



OFFICE OF BUDGET AND FINANCE

Honorarium Guidelines

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PAYMENT OF HONORARIA

I. PURPOSE

These guidelines clarify, define and establish guidelines and a method for providing Honoraria payments.

II. SCOPE

These guidelines apply to all Colleges and all Related Entities and cover Honoraria paid with New York State or New York City funds, including those funds held by the New York State Treasury or New York City's Department of Finance on The City University of New York (CUNY)'s behalf, as well as Honoraria paid with non-tax levy funds held by the College or Related Entity.

III. DEFINITION

"College" means a constituent unit of the University, including without limitation senior and community colleges, graduate and professional schools, Macaulay Honors College and the Central Office.

"Related Entities" means the following types of entities and their subsidiaries, if legally separate from the University: auxiliary enterprise corporations, college associations, student services corporations, childcare centers, performing arts centers, and art galleries. Related Entities excludes the Research Foundation of the City of New York.

"Normal academic activity" means lecturing, teaching, readings, performances and sharing knowledge.

An "honorarium" is a nominal amount in the form of gratuity or token paid to an individual as a gesture of goodwill or appreciation, not as a fee for service. Recipients of honoraria are considered guests of the University rather than employees or independent contractors. They have no consultant obligations to the University; services provided by the guest are voluntary and offered in connection with a normal academic activity, on a non-routine basis, for which no fee is legally required.

- An honorarium represents a "thank you" gift to a guest speaker or performer who, at the request of the University, makes a presentation. The University responds with a token payment as a gesture of appreciation.
- The honorarium payment and the amount are both discretionary to the University. The amount of an honorarium should be nominal and is not intended to compensate for lost fees or wages, expenses, or other opportunity costs incurred by the individual. Rather, the amount of the honorarium should correspond to the amount of recognition appropriate for the service provided.
- The recipient should be an authority or recognized expert in the field of endeavor pertaining to the activity, and the activity should be consistent with furthering the missions of the department, office, College or The City University of New York (CUNY).

- The recipient of an honorarium cannot be an employee of CUNY or any of its affiliated entities.

IV. PAYMENT SCENARIOS

An honorarium may be appropriate in these situations:

- A guest lecturer whose lecture is directed by CUNY personnel only in terms of the general subject matter to be covered;
- Appearance at an event by a recognized authority in a particular field of endeavor;
- A guest speaker for a seminar or workshop; and
- A panelist for a special project.

An Independent Contractor Agreement, not an honorarium payment, must be used in these situations:

- Compensation is negotiated, requested or required to be paid in exchange for an individual's appearance at an event;
- Payment is to be made to a corporation or other entity rather than an individual;
- The goal is to develop an arrangement with clear obligations and responsibilities; and
- When the University entity will be receiving an invoice.

Links to College and Related Entity forms of independent contractor agreement for speakers and other presentations (a "Speaker Agreement") are included at the end of this guidance.

V. RESTRICTIONS ON PAYMENT OF HONORARIA

- a. Employees of CUNY and its affiliated entities who have been employees within the past two years, cannot be paid honoraria. This rule applies to full-time and part-time employees. Payment for additional services to employees of CUNY and its affiliated entities must be paid through payroll.
- b. No honorarium payment may be in excess of \$2,500 unless approved by the College President or designee. Approval must be in writing, retained with the support for payment and included with the payment voucher.
- c. Sponsored project funds and other restricted funds may not be used for the payment of an honorarium unless specifically authorized in the contract, grant agreement, or other document governing the use of the funds.
- d. Purchasing Cards (P-Cards) may not be used for making honorarium payments.
- e. The University does not make charitable contributions to organizations in lieu of an honorarium.

VI. RISKS ASSOCIATED WITH PAYMENT OF HONORARIA

If you use the honorarium process, then you have **no contractual recourse** or threat of contractual recourse against the individual. This means that if you schedule an event and the individual cancels the day before the event, then you have no recourse or threat of recourse against the individual. If you want recourse, then you should create a contractual relationship with the person receiving the honoraria through an independent contractor agreement.

