Honoraria Payments for Community Members Fact Sheet

Part of UBC Community Engagement’s How-To Guide for Making Honoraria Payments to Community Members

Table of Contents

Things to Consider: How to Define Honorarium

Financial compensation takes a variety of forms, from honoraria payments via electronic funds transfer, cheque, or cash, to gift cards and vouchers, expense reimbursements, and small gifts.

For the purpose of this resource, the term ***honorarium*** will be used to broadly describe:

- Nominal payments offered to acknowledge, recognize, and/or appreciate community collaborators, contributors, and participants.
- Financial payments that are made via electronic funds transfer, cheque, cash, or near-cash equivalents (e.g. gift cards, vouchers) or as reimbursement of expenses.
- Amounts that are not reflective of the value or cost of a service, but to thank an individual for voluntarily sharing their time, expertise, and/or perspective and/or to recompense costs they may have incurred.
- As per UBC policy, it is not permitted to make a donation to organization in lieu of an honorarium payment to an individual.

Things to Consider: Indigenous Finance Guidelines

UBC's Indigenous Finance Guidelines (IFG) were created in 2021 in collaboration with Indigenous Elders and Knowledge Holders

The guidelines were developed to support gift giving and compensation for reciprocal and respectful relationships and collaborations with Indigenous partners.

If the recipient of an honorarium is an Indigenous person, please refer to the IFG.

Things to Consider: Policies, Standards, and Expectations

Understand policies, standards, and expectations relevant to your payment context, including:

1. UBC processes are designed in compliance with federal, provincial, and professional standards. Be aware that this can present challenges in certain community contexts.

    - Some people cannot provide SIN, banking information, and/or address; work with these individuals and UBC finance to determine appropriate and available options.

2. Communities, professions, and sectors may have formal or customary standards for honoraria. Work with community members and others who have worked in and with the community to understand what standards may be in place.

3. Community members may receive payments from others at UBC; consider the impact on complying with CRA regulations and expectations set through prior UBC engagement with that community.

Things to Consider: UBC and CRA Policy Context

At UBC, *"honorarium"* describes one-time payments to faculty or staff who go above and beyond expectations of their role; *gifts* or *tokens of appreciation* describe payments to non-UBC recipients.[1]

CRA defines honoraria as voluntary payments to individuals for services for which fees are not legally or traditionally required.

If payments exceed $500 in a calendar year, all amounts over $500 are taxable and UBC is required to issue tax documents.

- When processing payments, always request personal information, including name, email, and address. For Canadian citizens and residents, request a Social Insurance Number (SIN).
- Individuals receiving more than $500 in a calendar year must be set up as Suppliers in Workday and provide a SIN.
- Always consider and discuss tax implications with community members and take steps to avoid improper practices.*

* Improper practices can damage UBC's reputation and lead to violations of UBC purchasing, expenditures, and gifts policies and federal and provincial tax regulations, which could leave UBC vulnerable in the event of audits by CRA.

Things to Consider: Creating an Honoraria Form

Honoraria forms are not required to process honoraria payments. However, they can help you to collect relevant information in an organized way. The template form provided in this resource is designed to be completed by UBC staff and does not require community member attention.

Download this template if you would like to create or adapt a form for your department.

At a minimum, a standard form should request:

- Name, address, and email of the honoraria recipient
- Amount of payment
- Name and date of event/payment
- Social Insurance Number
- *If processing cash or near-cash equivalents*, a space for recipient and witness signatures

You should also have a departmental process for tracking payment information; while this is automated in Workday, payment request information can become unavailable. It is recommended that for your own tracking systems you should establish a unique ID number for each payment.

Methods of Payment: By UBC Affiliation

Before proceeding with payment, determine a community member's affiliation with UBC, if any, as these affect the available methods of payment and forms to use.

