



HONORARIUM PAYMENTS PROCEDURE

Procedure Type:	Institutional	Initially Approved:	May 16, 2017
Procedure Sponsor:	Vice-President, Finance and Operations	Last Revised:	August 15, 2024
Administrative Responsibility:	Finance Department	Review Scheduled:	August 2029
Approver:	President and CEO		

A. PURPOSE

This procedure outlines the process for requesting, approving, and disbursing honorarium payments at Alberta University of the Arts (AUArts). Honoraria are voluntary payments made to individuals as a token of appreciation for services provided to the university for which fees are not legally or traditionally required. Honoraria are typically used to help cover costs for volunteers or guests speakers and may be considered taxable income.

B. SCOPE

This procedure applies to all departments and units within AUArts that intend to issue honoraria to individuals, including guest speakers, external consultants, workshop facilitators, and other non-employees who contribute to the enrichment of university's activities. This procedure does not apply to Indigenous honoraria, which are addressed separately by the Indigenous Honorarium Payments Procedure.

C. PROCEDURE

1. WHEN TO PAY AN HONORARIUM

1.1. An honorarium is a small payment made to an individual who is not an employee of AUArts, to recognize or to acknowledge the contribution of voluntary services to AUArts. Examples would be a payment to a non-professional guest speaker or lecturer as a gesture of goodwill and appreciation, or a token payment for other unique, incidental and infrequent services not traditionally required on an ongoing basis.

1.2. An Honorarium may be used as payment for:

- a) guest speaker or lecturer
- b) external party for a special classroom lecture or short series of such lectures
- c) individual for conducting a seminar or workshop
- d) guest speaker at an educational event or other sin function
- e) guest speaker participating at outreach events

- f) payment to a volunteer for assistance for set-up or supporting activities at special events
- g) payment to an external examiner whose services are engaged on a one-time or very infrequent basis

2. PRINCIPLES

- 2.1. Honoraria are provided to those who have agreed to offer their time and effort to AUArts, and are not otherwise remunerated for services provided. Honoraria are not reflective of the value of work provided.
- 2.2. Honoraria are not applicable to services of a professional speaker or consultant who performs the requested service for a living.
- 2.3. Honorarium payments are infrequent and typically one-time in nature.
- 2.4. Honoraria are generally considered taxable income by the Canada Revenue Agency (CRA), and both AUArts and the recipient have specific obligations regarding reporting and taxation. AUArts must determine the appropriate tax treatment, issue tax slips, and remit any required withholding taxes, while the recipient must report the income and claim eligible deductions.
- 2.5. AUArts is required to issue T4A tax slips to Recipients receiving total Honoraria that exceed \$500 in a calendar year. Exceptions will be made for Non-Resident Recipients who produce an approved CRA exemption.
- 2.6. Travel expenses may be reimbursed or directly paid by AUArts on behalf of the guest following AUArts' expense reimbursement policies and procedures.

3. PROCESS

- 3.1. To ensure appropriate oversight, transparency and accountability, honorariums must be approved by a supervisor or authority one level above the sponsoring employee.
- 3.2. Once complete and approved by all signatories, the Honorarium Payment Request Form shall be submitted to Accounts Payable, which will normally process the payment within thirty (30) days of receipt.
- 3.3. Honoraria payments are processed by Accounts Payable in compliance with respective taxation requirements and legislation.
- 3.4. All parties must complete and sign The Honorarium Request Payment form, which requires the following:
 - a) Name of honoree, speaker, or individual
 - b) The mailing address for the cheque
 - c) Purpose of Honorarium
 - d) Date of engagement
 - e) Time or effort being recognized
 - f) Amount offered
 - g) Cost Centre to be charged
 - h) Signatures of sponsoring faculty or staff member and their Director or Manager and the respective Dean or Vice President

D. DEFINITIONS

- Honorarium:** A gratuitous payment made to a person for their voluntary services for which fees are not traditionally nor legally required.
- Recipient** An individual who receives the Honorarium.
- Non-Resident:** A non-resident for Canadian tax purposes is someone who lives outside of Canada and does not have significant residential ties in Canada, but may occasionally stay in the country for less than 183 days in a tax year

E. RELATED POLICIES

- Indigenous Honorarium Payments Procedure

F. RELATED LEGISLATION

- Canada Income Tax Act (Canada Revenue Agency)

G. RELATED DOCUMENTS

- Honorarium Payment Request Form
- Travel Expense Claim Procedure
- Lodgepole Center Protocol

H. REVISION HISTORY

Date (mm/dd/yyyy)	Description of Change	Sections	Person who Entered Revision (Position Title)	Person who Authorized Revision (Position Title)
08/15/2024	Revisions for clarity and relevance.	All sections	VP, Finance and Operations University Secretary	President and CEO