I. Policy

A. Honorariums

Honorariums are given to show appreciation for services rendered in a volunteer capacity or for services for which fees are not traditionally required. 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 withholding, but must be declared by the recipient as taxable income for Federal and State purposes and will be reported based on IRS 1099 – Misc. Reporting law.

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 IRS Form W-9 must be attached with the payment request. The current IRS Form W-9 can be found on the Accounts Payable webpage.

The honorarium payment will be made directly to the payee 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 for an international visitor, the visitor must complete the Foreign National Tax Information Form which is located on the Accounts Payable web page, and attach it to the DEV along with an IRS Form W-8 BEN for submission to the Controller’s Office.

Any department with an international honorarium payment should consult with the Office of International Support for Faculty and Staff for guidance on proper invitation letter, International Visitor Attestation for Honorarium Payment (IS-4), and verification of immigration status.

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.

An IRS Form W-9 should be submitted with the initial payment. An updated IRS Form W-9 should be submitted if there is a change in the permanent address of the payee or if the IRS Form W-9 on file is over three years old.

If the royalty payment is being made to an international individual or company, the department should solicit an IRS Form W-8 BEN for individuals or an IRS Form W-8 BEN E for entities. These forms must be submitted with the payment request.

III. Reason for Revision

Policy revised due to departmental reorganization, departmental name changes, and to clarify language regarding IRS Form W-9, IRS Form W-8 BEN, and IRS Form W-8 BEN E requirements, using honorarium payments as charitable donations, and consultation with the Office of International Support for Faculty and Staff.