I. **Policy Statement:** Towson University (“University”) has developed these policies and procedures to provide guidance when giving an honorarium.

II. **Definitions:**

Honorarium: a relatively small payment to a guest speaker or other individual who has been invited to provide a unique service to the University. An honorarium is typically used to “honor” individuals who are not professional speakers or independent contractors. A University employee is not eligible to receive an honorarium. An honorarium may consist of a cash payment and/or travel expenses. Travel expenses may be reimbursed or paid directly on behalf of the guest provided they are in accordance with the University’s governing travel policies and procedures (see [http://www.towson.edu/financialservices/travel/index.html](http://www.towson.edu/financialservices/travel/index.html))

III. **Responsible Executive and Office:**

Responsible Executive: Vice President for Administration and Finance and Chief Fiscal Officer

Responsible Office: Procurement Department

IV. **Entities Affected by this Policy:** All divisions, colleges, departments and operating units.

V. **Procedures:**

A. Before issuing an invitation, the requesting department must complete the Honorarium Request Application (see forms link at [http://www.towson.edu/procurement](http://www.towson.edu/procurement)) and obtain all required approvals. If the visitor is not a U.S. citizen or Permanent Resident, the application must also be approved by the Associate Vice President for International Programs who will ensure the University is in compliance with all Federal requirements. Once the required approvals have been received, the requesting department must send a letter to the honoree to confirm the details of the engagement. Note that in cases where the honoree is a foreign national, International Programs will prepare the invitation letter. The invitation letter, at minimum, must contain the following information:
1. name of honoree/speaker (*cannot be a current employee of the University*);
2. purpose of honorarium;
3. date of engagement (dd/mn/year);
4. amount offered (include travel allowance, if applicable);
5. signature line and address for honoree/speaker;
6. honoree’s institution or organization;
7. US taxpayer identification number (IRS Form W-9 is required); and
8. the mailing address for the check.

A sample form letter can be found at [http://www.towson.edu/procurement](http://www.towson.edu/procurement). Link to “Forms” listed under the “Department Info.” In order to process payment under this policy, the invitation letter, signed by the honoree, must be forwarded to Accounts Payable in accordance with the instructions below.

B. To process an honorarium payment:

1. The sponsoring faculty/staff member must complete a Miscellaneous Expense Voucher and submit to Accounts Payable Office; appropriate records must be maintained by the requesting department. Include with the Voucher the following:
   
   a. your department’s budget code, followed by subcode 502119, honorarium;
   b. a copy of the fully executed letter of invitation;
   c. the approved Honorarium Request Application; and
   d. travel receipts and boarding passes, as applicable.

When approved, Accounts Payable will process the payment and have the check sent to the address indicated, generally within 20 days. Payment will not be made prior to the event. If the recipient requests that the check be presented at the time of the event, this must be stated in the written agreement. Accounts Payable must have the Request for Payment at least 20 working days in advance of the event in order to provide payment on the day of the event. The University will not pay an honorarium in advance.

C. All engagements under this policy must be in accordance with Section 15-505(d) of the State Ethics Law, State Government Article, Annotated Code of Maryland.

D. In making payments associated with this policy, the University will adhere to all federal, state and local tax withholding and reporting requirements. If recipient is a nonresident alien for tax purposes, payment may be subject to Federal tax withholding; payment of any amount will be reported to the IRS on Form 1042-S.

E. When a speaker or honoree is engaged through this process, a Request to Hire an Independent Contractor form and/or the Consultant Agreement is not required.
F. This Honorarium policy can be used when engaging visiting scholars pursuant to the Towson University Visiting Scholars and Lecturers Program. A Visiting Scholar is defined as one who is:

1. established in a field of expertise;
2. visiting an accredited educational institution;
3. teaching lecturing, conducting research, performing in conjunction with teaching/master classes (performing alone is not considered an academic activity);
4. is performing an activity for the benefit of the greater campus community; and
5. is not charging a fee (additionally, an event fee is not charged by the University)

G. When an Honorarium Is **Not** Appropriate

An honorarium is not appropriate if the University is obtaining the services of a professional speaker or consultant who performs the requested service for a living. Business people usually provide an Employer Identification Number (EIN) instead of a Social Security number. (TIP - local EIN’s usually start with 52- or 53-.) Send a requisition or Request for Consultant to Procurement for appropriate action.

If the University were engaging an individual repeatedly over a brief period of time, an honorarium would not be appropriate as such use would be in conflict with the purpose of this policy. To ensure proper oversight of the use of the honorarium, payments to an individual made in a given fiscal year may be limited.

**Related Policies:** None.

**Approval Date:** 04/08/2005

**Effective Date:** 04/08/2005

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**Approved by:** President’s Council