SUMMARY:

This section sets forth the Coastal Carolina University Policy for honoraria payment to individuals. NOTE: Procurement dollar limits still apply, therefore honoraria payments cannot exceed $5,000.

POLICY:

I. Honoraria are payments granted in recognition of a special service or distinguished achievement for which custom or propriety forbids any fixed business price to be set. They are generally payments made as "tokens of appreciation" to professional persons for services for which fees are not legally or traditionally required. These include voluntary services or those for which no fees are negotiated and no employer-employee relationship exists. Risk Management requires a certificate of insurance (COI) for all services provided, unless waived by University Counsel. As a general rule, a COI will be waived if the service provider is not in business and does not normally receive fees for the services rendered.

A. Eligibility

1. Activities that may be paid as honoraria on the Honorarium Form include the following:

   a. A special lecturer, a short series of lectures, a concert performance or other creative activity.

   b. Participation in a seminar or workshop as a guest speaker or panelist, provided such services are furnished on a short-term basis.

   c. A speaking engagement.

   d. A musical performance at a University-sponsored function.
2. Honorarium must meet the IRS standard factors related to behavioral control, financial control and relationship of parties. The 20 Rule Test provided by the IRS serves as a guideline for determining these three factors.

B. Exclusions

1. Payments to Coastal Carolina University employees, including student/graduate assistants, engaged in activities as defined in I.A.1. of this policy cannot be paid as honoraria. Such payments represent compensation for services and must be processed through payroll. Compensation will be included in the employee’s IRS Form W-2, Wage and Tax Statement, at calendar year end. This protocol also applies to individuals not currently employed, but previously employed during the calendar year in which the compensation is paid.

2. Payments to students cannot be paid as honoraria. These payments should be handled through the award, scholarship or employment process, as appropriate.

3. Payments to employees of other state agencies in South Carolina cannot be paid as honoraria. Such payments should be processed as dual employment.

4. Payments to independent contractors, vendors and consultants cannot be paid as honoraria. These payments must be addressed through the appropriate procurement process.

II. Processing

A. Eligible activities such as the ones described in I.A.1. will be processed through Accounts Payable and the payee will be issued a 1099 form if the cumulative amount paid to that payee exceeds $600 for the calendar year.