

Honorarium Policy

1 OVERVIEW

It is the policy of the California State University, Dominguez Hills Foundation (“Foundation”)¹ to maintain, control, and protect the assets of the Foundation. This policy seeks to define and document the procedures relating to Honorariums.

2 DEFINITIONS

An **honorarium** is a one-time payment made to an individual who is not an employee of the University, for a special and non-recurring activity or event for which a fee is not legally or traditionally required.

If payment is negotiated and agreed upon, it is considered a contractual agreement, and should be processed as a payment for personal services, not an honorarium.

Honoraria are typically paid to persons of scholarly or professional standing with the intent of showing good will and appreciation for a speech given. “Speech given” means a public address, oration, or other form of oral presentation and includes participation in a panel, seminar, or debate.

3 REQUIREMENTS

In order to be classified and paid as an honorarium, all of the following requirements must be met:

- Payment is to an individual, business, corporation, partnership, etc.
- Payment is not negotiated between the Foundation and the individual
- There is no contractual obligation or agreement
- The individual is not a CSU or CSU Auxiliary employee
- The vendor did not set the price

3.1 HONORARIUM EXAMPLES

Examples of Honoraria payments include the following:

- **Guest Speaker or Presenter** who is not charging a fee for his/her service
- **Participation as a judge or panel member** who is not charging a fee for his/her service
- **Artistic performer** who is not charging a fee for his/her service

¹ “Foundation” shall include those auxiliary organizations supported by the Foundation, including but not limited to the Dominguez Hills Corporation and Philanthropic Foundation (collectively, the “Auxiliaries”).

3.2 EXAMPLES OF SERVICES (NOT HONORARIUMS)

- A payment is not treated as honorarium if the payment is for specified services rendered by an independent consultant, CSU or CSU Auxiliary employee, or vendor.
- Vendor sets and/or negotiates the price for service

3.3 GRANTS & CONTRACTS/POST AWARD

For Grants & Contracts/Post Award accounts, please refer to your Post Award Analyst for grant-specific requirements or visit the [Grants & Contracts Policies and Procedures page](#).

4 PAYMENTS

If all of the Honorarium requirements are met, then an honorarium payment can be made via a Payment Request. If the Honorarium requirements are **not** met, refer to the Independent Contractor Policy.

Cash-Equivalent Gift Cards are NOT Allowed for honorariums.

Honorarium payments may be subject to Federal withholding tax and California State withholding tax. Any earned income over \$600.00 will be reported to the IRS. Earned income over \$1,500.00 from non-Californians, will be subject to 7% California withholding. Earned income from non-resident aliens (visitors from foreign countries) will be subject to Federal withholding up to 30% (depending on the treaty the United States has with their government) and 7% California withholding.

4.1 U.S. RESIDENTS

The following are required to process Honorarium payments for U.S. Residents:

- Completed Payment Request Form stating the amount and reason for the Honorarium
- Completed Vendor Data Record Form
- A flyer or a memo describing the event

4.2 FOREIGN INDIVIDUALS

In addition to the U.S. Resident requirements, departments must obtain the following from the individual, as this will be required before the vendor is set up in the system and payment is issued:

- Copy of I-94 Departure Card (official documentation of immigration status)
- Copy of Identification page of the passport
- Form W-8BEN or Form 8233

Depending on the type of payment, all payments made to or on behalf of a nonresident alien or foreign entity are generally subject to income tax withholding unless specifically exempted, either by U.S. tax law or an income tax treaty. Generally, payments not exempt from withholding are subject to 30% federal income tax withholding, in accordance with Internal Revenue Service (IRS) regulations. To claim

an exemption from tax withholding under an income tax treaty, the payee must submit the appropriate exemption request form.

5 APPROVER RESPONSIBILITY

It is the responsibility of the requester and authorized signer on the Account, to ensure all Honorarium requirements are met prior to submitting a Payment Request.

Foundation Accounting and/or the Post Award Analyst for Grants & Contract Accounts will review supporting documentation to ensure the payment is correctly classified as an Honorarium prior to processing payment. In addition, the payment will be reviewed for allowability and that funds are available to cover the expense.

6 RESOURCES

Please refer to Foundation policies and procedures to ensure alignment. The most recent policies and procedures can be found on Foundation's website, <https://csudhfoundation.com/>.

Noteworthy policies include the following:

- Independent Contractor Policy
- Procurement Policy
- Hospitality & Public Relations Policy
- Accounts Payable Policy