COLORADO STATE UNIVERSITY
Financial Procedure Instructions
FPI 2-18

1. **Procedure Title:** Honoraria

2. **Procedures Purpose and Effect:** The purpose of this procedure is to define the purpose and procedures for honoraria payments.

3. **Application of Procedure:** This procedure applies to all University personnel who process honoraria payments. Management who oversee employees handling honoraria payments also have a responsibility to understand this procedure.

4. **Exemptions:** There are no exemptions from these procedures.

5. **Definitions:** The following definition addresses terminology used:

   A. **Honorarium Payment:** A voluntary payment to a professional person outside the University community as an expression of thanks where payment isn't required. An example may include a voluntary payment for preparation time, travel and/or accommodations to a lecturer or guest speaker.
   B. **Independent Consultant:** A person who gives expert or professional advice in return for payment, and is not considered an employee of Colorado State University.
   C. **Volunteer:** A person who performs voluntary services for an organization and does not receive compensation.

6. **Procedure Statement:**

   A. Honoraria for US Citizens:
      A. Obtain a completed and signed W-9 by the payee.
      B. The honorarium recipient will need to be set up as a 1099 vendor within the Kuali Financial System. In Kuali book it to object code 6611 – Professional Services. If the sum of annual payments to the vendor exceed $2,000 annually, it will be reported to the IRS on Form 1099.
      C. Follow outlined procedures by Accounts Payable for Payments to Individuals.

   B. Honoraria for Foreign Individuals: Contact foreign tax accountant in BFS.

7. **Considerations:**

A. Honoraria payments to individuals are taxable income.
B. Payment should be to the honorarium recipient. The recipient should be an individual, not an organization.
C. Documentation should include an invoice. If an invoice is not available, attach a flyer or memo documenting the event.
D. Expenses reimbursed to an honorarium recipient, in most cases, are not considered taxable income.
E. If the services are rendered by an independent consultant, student, employee, or volunteer, the payment is not treated as honorarium.

8. **Reference and Cross-References:** For information on payments to students see FPI 2-5. For information on payments to employees contact the Payroll office. For information on payments to independent contractors contact Accounts Payable.

9. **Forms and Tools:**

- Honoraria Checklist for Invited Guest Speakers
- Employee vs Independent Contractor Form
    - If you are paying an honorarium for something other than a guest speaker or to a company, use the employee vs independent contractor form and include honoraria information in the statement of work section.