

PPM 297: Honoraria

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Note: For links to referenced documents see Section VI,
Related Information below.

I. POLICY SUMMARY

- A. This section of the Policy and Procedure Manual (PPM) for the University of California (UC) Agriculture and Natural Resources (UC ANR) describes how UC policy on the provision honoraria is implemented in the UC ANR environment.
 - 1. This section does not apply to any form of negotiated contract, including independent contractors or consultants, whose services are secured and paid for as described in PPM 204, *Securing the Services of Independent Contractors/Consultants*.
- B. Honoraria may be awarded on an occasional basis to UC employees or to non-UC individuals in recognition of special service to UC ANR.
- C. The information presented here is general, and cannot address all of the unique concerns that can arise regarding honoraria. Before the employee authorizes the start of any activity for which they would want to issue an honorarium, they should direct questions regarding specific situations to the UC ANR Business Operations Center (BOC) noted on page 1 above.
- D. This section of the PPM applies to all UC ANR employees, both academic appointees and staff.
- E. This section of the PPM does not apply to Agriculture Experiment Station (AES) Specialists and/or any other academics affiliated with a UC campus. Academics that are affiliated with a campus should consult their campus departmental administration for information regarding Honoraria.

II. DEFINITIONS

Honorarium: A nominal, non-negotiated payment granted to an individual in recognition of a special service or distinguished achievement for which propriety precludes setting a fixed price. There is no set honorarium amount for giving a lecture or series of lectures, or performing a similar service.

III. POLICY TEXT

UC ANR will comply with all UC policies regarding honoraria. Processes and procedures to do so are described below.

IV. COMPLIANCE/RESPONSIBILITIES

- A. All honoraria will be properly authorized and paid in accordance with UC policy as further described below.
 - 1. Persons making unauthorized commitments on behalf of UC ANR may be held personally responsible.
- B. Generally, honoraria are nominal, non-negotiated payments made to individuals of scholarly or professional standing in conjunction with a programmatic activity benefitting the UC ANR mission.
 - 1. Examples of activities for which an honorarium may be issued include but are not

limited to:

- a. Providing a special lecture or short series of lectures of an academic nature.
 - b. Participation in a seminar or workshop (of no more than two week's duration) as a speaker, panelist, or as a member of a volunteer board or committee.
 - c. A speaking engagement.
 - d. Appraisal of a manuscript or an article submitted to a professional publication.
- C.** Honoraria are issued to individuals only; they are not issued to companies, corporations, partnerships, third-party organizations or the like.
- D.** Both employees and non-employees are eligible to receive honoraria. (However, honoraria cannot be awarded to UC ANR staff for an activity that is part of their standard position description.)
1. See Academic Personnel Manual Section 666, *Additional Compensation: Honoraria*, for information on payment of honoraria to UC academic appointees.
 - a. Honoraria issued to academic appointees may not exceed the amounts shown in the Michael T. Brown letter of May 11, 2018 to Chancellors et al.
 2. See Regents Policy 7701, *Senior Management Group, Appointment and Compensation* for information on payment of honoraria to members of the UC Senior Management Group.
- E.** Honoraria constitute a form of compensation and are subject to state and federal income taxes. Honoraria payments to UC employees are reported on the employee's W-2. Honoraria payments to a non-employee individual that exceed \$600 annually are reported on IRS Form 1099.
- F.** Honoraria may not be supported with state funds. As well, honorarium payments generally are not allowable charges to federal funds unless a contract or grant specifically authorizes such payments.
- G.** Honoraria should not include reimbursement for expenses incurred by the recipient (i.e., travel, copying and related miscellaneous expenses). Such reimbursement is paid separately from an honorarium using AggieTravel.
- H.** Conflict of Interest
1. All employees have an ethical obligation to act in the best interests of UC ANR and its stakeholders, and to avoid any potential conflicts of interest. A conflict of interest is a situation in which an employee's personal or economic interests interfere with, or appear to interfere with, the employee's ability to carry out his or her duties and responsibilities for UC ANR or its stakeholders; or one in which an employee may gain a personal or economic advantage at the expense of UC ANR or its stakeholders.
 2. With respect to honoraria, all UC ANR employees must recuse themselves from making, participating in making, or influencing a University business decision involving a company from which they receive honoraria.
 3. Further, certain designated officials (UC ANR employees that are required to file

an annual Form 700, *Statement of Economic Interests*) may have to decline an honorarium from a given source if the employee would be required to report the receipt of income or gifts from that source on their Form 700. However, this is a complicated area of the law and other considerations may apply. Designated officials that have been offered an honorarium should consult with the Director of Administrative Policies and Business Contracts (contact information appears in below item VI, *Related Information*).

