
Honorarium Policy

The following policy and accompanying procedures should be used to determine when and how to issue honoraria to individuals.

Chico State Enterprises (CSE) and the University Foundation (UF) follow the Internal Revenue Service's (IRS) definition to determine when an individual is qualified to receive a payment as an honorarium.

Definition: An honorarium is a voluntary payment given to an individual as a token of appreciation for their participation in an activity or event for which no fee is legally or traditionally required. An honorarium payment is made as a gesture of goodwill and in appreciation to recognize or acknowledge the contribution of gratuitous services to the University, rather than as a fulfillment of an obligation. The honorarium amount is discretionary and nominal and is usually a one-time payment made to an individual for a special non-recurring activity.

An honorarium payment

- Is generally an unallowable expense and cannot be charged to a funded project unless specifically identified as a line item in the proposal budget and/or approved by the funding agency.
- Is usually paid from a campus program account.
- Can be given in the form of cash or a tangible gift.
- Is prohibited to an employee of CSE, UF or any CSU campus. Payment for services provided by these individuals must be processed as payroll.

How to process a cash honorarium payment

- The [Honorarium Payment Form](#) should be completed and approved by CSE before payment can be processed. This form must be included with a check request and submitted for payment to the designated CSE email inbox.
- According to the IRS, all honorarium payments to individuals are taxable.
- A 1099 (Miscellaneous Income) form will be issued by CSE for compensation to an individual in excess of \$600.00 per calendar year.
- If the intended honorarium recipient is not a resident of California or the United States, additional withholding may be required.
- A [Payee Data Record](#) must be submitted with each honorarium request.
 - *For Non-US Citizens: Complete and submit the [Foreign National Tax Questionnaire](#) with the Payee Data Record (PDR).*