I. Purpose

A. This section provides the policy and procedures for making honorarium payments.

B. Additional requirements or restrictions on honorarium payments to academic employees is available in APM-666 and APM-UCD-666; to Senior Managers is available in Regents Policy 7701.

II. Definitions

See UC Accounting Manual Chapter D-371-35, for definitions of all relevant terms.

III. Policy

A. Honoraria are paid to persons of scholarly or professional standing in conjunction with an academic activity.

B. Honoraria payments are allowed for the following purposes:
   1. Providing a special lecture or short series of lectures of an academic nature.
   2. Participation in a seminar or workshop as a speaker, panelist, or as a member of a volunteer board or committee, that furthers the mission of the University.
   3. A speaking engagement.
   4. Appraisal of a manuscript for the University Press or an article submitted to a professional publication.

C. Payment of honoraria to nonresidents is subject to the limitations of their visa status (consult Services for International Students and Scholars).

D. Income tax withholding
   1. Payments made to UC employees are subject to Federal and State income tax and Social Security tax withholding.
   2. Payments made to nonresidents are subject to Federal and State income tax withholding and reportable on IRS 1042-S forms.
   3. Payments made to California nonresidents are subject to State tax withholding and reportable on CA Tax 592-B forms. Payments made to US residents are reportable on IRS 1099-MISC forms.

IV. Restrictions

A. Honoraria may not be given in recognition of the following activities or expenses:
   1. Transactions that include a pre-negotiated amount or fee for service.
   2. Transactions made payable to a company, corporation, partnership, or third party organization.
3. Travel and living expenses (see Section 300-10).
4. Performances made by individuals or groups for nonacademic organizations or purposes.
5. Independent consultant services (see Section 380-70).
6. Independent contractor services (see Section 380-71).
7. University activities that are other sources of additional compensation for individuals holding faculty appointments (see APM 661-667).
8. Federal funds generally may not be used to make honorarium payments.
   a. Payments for conducting seminars and workshops and for giving special lectures are allowable to certain Federal contracts or grants, but the nature of the service must be described in sufficient detail to establish how the service benefits the project.
   b. Payment for other types of activities are not allowable unless the Federal contract or grant specifically authorizes such payments and should be included as a direct cost item in the proposal when anticipated.


V. Procedures
A. Payments to University of California employees
   1. Payment to employees must be approved by the Vice Provost—Academic Affairs (for academic employees) or the Associate Vice Chancellor—Human Resources (for staff employees).
   2. The department initiates a process consistent with campus Payroll procedures.
B. Payments to non-employees
   1. The department establishes a vendor record for the payee, if one does not already exist.
   2. Prior to requesting payment, the department is responsible for ensuring:
      a. Nonresidents have obtained or applied for a Social Security Number or an Individual Taxpayer Identification Number (see IRS Form W-7),
      b. Nonresidents have completed a nonresident alien tax compliance system (GLACIER) record to determine the correct citizenship status and tax withholding rates,
      c. Required GLACIER forms are completed and delivered to Tax Reporting and Compliance office,
      d. Non-California residents who have been issued a Franchise Tax Board Reduced Withholding Approval, deliver the form to Tax Reporting & Compliance office.
   3. The department initiates a Disbursement Voucher (DV) financial document and attaches appropriate supporting backup (see Accounts Payable website for current guidelines and procedures for gift payments).
C. Payments directed to donation
   If the payee requests a donation to a third party in lieu of payment:
   1. The donation must be in the name of the University, not the name of the original payee.
   2. The donation must be payable to a registered non-profit.
3. The department initiates a DV financial document and attaches appropriate supporting backup (see Accounts Payable website for current guidelines and procedures for donation requests).

D. See UC Accounting Manual Chapter D-371-35, Honoraria Payments for additional information on check distribution requirements.

VI. Further Information

A. For additional information concerning tax matters for non-employee honoraria, contact Tax Reporting & Compliance.

B. For additional information concerning access to GLACIER, contact Tax Reporting and Compliance at 530-754-1829 or afs-trcmail@ucdavis.edu.

C. For additional information concerning tax matters for UC employee honoraria, contact Payroll Services.

D. For additional information concerning process and procedures for Accounts Payable, contact the Accounts Payable Help Desk at aphelp@ucdavis.edu.

E. For additional information concerning conditions of visas for non-citizen students and scholars, contact Services for International Students and Scholars.

VII. References and Related Policies

A. UC Office of the President Accounting Manual:

B. Regents Policy 7701, Senior Management Group Appointment and Compensation.

C. Academic Personnel Manual Section IV, Salary Administration.

D. UC Davis Policy and Procedure Manual:
   1. Section 300-10, General Travel Policy.
   2. Section 380-70, Consultant Agreements.
   3. Section 380-71, Independent Contractor Agreements.