I. Policy

A. Honorariums

Honorariums are given to show appreciation to a guest lecturer. The honorarium cannot be a negotiated fee or price established between the parties. Honorariums cannot be made to University employees. This type of payment is exempt from withholdings, but must be declared by the recipient as taxable income for Federal and State purposes.

B. Royalties

Royalties are a share paid to a party resulting from the sale of their work. This type of payment is exempt from withholdings, but must be declared by the recipient as taxable income for Federal and State purposes.

II. Procedure

A. Honorariums

Payment will be made using a Direct Expenditure Voucher (DEV). The DEV should include name, address and social security number and be sent directly to the Accounts Payable department in the Controller's Office. The object code used for honorariums should be 51440. A completed W-9 should be attached.

The honorarium payment will be made directly to the guest lecturer and cannot be made as a charitable donation to a third party. The object code used on honorariums should be 51440.
If the honorarium is being made payable to an international guest speaker, department should consult with the International Tax Coordinator in the Controller’s Office prior to processing a payment request.

B. Royalties

Payment will be made using a Direct Expenditure Voucher (DEV). The DEV should include name, address and social security number. The DEV should be sent directly to the Accounts Payable department in the Controller's Office. The object code used for royalties should be 51432.

A W-9 should be submitted with the initial payment. An updated W-9 should be submitted if there is a change in the permanent address of the payee.

If the royalty payment is being made to an international individual or company, department should consult with the International Tax Coordinator in the Controller’s Office prior to processing a payment request.

III. Reason for Revision

Policy revised to clarify language regarding W-9 requirements, using honorarium payments as charitable donations, and required consultation with the International Tax Office.