

Payment of Honoraria

Responsible Office: Accounts Payable Department
Issuance Date: February 2009
Last Revision:

POLICY STATEMENT

An honorarium payment is a gratuitous payment to a lecturer or a professional person outside the University community (not a University faculty or staff member) as an expression of thanks. It is taxable income and is reportable to the Internal Revenue Service if the sum of annual payment(s) to the vendor exceeds \$600 annually.

REASON FOR THE POLICY

To govern University honoraria payments.

PRIMARY GUIDANCE TO WHICH THIS POLICY RESPONDS

This policy primarily responds to the guidance of the IRS, which governs the taxation of payments to both US and foreign nationals.

RESPONSIBLE UNIVERSITY OFFICE

Accounts Payable Department

REVISION HISTORY

WHO IS GOVERNED BY THIS POLICY

This policy governs the payment of honoraria. All University personnel who process honoraria payments or who manage employees who process these payments are governed by this policy.

WHO SHOULD KNOW THIS POLICY

It is the responsibility of all University personnel who process honoraria payments to know this policy. Additionally, Accounts Payable staff who process these payments should know this policy.

EXCLUSIONS AND SPECIAL CONSIDERATIONS

Not applicable

POLICY TEXT

Honoraria for US Citizens

Prior to processing the payment in AP/CAR, obtain a signed W-9 Form completed by the payee. Enter the honorarium recipient into AP/CAR as a 1099 vendor.

Once the recipient's vendor profile has been approved by Vendor Maintenance in Accounts Payable, follow the instructions on the Accounts Payable website at <http://finance.columbia.edu/procurement/ap/index.html> for completing a Check Request Form. Include the payee's name and home address. In the space labeled **Description of Services**, provide all available details for the honorarium payment.

The amount of the honorarium should be specified in correspondence with the honorarium recipient. Submit the Check Request Form, a copy of the correspondence along with a flyer or a memo describing the event to Accounts Payable.

An honorarium is taxable income that is reported to the IRS on Form 1099 if the sum of annual payment(s) to the vendor exceeds \$600 annually. However, expenses reimbursed to an honorarium recipient are not considered taxable income.

A payment is not treated as honorarium if the payment is for specified services rendered by an independent consultant, University student or employee. Payments to University staff or Faculty members must be processed through the [Human Resources Processing Center \(HRPC\)](#) as additional compensation.

Please note: Under IRS regulations, honoraria payments are considered taxable income. Therefore, as a matter of policy, the recipient of an honorarium payment may not transfer the payment to another organization or individual. If the honorarium recipient wishes to transfer the payment to another organization or individual, he or she must receive the money and then donate it. The only exception to this rule is employees of certain Federal Government Agencies. If the honoraria recipient is an employee of a Federal Government Agency please contact the AP Service Center at (212) 854-2122 or apservice@columbia.edu.

Honoraria for Foreign Individuals

If the lecture was given in the United States, the payment must be processed through the [Human Resources Processing Center \(HRPC\)](#). If the lecture was given overseas on foreign soil the payment can be processed through Accounts Payable.

Departments must obtain the following from the individual, as this will be required before the vendor is setup 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.

Prior to agreeing to pay an honorarium payment to a non-resident alien, you must confirm that the individual is present in the United States under an immigration status that allows him or her to perform an activity for which a payment may be made. Foreign individual visitors (including visa exempt Canadians who enter with only a passport and who have declared their reason for visiting the U.S. is business or Mexicans with Border Crossing Cards) that meet certain criteria may receive honoraria payments, even though they are not otherwise authorized to work in the United States and are not eligible for a social

security number (SSN). Prior to agreeing to pay an honorarium payment to a non-resident alien, you must also confirm that the individual is not subject to U.S, economic or trade sanctions under the Office of Foreign Assets Control (OFAC). A listing of sanction programs can be found on the OFAC website at <http://www.treas.gov/offices/enforcement/ofac/>.

The four criteria that **must** be met for foreign individual visitors on a B-Visa are:

- “usual academic services” (typically lectures);
- for periods up to nine days at a time during any six month period;
- for no more than five institutions per six month period; and
- for higher education or nonprofit/government research institutions.

The University maintains a chart that demonstrates the type of payment that is intended to be made and the non-immigrant status, indicating whether a payment may be made. The chart can be found at (<http://www.columbia.edu/cu/isso/faculty/paymentchart.html>).

Per U.S. Department of State regulations, a J-1 professor, research scholar or short term scholar not sponsored by Columbia University Program number P-1-00381 must provide a statement from their J-1 Sponsor (either the Responsible Officer or an Alternate Responsible Officer may sign) granting permission for them to receive payments from Columbia University.

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