



Honoraria

Lawrence Berkeley
National Laboratory

Financial Policies and Procedures

Part I

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Primary contact:	Manager, Payroll

Summary

The purpose of this policy is to define the guidelines for honoraria payments at the Laboratory.

Policy

Overview

Honorarium

An honorarium is a payment or an award granted in recognition of a short-term service (such as a lecture or seminar) on which custom or propriety forbids a price to be set.

Typically, an honorarium is paid to guest lecturers or experts for a one-time or brief engagement. Honorarium payments are **not** to be made in lieu of a reimbursement for expenses (including travel).

Eligibility

Invited Guests

Invited guests of the Laboratory may receive an honorarium for short-term services rendered. If the invited guest is employed at 50% or more time by a Department of Energy (DOE) National Laboratory or by a DOE Site Management and Operating (M&O) Contractor (e.g., University of California Office of the President), eligibility is **prohibited**. (Services from such individuals are considered part of their primary employment assignment.)

Nonresident Aliens

Nonresident aliens (see Glossary) may also receive an honorarium in accordance with Laboratory policy and procedures, subject to the restrictions of their visa classification. For information on inviting a nonresident alien to LBNL, eligibility and processing requirements, reference the [LBNL Guest Processing](#) website, or contact the International Researchers & Scholars Office (IRSO), BO Ortega@lbl.gov.

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Nonresident aliens with B-1, B-2, WB or WT visa may be paid an honorarium for an academic activity, provided the services do not exceed **nine days** at a single institution. The payment must be offered by an institution of higher education, a nonprofit or governmental research organization. Nonresident aliens with these types of visas cannot accept an honorarium from **more than five** such institutions or organizations in the previous **six-month** period.

Federal Employees

Employees of the United States federal government are **prohibited** from receiving an honorarium.

Laboratory Employees

Laboratory employees may receive an honorarium from outside organizations (with advance approval from the cognizant division director), in accordance with the Laboratory Regulations and Procedures Manual (RPM), Chapter 10.02, Sections C & D, [Outside Employment and Employee Business Activities](#).

Travel Expenses

An individual receiving an honorarium may also be reimbursed separately for actual travel expenses, in accordance with Laboratory Travel Policies and Procedures (see RPM, Chapter 11.08, [LBNL Travel Policy](#)).

Withholding Requirements

Payment received for an honorarium is considered income and is taxable by the Internal Revenue Service (IRS) and California Franchise Tax Board (FTB).

IRS

US residents receiving an honorarium will receive an [IRS Form 1099-MISC](#), as required by the IRS. *Nonresident aliens* receiving an honorarium will receive an [IRS Form 1042-S](#), as required by the IRS.

FTB

California nonresidents receiving an honorarium will receive [FTB Form 592B](#). The FTB does not recognize tax treaties.

Individuals should consult with their tax professional to determine their income tax reporting applicability.

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Procedures

Required Documentation

The requestor must complete the following documentation (with appropriate approvals) and submit to the [Payroll Office - Attention Stipends/Honoraria Desk](#).

- Since the academic honoraria provision requires certain payment stipulations, the [UC Certification of Academic Activity](#) form must be completed as documentation to determine whether a nonresident alien is eligible to receive such a payment.
- [Form UC W-8BEN](#), (for foreign nationals to determine residency status)
- [IRS Form W-9](#) (for US citizens, resident aliens or lawful permanent residents)
- [Request for Issuance of Check \(RFIC\) for Payment of Honoraria or Stipends form](#) which includes the following:
 - Invitation letter (email is acceptable)
 - Seminar announcement (if applicable)
 - For nonresident aliens
 - Copy of passport
 - Copy of I-94 card (front and back)
 - Copy of visa stamp (if applicable)
 - Copy of visa documentation (i.e., I-20, DS-2019)
- [IRS Form 8233](#) - Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, if a tax treaty is invoked.

If required documentation is not provided or available at the time of the request, the payment(s) received for honoraria will be considered income and taxable by the IRS and FTB.

Approval Guidelines

<u>Approval Authority</u>	<u>Amount of Honoraria (per event)</u>
Division Director (or designee)	\$0 up to and including \$500
Associate Laboratory Director (or designee)	Over \$500 up to and including \$1,500
Laboratory Director	Over \$1,500

Approval limits apply to honoraria only, and **do not** include supplementary travel costs.

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Roles and Responsibilities

The *requestor* is responsible to ensure all of the appropriate approvals are obtained *prior* to submitting the documentation to the [Payroll Office](#) for payment.

It is the responsibility of the *requestor* to ensure that adequate funding is available and the request complies with the above Laboratory policy and procedures.

If the policy requirements have been met, the [Payroll Office](#) will review and submit to [Accounts Payable](#) for payment.

Authority

- DOE Contract 31, Appendix A, Personnel Administration, Section XVII, Special Programs, subparagraph (d) (Contract 31, Appendix A)
- Regulations and Procedures Manual (RPM), Chapter 11.08, Travel ([LBNL Travel Policy](#))

Contacts

- [Payroll Office](#)
- [Travel Hotline](#)
- [LBNL Guest Processing](#)
- [Financial Policy Office](#)
- [International Researchers & Scholars Office \(IRSO\)](#)

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Glossary

- **California nonresident:** A California nonresident is an individual living outside of California.
- **Honorarium:** An honorarium is a payment or an award granted in recognition of a short-term service (such as a lecture or discussion), on which custom or propriety forbids a price to be set.
- **Lawful permanent resident:** An individual who possesses a green card (the popular name for the Alien Registration Receipt Card), which is given to those who become legal permanent residents of the United States.
- **Nonresident alien:** An individual who is not a citizen, permanent resident or resident alien of the United States.
- **Regulations and Procedures Manual (RPM):** This manual provides Laboratory personnel with a reference to University of California and Lawrence Berkeley National Laboratory policies and regulations.

Much of the information in the manual has been condensed from detail provided in other Laboratory procedure manuals, DOE directives, and Contract DE-AC02-05CH11231. The manual is not intended to replace any of those documents.

- **Resident alien:** A resident alien is an individual who is not a citizen or national of the United States, but meets either the green card test or the “substantial presence test” for income tax purposes for a particular calendar year. For a detailed explanation of these tests, see [IRS Publication 515](#), Withholding of Tax on Nonresident Aliens and Foreign Entities.
- **Royalty:** A payment to the holder of a patent, copyright or resource for the right to use such property. These payments are centrally processed by the [Technology Transfer and Individual Property Management](#).
- **Substantial presence test (see Resident alien):** An alien is considered a United States resident if the individual meets the “substantial presence test” for the calendar year. To meet this test, an individual must be physically present in the United States on at least 31 days during the current year; and 183 days (during the current year and the 2 preceding years), counting:
 - All the days present in the current year
 - 1/3 of the days present in the first preceding year
 - 1/6 of the days in the second preceding year(Source: [IRS Publication 515](#), Withholding of Tax on Nonresident Aliens and Foreign Entities)
- **US Citizen:** An individual born in the US, born abroad with at least one US citizen parent, granted lawful permanent residence, or naturalized.

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Related Documents

- [IRS Form W-9](#)
- [Form UC W-8BEN](#)
- [IRS Instructions for Form 1099-MISC](#), Miscellaneous Income
- [IRS Instructions for Form 1042-S](#), Foreign Person's U.S. Source Income Subject to Withholding
- [UC Certification of Academic Activity form](#)
- [FTB Instructions for Form 592, Quarterly Resident and Nonresident Withholding Statement](#)
- [Request for Issuance of Check \(RFIC\) for Payment of Honoraria or Stipends form](#)