VII. PAYMENT PROCESSING

A. Payments to U.S. Citizens:

Honoraria payments will be made through Accounts Payable using the requisition to Purchase Order process. Requests for payments require:

- Vendor Registration for the Recipient
- Purchase Order
- Receipt
- Program description including date and time of event
- Executed honorarium letter

Departments and other payees are responsible for providing sufficient documentary evidence to support the business purpose of all honorariums paid by the University or a Related Entity. The payment request voucher must include a letter or other memo that lists the individual's name and address, date(s) of engagement, type/nature of engagement and amount of honorarium. A sample letter is attached to this guidance. An email may be provided as documentation if it includes the same information. Additionally, an event flyer or announcement should be included for a speaking engagement that includes the date, time, and topics discussed.

Under IRS regulations, honoraria paid to U.S. citizens are taxable income and must be reported on Form 1099 if cumulative payments from the University to the recipient in a calendar year are \$600 or more. A completed Form W-9 must be obtained from the individual prior to the event.

B. Payments to Foreign Nationals:

Payment made to foreign nationals have special requirements and not all nonresident aliens are eligible to receive them. If you would like to make a payment to a foreign national, contact the non-resident alien tax specialist in your campus Business Office **before you offer payment to the guest**. If your campus does not have a non-resident alien tax specialist, contact the University Payroll Office for assistance. Note that all payments to foreign nationals must be made through payroll (not Accounts Payable) in order to accurately report on IRS Form 1042-S. This applies to both senior and community colleges.

