

Policy and Procedures Manual

Policy	#6-09
Approved By:	Leadership Team
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Administrator Responsible:	Vice President, Finance & College Services

Honorariums

POLICY STATEMENT

Honorariums are taxable income regardless of amount. In compliance with reporting requirements established by the Canada Revenue Agency, the College will issue a T4A to any individual who receives more than \$500 cumulatively in a calendar year.

PURPOSE STATEMENT

Provides a method for the college to acknowledge or thank a person for volunteering a service to the college by payment of a token amount.

PRINCIPLES

1. If the payment is to significantly compensate an individual for their time and expense, it does not qualify as an honorarium.
2. Honorariums are not to be used for College employees. In the very rare circumstance where a token payment is to be paid to an employee, Human Resources should be consulted to determine the appropriate process.
3. Honorariums are not used as a direct reimbursement of travel costs. If a person is submitting receipts for reimbursement or a claim for mileage or meal per diems, the costs will be recorded as travel expenses.
4. Use of honorariums outside of the very specific situations set out above may be construed by the Canada Revenue Agency as the College assisting an individual in tax avoidance. This leaves the College, and potentially the staff member initiating the request, open to significant fines.

Definitions:

Honorarium: a small payment, to a maximum of \$500, made on a special or non-routine basis to an individual who is not an employee of the college to recognize or acknowledge the contribution of gratuitous services to the college.

Procedures:

1. A request for payment of an honorarium is submitted on a completed and approved *Request for Payment* form available on the Accounts Payable portal site.
2. The *Request for Payment* form must contain a brief outline of the service performed, and the name(s) of the person receiving the honorarium.
3. Requests that indicate the payment is based on hours of service will not be processed and will be returned to the budget approver.