



Honorarium definition

The State of Maryland Ethics Commission defines honorarium payments as the payment of money or anything of value for: 1) speaking to, participating in, or attending a meeting or other function; or 2) writing an article that has been or is intended to be published.

An honorarium payment is provided as a token of appreciation for participation in an activity or event, and not as a contractual obligation to pay for services rendered. The honorarium amount is discretionary and nominal and is usually one-time payments 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.

Important:

- The Foundation does not pay honoraria to a foreign national.
- If travel costs are included as part of the honorarium payment, **the payee must adhere to the University's travel policy**. All receipts must be submitted to support any expense 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 Maryland state employee must be processed via payroll.
- If the payee is a new vendor, please attach a **new vendor request form** to initiate new vendor registration process.

Risk of paying honorarium

Due to honoraria 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 the Procurement Department should be used instead of an honorarium.

Determining if the payment is an honorarium

Prior to submitting a check request for honorarium payment, answer 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? |
| <input type="checkbox"/> | <input type="checkbox"/> | 6. Is the payee an SU employee, a student employee, or an employee at another USM institution? |

If you have answered "Yes" to any of the questions above, the payment does not qualify as an honorarium. 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)
- Judge in a writing or photo contest
- Participant 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



Honorarium Payment Form

This form is for payment to individuals who are **not** employees of Salisbury University or employee at another university in the USM system. 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: _____

Description of honorarium event or purpose (include breakdown of time and effort being recognized to justify amount):

Honorarium amount: _____ Travel amount, if any: _____

Supporting documents attached to check request (invitation letter, class lecture information, flyer, etc.)

Posting Information: _____ - _____ - 5000-10
Project ID Project Description GL Account #

As the faculty/staff sponsor for this honorarium, I attest to the best of my knowledge that the payee...*

- is not a business, corporation, or partnership
- neither set the price nor negotiated the payment amount with any entity at SU
- has not entered into a contractual agreement with the university for these duties or services
- is not an SU employee, an SU student employee, or an employee at another USM institution
- is not being paid for performing recurring duties or services
- is not being paid for credit-bearing instruction
- will not have access to proprietary SU information

If you are unable to check any of the boxes above, this payment cannot be made as an honorarium. Please contact the University Procurement Department for information on payment options.

Budget Administrator Signature: _____ **Date:** _____

Additional/Optional Approvals: _____ **Date:** _____
(Dept. Chair/Dean/Director Signature)

Contact Name: _____ **Extension:** _____



Honorarium Recipient Information (to be completed by the recipient)

Name: _____

Mailing Address: _____

Phone Number: _____ E-mail Address: _____

I **am not** employed by any agency of the State of Maryland, the University System of Maryland, or any other county Board of Education.

Comments/Notes, if any: _____

Signature: _____ **Date:** _____

New vendors are required 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 SU Foundation will issue an IRS 1099 form to the payee. Note that SU Foundation does not withhold taxes to U.S. citizens and resident aliens for tax purposes.