



School of Engineering Internal Policy SOEFIN002

Honorarium Determination, Payment and Reimbursement Policy

I. Policy Statement

This policy is applicable to all honoraria payments to individuals from University funds. It sets forth University requirements for awarding and processing honoraria to ensure proper compliance with Internal Revenue Service (IRS), immigration, and other federal regulations.

II. Definitions

A. Honoraria are payments made as a gesture of goodwill or appreciation for services for which custom forbids a price to be set or where no expectation exists for payment for services. An honorarium is generally a one-time payment made to a non-University employee for a unique service, distinguished achievement, or academic or ceremonial activities such as guest lecture, guest speaker, artistic performance, participation in workshop or panel, judge, or similar activities. Honoraria payments may not be paid to University employees or independent contractors of the University.

B. Determination

- Is the individual a business, corporation, or partnership?
- Was the payment amount negotiated between the University and the individual?
- Is there a contractual agreement?
- Are the individual's services recurring?
- Is the individual an employee or student employee?
- Did the individual set the price?
- If you have answered "yes" to any of the above questions the payment does not qualify as an honorarium.

Honoraria should not be recurring and should be limited to no more than two payments to an individual per year. For any services where a price is negotiated with the individual, a fee is charged, or the individual submits an invoice, a contractual arrangement has been established, and an honorarium may not be awarded. For example, teaching a course or seminar for an entire semester or term represents continuous service rather than a one-time activity. In such a case, the individual would be considered an employee with a regular job title (such as Lecturer) and would need to go through the normal University hiring processes in advance of the services provided.



III. Honoraria to Non-University Personnel

Honoraria payments must be authorized and approved by the Dean or their delegate before any notification or communication to the recipient. Honoraria should not exceed \$1,500 to an individual. Honoraria exceeding \$1,500 require a formal invitation and/or acceptance letter processed through the School of Engineering.

An honorarium should only be paid from sponsored research grant funds if it is specifically allowed under the grant agreement or award terms.

A. Processing for US individuals

Payment of honoraria is a collaborative process across different administrative units. Please make sure that the guest speaker/honoraria forms and direct deposit ACH payment forms are sent well in advance of anticipated payment to facilitate prompt payment.

An honorarium should not be paid to a relative of a staff or faculty member without a conflict of interest review by legal counsel.

B. Processing for US individuals

Honoraria to non-US individuals are subject to the same guidelines for Non-University personnel. Additionally, tax and immigration rules impose restrictions on paying honoraria to those persons on non-immigrant visas. Specifically, only those non-immigrants in the following categories may be paid honoraria:

- Anyone who holds a work permit that allows employment for any employer (such as a work authorization document).
- A J-1 Professor/Researcher with permission of his/her J-1 sponsor.
- Anyone in visitor's status (B-1, B-2, WB, WI) who engages in academic activity lasting nine days or less and has not received honoraria from more than five academic institutions in the last six months.
- If the scholar is here on an employment visa (such as A-, G-4, H-1B, TN, O-1, R-1, etc.) and Santa Clara University is not the sponsor, the University can only issue a check for payment of the honorarium payable to the individual's sponsoring institution, provided that the institution that sponsored his/her status authorizes the activity at the University.
- All other visa types must be authorized by the Office of International Student and Scholar Services (ISSS) in addition to the Provost before offering honoraria and/or travel expenses, as there are visa types that the University cannot legally pay.



Payments to non-U.S. persons are subject to the Non-Resident Aliens Payment Policy.

Non-resident aliens who do not have a social security number (SSN) must obtain a federal individual tax identification number (ITIN) from the IRS to receive an honorarium. Getting an ITIN can take up to several months. Accordingly, the department proposing to make the honorarium payment must allow adequate processing time before the desired payment date.

ISSS, the Payroll Office, and the Accounts Payable Office cannot offer tax advice or complete individual tax forms.

IV. Taxability

An honorarium, whether in the form of cash or a tangible asset, is considered taxable compensation. If the value of the honorarium exceeds the IRS's reporting threshold, the recipient will receive an IRS Form 1099 from the University at the beginning of the following calendar year.

Regarding persons on non-immigrant visas, it will be necessary to withhold taxes when paying the honorarium unless there is a tax treaty with the non-immigrant's country, reported on Form 1042-S. As such, non-resident aliens who do not have a social security number (SSN) must obtain a federal individual tax identification number (ITIN) from the IRS to receive an honorarium.

V. Travel Reimbursement for Guest Speakers/Honoraria

A. Reimbursement

Santa Clara University employees may not personally fund visitor travel and subsequently seek reimbursement.

Visitors to Santa Clara University may be reimbursed for their travel under the following conditions:

- Travel expenses must comply with [Santa Clara University's travel policy](#).
- Reimbursements to visitors whose travel expenses do not comply with Santa Clara University's travel policy are subject to taxation.
- Travel reimbursements to foreign national visitors must comply with the Department of Homeland Security and IRS regulations.
- Visitors may not be reimbursed for hospitality expenses.
- Visitors are not reimbursed for business meals: Santa Clara University staff must provide food for Santa Clara University functions.
- Visitors on a B2/WT visa may not receive any payment or reimbursement.



B. Definitions

Travel Reimbursement: Payments to individuals for reimbursement of expenses incurred while traveling on University related business. Reimbursement(s) are in accordance with Santa Clara University travel policy.

Visitors: Visitors are individuals who travel to Santa Clara University at the invitation of a Santa Clara University employee or department for the benefit of Santa Clara University. Visitors may:

Have no anticipation of payment beyond the reimbursement of travel expenses and/or
Be paid a fee for services, such as a guest speaker fee, honorarium, or fee for other services
and/or Encounter restrictions on travel reimbursements and/or payments for services if the
individual is a foreign national visitor.