VIII. ATTACHMENTS & LINKS

Attachment: Honorarium or Fee for Service/ICA Flow Chart

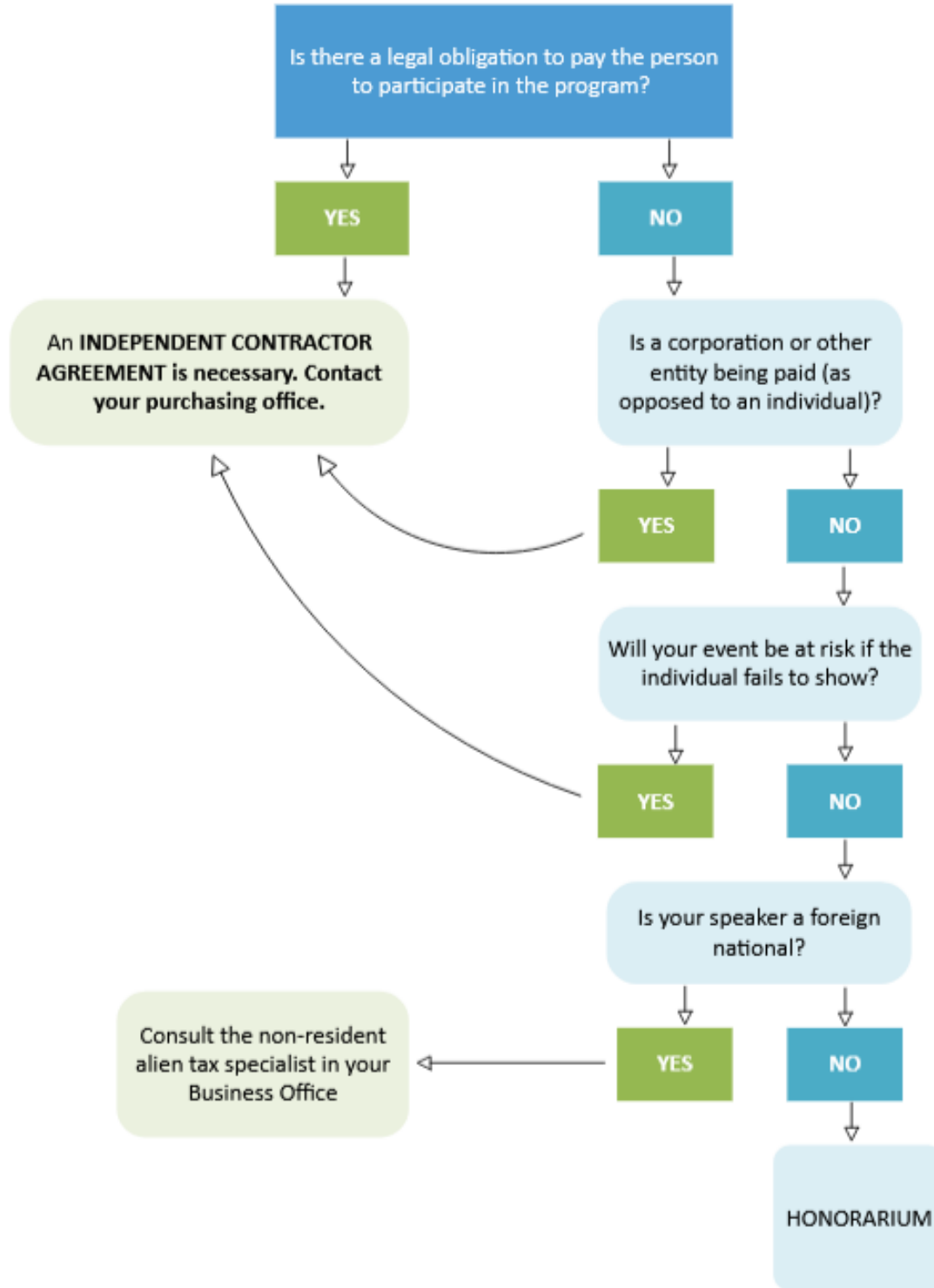
Attachment: Sample Honorarium Letter

Link*: [Speaker Agreement Form - CUNY](#)

Link*: [Speaker Agreement Form - Related Entity](#)

**Link can only be assessed by those with access to the Legal Affairs Procurement SharePoint.*

HONORARIUM OR FEE FOR SERVICE/ICA FLOW CHART



SAMPLE HONORARIUM LETTER

**** USE YOUR DEPARTMENT OR COLLEGE LETTERHEAD ****

[Date]

Dear [Name of recipient],

Thank you for accepting our invitation to visit the [School/Department of _____] at [College] of The City University of New York from [mm/dd/yyyy] to [mm/dd/yyyy]. Your activities will include [giving a lecture; participating in _____ lecture series; etc.]. We would like to offer you an honorarium of \$[amount]. [If applicable] Also as agreed, [College] will reimburse your travel expenses related to this event up to \$[amount]. All reimbursable expenses must be documented with receipts.

You agree that the College may record, publish or otherwise distribute your presentation in any form or media for College purposes, and not for any commercial purpose.

If the information contained herein is accurate and satisfactory to you, please sign and complete the questions below and return a copy of this letter to this office. You will also need to, as honoree, register for payment in our system, CUNYBuy. You will receive a link under separate cover from the College Purchasing personnel in order to register in CUNYBuy, please follow the directions on the email sent to you for that purpose.

Please be aware that an honorarium paid to a foreign national is subject to U.S. federal withholding tax of 30%. Payment may be exempt from withholding only if there is a tax treaty benefit between the United States and the foreign national’s country, and a Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) is needed in order to receive the tax treaty benefit.

Thank you in advance for your attention to this matter. Should you have any questions, please call [Name of person who can assist recipient] at [Contact phone no] or email at [email address].

[Department’s closing paragraph, if any]

Sincerely,
[Name & signature of chair/director]

By my signature, I _____ [Name of recipient], hereby certify that this honorarium is fully understood by me.

Signature

Date

Contact email

Contact phone number

I am not a U.S. citizen or permanent resident