



LP 4.1

Effective:
12/2/2020

Revised:
12/2/2020

Policy Owner:
Board of Trustees

Policy Administrator:
VP Finance and
Administration

Affected Parties:
Employees

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Honoraria (LP4.1)

1 Summary

This policy and procedure contain information about honoraria paid through Accounts Payable.

2 Purpose

The purpose of this policy and procedure is to ensure that honoraria are processed and paid in accordance with university intent and consistent with IRS regulations.

3 Policy

- 3.1 Honoraria are provided to show appreciation for services rendered in a volunteer capacity or for services for which fees are not traditionally required.
- 3.2 An honorarium cannot be a negotiated fee or price established between the parties.
- 3.3 An honorarium cannot be paid to an employee of Lander University.
- 3.4 An honorarium payment is exempt from withholding, but must be declared by the recipient as taxable income for federal and state purposes. An honorarium payment will be reported on IRS Form 1099 – MISC consistent with current IRS regulations.
- 3.5 An honorarium payment must be made directly to the payee and cannot be made as a charitable donation to a third party.
- 3.6 For an honorarium payment that is made to a foreign national:
 - 3.6.1 The foreign national must complete the Foreign National Tax Information Form for submission with the requisition form and a completed IRS Form W-8 BEN to Accounts Payable.

3.6.2 Any department making an honorarium payment to a foreign national must consult with the Office of International Programs for guidance on completion of a proper invitation letter, a Foreign National Visitor Attestation for Honorarium Payment (IS-4), and verification of immigration status.

4 Policy Revision History

- Draft policy created by the Office of Finance and Administration on 9/30/2020.
- Reviewed and modified by external reviewer on 10/15/2020.
- Reviewed and modified by policy coordinator on 10/20/2020.
- All changes approved by Office of Finance and Administration on 10/27/2020.
- Policy prepared and submitted for Board of Trustees review on 12/4/2020.
- Policy approved by Board of Trustees on 12/14/2020.