

### **CUNYfirst Business Procedure – Processing Honoraria**

Honoraria are modest payments made to individuals to acknowledge and provide compensation for their services. At CUNY, honoraria are paid to many individuals for a variety of services, but most often as event speakers. Fees paid to recipients are subject to tax laws that must be accommodated in the payment process.

Procedure for compensating the recipients of honoraria:

- Honoraria payments made through tax levy funds, as fees for services provided, must be processed through the Requisition and Purchase Order process in CUNYfirst. By creating these transactions, a clear and accessible record of the agreement, the cost to the College, and the approval of the budget expenditure are captured in CUNYfirst and are easily made available for reporting and/or audit purposes. In order to conduct these transactions in CUNYfirst, the recipient must be included in the Vendor file as a “Supplier.” If the individual is not available in the Vendor file when a purchase order is created, the standard process for adding a Vendor through the Central Office Vendor Management Unit must be followed.
- Any speaker who is a non-resident alien for tax purposes and is being processed for payment via Glacier/PayServ does not require processing through CUNYfirst Accounts Payable.

It is important to remember that for tax purposes, while the recipient of an honorarium is entitled to receive up to \$600 annually as non-reportable income, all payments from the CUNYfirst Tax-Levy Business Units will be aggregated to determine the total annual payments from CUNY as a single entity. Consequently, all payments for fees must be considered reportable and made through the CUNYfirst purchase order process.

If reimbursements are due the recipient as part of the contract or agreement with the college, these can and should be made through the Non-Purchase Order Voucher (reimbursement) process in CUNYfirst. As in the Requisition and Purchase Order process, if the individual is not already available in the appropriate Vendor file for Reimbursements, his or her information must be added via the Central Office VMU.