Honorarium Payments

Definition

An honorarium is a one-time payment 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 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 forms of oral presentation and includes participation in a panel, seminar or debate. It does not include comedic, dramatic, musical or other similar artistic performances.

Allowable Honoraria payments

- Payment to a guest speaker. A guest speaker is someone who possesses advance knowledge of a particular subject area and speaks about that subject area to a group or organization with which he or she is normally not involved. They may not be a current CSU employee.
- Participation as a judge in a writing or photo contest
- Participation 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 for performances including comedic, dramatic, musical or other similar artistic performances
- Payments for earned income for personal services provided in the connection of a bona fide business, trade or profession such as teaching or writing for a publisher
- Payments to faculty, staff or student employees for their services
- Payments to foreign visitors (nonresident aliens) not approved to work in the United States
- Reimbursement for travel expenses

Determining if the payment is an honorarium

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<tr>
<th>Question</th>
<th>Y</th>
<th>N</th>
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<tr>
<td>1. Is the individual a business, corporation or partnership?</td>
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<td>2. Was the payment amount negotiated between the University and the individual?</td>
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<td>3. Is there a contractual agreement?</td>
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<td>4. Are the individual’s services recurring?</td>
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<td>5. Is the individual an employee or student employee?</td>
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<td>6. Did the individual set the price?</td>
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If you have answered “Yes” to any of the above questions the payment does not qualify as an honorarium. The individual performing the work may not be paid via the direct payment process. To determine if the individual is to be hired and paid through HR Payroll as a special consultant or through Procurement & Contract Services as independent contractor please complete the independent contractor vs. employee worksheet. The worksheet may be found within the special consultant check list found on HR’s form page.

http://www.csus.edu/aba/ABA-Files-Configs/documents/forms/procurement/Independent%20ContractorForm%20PO%203%207%2012.pdf

**Requirement to pay an honorarium**

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 $1500.00, 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. Please contact Darlene Edelman in the Payroll Office to determine any treaty agreement the United States has with the home country of the visitor.

**U.S. Resident**

- Completed Direct Pay Request form
- W-9
- Completed 204 (Payee Data Record form) [http://www.csus.edu/aba/forms.htm](http://www.csus.edu/aba/forms.htm)

**Nonresident Aliens (Visitor from foreign countries)**

- Completed Direct Pay Request form
- Completed 204 (Payee Data Record form)
- Copy of Visa.
  - Visiting foreign guest speakers must enter the United States under one of the following Visa types: B-1 (Business Visitor), B-2 (Visitor for Pleasure), WB (Visa waiver for business) or WT (Visa waiver for tourism). To verify that an individual entered the U.S. on the correct Visa type the University must receive a copy of the individual’s passport and the I-94 (Arrival Departure Record form).
  - Copy of Passport
  - I-94 number
    - As of April 1, 2013 the Supplier is required to go online to get their I-94 number. They will need to submit a copy of the confirmation page with the I-94 number on the top of the page. The confirmation page will officially confirm the Supplier’s visa status. [https://i94.cbp.dhs.gov/I94](https://i94.cbp.dhs.gov/I94)
    - Social security number (SSN) or Individual Tax ID number (ITIN). If the Supplier does not have a social security number they will not be granted a tax treaty.
    - Completed and signed copy of Sacramento State Honorarium Statement form. [http://www.csus.edu/aba/forms.htm](http://www.csus.edu/aba/forms.htm)
• Completed W8-BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding. The W8-BEN is only valid for 3 years. It must have on original signature and may not be faxed, scanned or submitted as a PDF.
• Completed Form 8233, Exemption from withholding on compensation for independent (and certain dependent) personal services of nonresident alien individual. The form is required if the Supplier is requesting an exemption from federal withholding tax. The form 8233 is only valid for one year.
• Copy of the CSU tax determination form

Documents required if the nonresident alien is an individual and is not a U.S. person (citizen or resident alien) and is represented by an agent:

• Same requirement listed above for nonresident aliens plus
• Copy of the central withholding agreement
• Copy of the power of attorney (POA). The agent may submit POA form 2848 although others may be use. The agent needs to use a form of POA which is applicable to the nature of his representative status.

Please note: CSUS will refuse any tax benefits on artist, entertainers and athlete payments and will withhold at the statutory rate of 30% per the directive of the Chancellor’s Office.

Wire payments for nonresident aliens only
Nonresident aliens may request their payment to be wired directly to their bank instead of receiving a check. Please submit the following information with the direct payment request for wire transfers:

Country (International)
Bank Name
Bank Address
SWIFT code (International)
OR
IBAN code (International)
Routing/Transit Number (Domestic-US Banks)
Payee name (as it appears on bank account)
Payee bank account#
Payee address
Payee phone number/email
If Intermediary Bank is used then need the following information:
(This means the money goes from WF to Intermediary Bank then to Beneficiary Bank)
Bank Name
Bank Address
SWIFT code (International)
OR
IBAN code (International)
Routing/Transit Number (Domestic-US Banks)