A Current UBC Employee

Methods of Payment Available: One-Time Payment; near-cash equivalent

Approvals Required: Managing supervisor, HR representative, Finance representative

Relevant Forms: UBC Employee Declaration for Services Form, HR Fast Track Assessment Form

Current UBC Employee Payment Process Map

An Individual Affiliated with UBC in the Last 24 Months

Methods of Payment Available: EFT, Cheque and Near-Cash Equivalent

Approvals Required: Managing supervisor, HR representative

Relevant Forms: Honoraria Form (not required), HR Fast Track Assessment Form

Affiliated Individual (Last 24 Months) Payment Process Map

An Individual not Affiliated with UBC in the Last 24 Months

Methods of Payment Available: Single Use Payment, EFT, Cheque, Cash or Near-Cash Equivalent

Approvals Required: Managing supervisor

Relevant Forms: Honoraria Form (not required), HR Fast Track Assessment Form

Non-Affiliated Individual Payment Process Map

Selecting a Method of Payment: One-Time Payment

One-Time Payment (OTP) is the **only appropriate method of payment for current UBC employees**.

Work with the recipient to complete a **UBC Declaration for Services (EDS) Form.**

Once the EDS is complete, contact the HR representative in the recipient's department to complete payment process.

If reimbursing a current UBC employee for travel, a completely different process is used; do not use OTP for these payments—collect necessary receipts and have recipient process as an expense claim.

Selecting a Method of Payment: Single Use Payment

Single Use Payments (SUP) are quick one-time payments of up to $250 (CAD) to non-UBC recipients, without the need to set up a Supplier or submit an invoice (in fact, payment recipients cannot be set up as Suppliers in Workday).

SUP can be used for both expense reimbursements and honoraria payments.

To process SUP you need to collect a mailing address (for cheques) or personal banking information (for EFT).

Please be advised that *any subsequent attempts to pay a recipient a second time will be denied*, even if totals are less than $250.

Payments to US and international recipients through SUP are not possible.

Selecting a Method of Payment: Electronic Funds Transfer

EFT is a preferred method for paying those who are not UBC employees.* Talk with the community member to decide if EFT is appropriate for them. If they are not set up as a Supplier, consider if SUP is appropriate.

- *EFT is for Canadian residents only. See ACH and GDS processes for US and international recipients.*

If EFT is appropriate, confirm in Workday if (a) community member is a **Supplier** and (b) EFT is enabled.

a) Use ***Find Supplier*** in Workday and search for community member by name; compare address and email information to verify individual.

b) See *Payment Types Accepted* in ***Find Supplier*** results; EFT should be listed as default payment option.

I have results from my ***Find Suppliers*** search. What now?

Scenario A: community member is not a Supplier in Workday	**Action**: Consider if SUP is appropriate and gather banking details to process SUP payment. If SUP is not appropriate, complete supplier set up and enable EFT payment. This takes additional time—complete well in advance of processing payment. Review ***Single Use Payment***, ***How to Set Up a Supplier in Workday*** *and* ***Completing an EFT Form*** in *Instructional Guide for Honoraria Payment Processes and Forms*.
Scenario B: community member is a Supplier, but EFT not enabled	**Action**: Submit ***EFT form*** before proceeding with honoraria payment. (SUP payment is not permitted.) Review ***Completing an EFT Form*** in *Instructional Guide for Honoraria Payment Processes and Forms*.
Scenario C: community member is a Supplier and EFT is enabled	**Action**: Complete ***Invoice Request*** in Workday to process honoraria payment. Review ***Creating a Supplier Invoice Request in Workday*** in *Instructional Guide for Honoraria Payment Processes and Forms*.

*

Selecting a Method of Payment: Payment by Cheque

Payment by cheque is a preferred method for those who are not UBC employees. Discuss with community member to decide if cheque payment is appropriate.

If cheque is appropriate, confirm in Workday if (a) community member is a **Supplier** and (b) cheque is enabled.

a) Use ***Find Supplier*** in Workday and search for community member by name; compare address and email information to verify individual.
b) See *Payment Types Accepted* in ***Find Supplier*** results; cheque should be listed as default payment option.

I have results from my ***Find Suppliers*** search. What now?

Scenario A: community member is not a Supplier in Workday	**Action**: Consider if SUP is appropriate and obtain mailing address to process SUP payment. If SUP is not appropriate, complete supplier set up and enable cheque payment. Review ***Single Use Payment*** or ***How to Set Up a Supplier in Workday*** in *Instructional Guide for Honoraria Payment Processes and Forms*.
Scenario B: community member is a Supplier, but cheque is not enabled	**Action**: Complete ***Supplier Change Request*** in Workday to enable cheque payment. (SUP payment is not permitted.) Review ***Enabling Cheque and EFT Payments in Workday*** in *Instructional Guide for Honoraria Payment Processes and Forms*.
Scenario C: community member is a Supplier and cheque payment is enabled	**Action**: Complete ***Invoice Request*** in Workday to process payment request. Review ***Creating a Supplier Invoice Request in Workday*** in *Instructional Guide for Honoraria Payment Processes and Forms*.

