

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 Quali Financial System. In Quali 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:** None.