V. PROCEDURES

A. Approval of Honoraria Requests

1. Authority

Supervisors (UCCE County Directors, REC Directors, Statewide Program/Institute Directors and Service Unit Directors) have the authority to approve requests for issuance of honoraria. Requests originating from supervisors must be approved by the supervisor's supervisor.

2. Criteria

Supervisors will approve proposed honoraria requests only if they meet all of the following criteria.

- a. The service performed is rendered by an individual only occasionally and;
- b. The services performed merits nominal, non-negotiated monetary recognition by UC ANR and;
- c. The honorarium will be supported by an appropriate fund source having all of the following three characteristics:
 - i. The employee (and/or the employee's supervisor) has authority over the subject fund source;
 - ii. There is no restriction on the fund source prohibiting its proposed use; and
 - iii. The balance of the fund source is sufficient to fully support the entire cost of the proposed honorarium.

B. Issuance and Processing of Honoraria Requests for Non-Employees

(Honoraria payments to employees must be processed through payroll as a one-time payment after receipt of approval. Email the BOC to initiate payment of an honorarium to a UC ANR employee.)

1. Employees should prepare and forward to their Supervisor an *Accounts Payable Request - Honorarium Payments for Non-Employees* form. (See below item VI, *Related Information* for a link to the form).
 - a. Honoraria to be issued in the context of the 4-H Youth Development Program should be requested by use of the *Request for Payment of an Honoraria for the 4-H Program* form.
2. If the Supervisor approves the request for issuance of an honorarium, they should sign the *Request* form. The form should then be forwarded to the BOC-K or BOC-

D as appropriate.

3. The BOC-K or BOC-D will review the request. If the BOC-K or BOC-D has received all necessary information the BOC will approve the honorarium by:
 - a. Initiating payment to non-employees in the UCD Quali Financial System (KFS) with a disbursement voucher.
 - b. Initiating payment to employees by processing a UC One-Time Payroll Authorization form, coordinated through the employee's home department and UC Payroll Office, after approval by the BOC Director/Associate Director. Such an honorarium is subject to withholding for Federal and State income taxes and Social Security taxes.

C. Issuance of the Honoraria

The honoraria payment will be issued to the recipient in accordance with the instructions given in the *Request* form.

VI. RELATED INFORMATION

- [UC Office of the President Academic Personnel Manual, Section 666, *Additional Compensation: Honoraria*](#)
- [UC Office of the President Accounting Manual, Section D-371-35, *Disbursements: Honorarium Payments*](#)
- [UC Regents Policy 7701, *Senior Management Group, Appointment and Compensation*](#)
- [Michael T. Brown, Ph.D. Letter of May 11, 2018 Regarding Honoraria Limitations](#)
- [UC Davis Policy and Procedure Manual Chapter 380, Section 76, *Honoraria*](#)
- [UC ANR Accounts Payable Request – Honorarium Payments for Non-Employees Form](#)
- [UC ANR Request for Payment of an Honoraria for the 4-H Program Form](#)
- [UC ANR Policy, Compliance, and Programmatic Agreements \(PCPA\)](#) - Contact the PCPA Director with questions regarding Conflict of Interest

VII. FREQUENTLY ASKED QUESTIONS

A. *What kinds of services cannot be compensated with an honorarium?*

Examples of services which may not be compensated with honoraria include UC Extension teaching, translating, editing, graphic art development, and any other service which is provided for in a UC job description.

VIII. REVISION HISTORY

Not used (initial issuance of section).