Honoraria/Speaker Fees Guidelines

September 2008

DEFINITIONS

Honorarium: An honorarium is a payment made in appreciation for a professional favor provided to the University by an individual who cannot charge for his/her special professional services. In most situations, honoraria are offered to state employees, employees of the California State University, employees of the University of California, employees of other public educational institutions and other governmental employees. ***The amount of an honorarium is always defined by the University.*** Honoraria may be paid with an "offer letter" produced by the University on CSUCI letterhead serving as documentation. Honoraria are paid using account **613802 (honorarium).**

Speaker fees: Speaker fees are payments in which the amount to be paid for a specific service is ***determined by the speaker***. Speakers may include subject-matter experts, guest authors, artists and performers. The speaker must provide an invoice as documentation for payment of the fee. Speaker fees are paid using account **613801 (professional services).**

Honorarium payments to current CSUCI employees are not generally allowed. However, in certain cases, the collective bargaining agreement does allow payment if grant monies or non-general funds are used. Please contact Human Resources for more information.

PAYMENTS

A payment for a guest artist, speaker or honorarium is allowable as a direct pay. However, if the speaker makes special, detailed requests that justify an agreement, then the University shall issue a purchase order for contractual obligation and liability purposes. *Per campus policy, payments will be mailed to the payee after their performance*.

Please note: Regardless of payment type (Direct Pay or Purchase Order), non-California residents and Non-resident aliens must be processed through Procurement prior to vendor set up. This is a necessary step that insures the appropriate tax withholding is calculated at time of payment. Please plan accordingly - communications with the appropriate government agencies can cause delays in payment if not done far enough in advance. Please contact Procurement for more information.

- Non-California Residents: Non-California residents are subject to California State Income Tax withholding for cumulative amounts paid of $1500 and above during a calendar year. Purchase Orders and payments may be subject to delay as the withholding rate is determined by Franchise Tax Board. Please contact Procurement for assistance.

- Non-Resident Aliens (non-U.S. vendors): Non-resident aliens are subject to special Federal tax withholding regulations and restrictions on payments. All non-resident aliens must be assessed by Glacier (a non-resident alien tax compliance software program) before any agreements, purchase orders or payments can be processed. It is highly recommended that this process start as soon a possible. Contact the Supervisor of Accounting for assistance. Please note that these non-US individuals may also be subject to non-California resident tax withholding as mentioned above.

Channel Islands
CALIFORNIA STATE UNIVERSITY

DIVISION OF FINANCE & ADMINISTRATION

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- Direct Pay Option:

  - *Honorarium*: A check request form must be completed and submitted to Accounts Payable for payment. Please attach documentation including an *offer letter* written on CSUCI letterhead and a flyer announcing the event (if available) to the check request.

  ➡ The offer letter should be addressed to the speaker and ***must*** contain the following information: The name and type of event, date of the event, time of the event, location of the event and especially the *amount being offered*.

  - *Speaker Fee:* A check request form must be completed and submitted to Accounts Payable for payment. Please attach the *invoice* received from the speaker. If available, a flyer announcing the event should also be attached.

- Purchase Order Option:

  - *Honorarium:* If the speaker has special requests that justify an agreement be signed, a Request for Goods and Services (RGS) form must be completed so that a University Purchase Order (PO) or contract can be generated. For any questions as to what constitutes a special request or who on campus is authorized to sign agreements, please contact the Procurement department. Procurement will arrange for proper approvals on any contractual obligation. Please note that if a check has to be generated immediately after the event, mark the RGS "for immediate pay."

  ➡ An offer letter produced on CSUCI letterhead may be used as documentation for the payment in place of an invoice (check request form is not necessary). The letter should be addressed to the speaker and ***must*** contain the following information: The name and type of event, date of the event, time of the event, location of the event and especially the amount being offered. Proper approvals must be obtained on the letter along with the appropriate accounting information before submitting to Accounts Payable. Be sure to reference the Purchase Order number provided by Procurement.

  - *Speaker Fee*: If the speaker has special requests that justify an agreement be signed, a Request for Goods and Services (RGS) form must be completed so that a University Purchase Order (PO) or contract can be generated. If you have any questions as to what constitutes as special request or who on campus is authorized to sign agreements, you may contact the Procurement department. Procurement will arrange for proper approvals on any contractual obligation. Please note that if a check has to be generated immediately after the event, you must mark the RGS "for immediate pay."

    When the speaker submits an invoice for payment, proper approvals must be obtained before sending to Accounts Payable. Be sure to reference the purchase order number provided by Procurement on the invoice.

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- Insurance:
    - Speakers are generally exempt from university insurance requirements unless they meet the following criteria:
        - **Large Event** – *Attendance is expected to be 500 people or more.*
        - **Large Fee** – *The amount of the fee to be paid to the speaker is $5,000.00 or more.*
        - **Activity** – *The speaker plans to integrate other activities as part of the presentation in addition to his/her speech or lecture.*

    If any of the three criteria listed above apply, then a risk evaluation form must be completed and proof of insurance must be provided. If the individual does not have insurance, Special Event Insurance is available. Please direct any questions regarding the Risk Evaluation form or Special Event Insurance to CSUCI's Risk Manager in Human Resources.

- Vendor Data Record (Form 204): All speakers must have a 204 (Vendor Data Record form) on file prior to payment. Non-resident alien speakers may be exempt from providing a form 204. Please contact Procurement for assistance.

TRAVEL EXPENSES

Travel expenses such as transportation, lodging, and meals can be addressed in the following ways:

- Payments to Speaker for Travel: Charges for both the service portion and travel expense portion (paid by the speaker) are presented on an invoice (speaker fee) or an offer letter (honorarium). Although these may be shown on separate lines, the entire amount is charged to 613801 - Professional Services. **Receipts are not required**. The total amount will be reported on a 1099 at the end of the calendar year.

- Travel Direct Billing to CSUCI: In the event that the speaker does not want to incur any out-of-pocket expenses for travel, the department may make travel arrangements on the speaker's behalf using local area vendors who have a direct billing agreement with CSUCI, including Santa Barbara Travel, local area hotels, and Roadrunner Shuttle. (Enterprise Car Rental does not qualify for direct billing). In this case, all vendor bills pertaining to travel will be paid directly by the university and the speaker will be paid for services only. The amount paid for services is reported on a 1099 at the end of the calendar year. Please contact the Procurement department for a list of local area direct bill vendors.

Due to risk considerations, it is preferable to have guest speakers make their own travel arrangements whenever possible.

ADDITIONAL INFORMATION

Advance notice of thirty (30) days should be given to the appropriate departments in order to ensure adequate coverage is available.

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The sale of event tickets is handled through the CSUCI cashier's office.

In order to arrange for cashiers, cash boxes for making change, and the presence of police officers, please notify Accounts Receivable in writing.

Merchandise sales associated with a speaking event are handled through the Bookstore. Contact the Bookstore to make arrangements.