



Honoraria

Lawrence Berkeley
National Laboratory

Financial Policies and Procedures

Part I

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|------------------------|-------------------------------------|
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| Primary contact: | Manager, Accounts Payable |

Summary

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

Policy

Overview

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), BOrtega@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 organization in the previous **six-month** period.

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.

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](#)).

Internal Revenue Service (IRS) Reporting Requirements

Payment received for an honorarium is considered income and is taxable by the IRS. *U.S. residents* receiving an honorarium will receive an IRS Form 1099, as required by the IRS. *Nonresident aliens* receiving an honorarium will receive an IRS Form 1042-S, as required by the IRS.

Procedures

Documentation

The requestor must complete the following documentation (with appropriate approvals) and submit to the [Payroll Office](#).

- [UC W-8BEN](#) form (for foreign nationals to determine residency status)
- [Request for Issuance of Check \(RFIC\) for Payment of Honoraria or Stipends form](#)
- Supporting documentation
 - Invitation letter and LBNL or seminar announcement (if applicable)

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- Description and justification for the honoraria
- For nonresident aliens
 - Copy of passport
 - Copy of I-94 card (front and back)
 - Visa stamp (if applicable)
 - Visa documentation (i.e., I-20, DS-2019)
- Additional documentation that *may* be required for **nonresident alien** honoraria payments:
- Social security number, Individual Tax Identification Number (ITIN) or completed [IRS Form W-7](#) (Application for IRS Individual Taxpayer Identification Number).
 - Completed [IRS Form 8233](#), Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, if applicable.

Approval Guidelines

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

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

Roles and Responsibilities

The *requestor* is responsible to ensure all of the appropriate approvals are obtained *prior* to submitting the documentation to [Accounts Payable](#) 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, [Accounts Payable](#) will obtain [Payroll Office](#) review and will process the request.

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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

- [Accounts Payable Office](#)
- [Payroll Office](#)
- [Travel Hotline](#)
- [LBNL Guest Processing](#)
- Financial Policy Office
- International Researchers and Scholars Office ([IRSO](#))

Glossary

- **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.
- **Nonresident alien:** An individual who is not a citizen, permanent resident or resident alien of the United States.
- **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.
- **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.

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- **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)

Related Documents

- [Request for Issuance of Check \(RFIC\) for Payment of Honoraria or Stipends form](#)
- [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