not submitted, **all travel expenses will be** taxable to recipient.
- Honorarium payments to a University employee, a student employee, or a California state employee in the current calendar year should be processed via payroll instead of a check request.
- If the payee is a new vendor, please follow the [new vendor set-up process](#) to initiate new vendor registration.
- Honorariums of \$5,000 or more require a Purchase Order

Risk of paying honorarium

Due to honorariums being gratuitous payments to a payee, there is no legal obligation to pay, and the University will have no contractual recourse against the individual in cases when they cancel their appearance before the event. If your primary purpose is to develop an arrangement with clear obligations and responsibilities, a payment for services through Contracts & Procurement should be used instead of an honorarium.

Determining if the payment is an honorarium

Prior to submitting a check request for honorarium payment, respond to the following questions:

- | Yes | No | |
|--------------------------|--------------------------|---|
| <input type="checkbox"/> | <input type="checkbox"/> | 1. Is the payee a business, corporation, or partnership? |
| <input type="checkbox"/> | <input type="checkbox"/> | 2. Is the payment amount negotiated between the University and the payee? |
| <input type="checkbox"/> | <input type="checkbox"/> | 3. Did the payee set the price they are to be paid? |
| <input type="checkbox"/> | <input type="checkbox"/> | 4. Is there a contractual agreement? |
| <input type="checkbox"/> | <input type="checkbox"/> | 5. Are the payee's services recurring? |

If you have responded "Yes" to any of the questions above, the payment does not qualify as an honorarium. Instead, it is considered a payment for services for which the payment needs to be processed via a purchase order.

Note that any compensation that is negotiated, committed, or otherwise forming an obligation to pay is, by definition, not an honorarium; it is a payment for services and subject to the applicable policies of the University.

Allowable Honorarium payments:

- Guest speaker at an educational event, class, workshop, or other similar function. A guest speaker is someone who possesses advanced knowledge of a particular subject area and speaks on that to a group or organization.
- Participation as a judge in a writing or photo contest
- Participation in a panel discussion

Examples of what is NOT an honorarium:

- Payments requiring a signed contract
- Payments for a recurring activity or service
- Payments for the services of a facilitator
- Payments to professional speaker or consultant who performs the requested service for a living
- Payments where the services require an output (e.g., report)

Honorarium Payment Form

This form is for payment to individuals who are **not** employees of California State University or the State of California. Please complete all fields and provide supporting documents accordingly for payment to be processed.

Honorarium Information (to be completed by the Department)

Date(s) of honorarium activity: _____ Department: _____						
Course/Event title (as applicable): _____						
Location where honorarium is performed:						
<input type="checkbox"/> University premises						
<input type="checkbox"/> Remotely, within California						
<input type="checkbox"/> Remotely, outside of California						
<input type="checkbox"/> Remotely, outside of the United States						
Description of honorarium event or purpose (include breakdown of time and effort being recognized to justify amount):						

Honorarium amount: _____ Travel amount, if any: _____						
<input type="checkbox"/> Supporting documents attached to check request (invitation letter, class lecture information, flyer, etc.)						
Chartfield Information:						
	<u>660832</u>	-	-	-	-	-
	Account (6)	Fund (5)	Dept. (5)	Program (4)	Class (5)	Project (8)
	<u>660090</u>	-	-	-	-	-
	Account (6)	Fund (5)	Dept. (5)	Program (4)	Class (5)	Project (8)
Check Handling Instructions: _____						
Contact name: _____ Extension: _____						
Authorized department approval of this duly completed honorarium payment form is evidenced by the signature on the check request to which this form is attached.						

Honorarium Recipient Information (to be completed by the recipient)

Name: _____	
Mailing Address: _____	
Phone Number: _____	E-mail Address: _____
Comments/Notes, if any:	

If you are a new vendor, you are <u>required</u> to complete vendor registration prior to receiving any payments.	
An honorarium is considered taxable income by the IRS. The taxable income is to be self-reported by the payee unless the total amount received equals or exceeds \$600 in a year, then the University will issue an IRS 1099 form to the payee. Note that California State University, Fullerton does not withhold taxes to U.S. citizens and resident aliens for tax purposes.	
Payments made to nonresident alien for tax purposes are subject to a 30% withholding unless the tax rate is reduced or eliminated by the presence of a tax treaty.	