

Payroll Requirements for Honorariums

The requirements for honorariums are described in Section 6 of BOR regulation R05.02.03:

"An honorarium is a gift provided to an individual or organization as a display of gratitude or custom, for services for which no fee was established or agreed upon, and for which there is no legal obligation or entitlement to payment."

Honorariums paid to employees must run through payroll according to regulation, and in order to meet our payroll tax and reporting obligations. Payroll will only process honorariums that:

- 1) Meet the conditions for honorariums as established by BOR regulation
- 2) Cannot be construed as payment in lieu of wages for work performed as an employee

Honorariums will be questioned if they seem excessive, if there is any reference tying the amount of the payment to the number of hours spent on a project, or if the service was performed by a full time non exempt employee. Federal wage and hour law requires that we pay our non exempt employees for all hours worked, and overtime premium pay for hours worked over 40 in a work week. Payments for work performed by non exempt employees should always be paid and reported as time worked on the employee's time sheet, not as an honorarium or a flat fee. In no case should work performed be paid as an honorarium or flat fee if it is similar to - or the same as - the work the individual is employed to perform. In some cases a separate job assignment will be required.

Requests for honorarium payments should be submitted to Payroll on department letterhead, and include a statement to the effect that the payment meets the requirement for honoraria per Section 6 of BOR regulation R05.02.03. The memo should also include the:

Employee's name and ID number
Amount of the payment
Account number
An authorized signature

Becky Conner
Payroll Manager, UAF