Selecting a Method of Payment: Cash and Near-Cash Equivalents

Cash and near-cash equivalents (e.g. gift cards, vouchers, small gifts) should be used when they are the only viable option (e.g. for individuals with limited or no access to banking).

Consider EFT and cheque first to determine if appropriate.

- *If recipient is affiliated with UBC, cash payments cannot be paid.*
- Near-cash equivalent purchases should not exceed $100, except with pre-approval of a Unit Head.
- Offerings of alcohol and cannabis are not permitted.

If cash or near-cash are determined to be appropriate, each has its own process to follow:

For Cash Payments: Use Spend Authorization

Relevant Instruction: *"*Steps for Processing Cash Payments using Spend Authorization" in *Instructional Guide for Honoraria Payment Processes and Forms*

For Near-Cash Equivalents: Claim as a Reimbursement

Relevant Instruction: *"*Steps for Processing Near-Cash Equivalent Payments using Expense Reimbursement" in *Instructional Guide for Honoraria Payment Processes and Forms*

Selecting a Method of Payment: US / International Payments

Automated Clearing House (ACH) is the preferred method for paying non-UBC affiliated individuals based in the US (cheque payments may also be used)

Global Disbursement (GDS) is the method of payment for international recipients not based in the US.

- GDS payments are processed through foreign banking systems, each with their own requirements; review IFL Currency Guide to see requirements based on relevant national banking system processing your payment.

Before proceeding with ACH and GDS payments, use ***Find Supplier*** in Workday to confirm community member is a Supplier (ensure address and email information in Supplier profile match what is shared by the recipient).

For ACH Payments	**Action**: Use ACH Form to process payments to US-based community members ACH Payments can be by either EFT or cheque; confirm with the community member which method of payment is preferred Review ***Payments to US-Based Recipients*** in *Instructional Guide for Honoraria Payment Processes and Forms*.
For GDS Payments	**Action**: Use the GDS Form to process payments to recipients based in non-Canadian countries (excluding the US) GDS payments must be through international bank transfer Review ***Payments to International Recipients*** in *Instructional Guide for Honoraria Payment Processes and Forms*.

Resources

Useful Links

Forms

- Electronic Funds Transfer Form
- Automated Clearing House
- UBC HR Fast Track Assessment Form
- UBC Employee Declaration for Services Form
- UBC Accounts Payable Manual T4A Form (requires UBC CWL login)

UBC Community Engagement *How-To Guide* Resources

- Honorarium Form Template
- Honoraria Payment Checklist

Contacts

- HR Advisory Services
- Faculty Relations Representative

Workday Training and Guides (require UBC CWL login)

- Request One-Time Payment
- Single Use Payment
- Workday Procurement, Receiving, and Supplier Invoices
- How to Avoid Common Supplier Setup Issues

UBC Policies and Standards

- Invoicing Standards
- Payment Standards

Student Payments

When paying UBC students, determine if they are considered a UBC employee or an Independent Contractor.

- Students with an employee ID number can be processed as if a current UBC employee and do not require HR approval (note ID number as a note in the payment process)

Before event or activity, complete HR Fast Track Assessment form and submit to relevant HR representative in student's faculty or unit, who will help you to determine the next course of action:

<table>
<tr>
<td>
If a UBC Employee

Process: work with HR representative in student's faculty to process OTP

Forms and Information to Collect:

Completed HR Fast Track Assessment and EDS forms
Communication about amount and purpose of payment
Completed travel reimbursement forms

</td>
<td>
If an Independent Contractor

Process: standard for EFT, Cheque, Cash or Near-Cash Equivalent, or SUP

Forms and Information to Collect:

Depending on method of payment, follow relevant instructions

</td>
</tr>
</table>

THE UNIVERSITY OF BRITISH COLUMBIA