

# HONORARIUM PAYMENT POLICY



## Purpose

This establishes a policy for what procedures must take place before paying out an honorarium in order to ensure:

- Efficient administration supported by clear roles and responsibilities
- CRA rules and regulations are being adhered to

## Scope

This policy applies to non-employees who provide services to Britannia

## POLICY STATEMENTS

### 1. Policy

An honorarium is made to an individual who is not an employee or a contractor of the Britannia Community Services Centre, to recognize or to acknowledge the contribution of gratuitous services to Britannia.

Examples of this include:

- Performance groups such as the Carnival Band and the Laxkleen Timshan Dance Group
- Artists who help with the asphalt paintings
- Individuals who provide food at Britannia community events
- Youth who work in the community gardens

### 2. Payment

The Canada Revenue Agency (CRA) regulations state that all honoraria payments are considered taxable under the Income Tax Act of Canada and are subject to a T4A slip being issued at each calendar year-end if the total of all payments is more than \$500.

Note: for non-resident honorees, Regulation 105 of the Income Tax Act requires Britannia to deduct and withhold a 15% tax unless waiver application for R-105 is completed by the honoree and approved by the CRA.

In order to process an honorarium payment, an Honorarium Claim form must be completed and signed by the honoree and then submitted to Britannia for approval by the appropriate signing authority. Please follow the following guide to determine what is required when paying an honorarium:

Payment Amount	Payee Information to Be Collected
Greater than \$100 <sup>1</sup>	Name, SIN #, Address, Amount

<sup>1</sup> If authorized by the Executive Director or Manager of Administrative Services, a one-time honorarium that is greater than \$100, but less than \$500, may be paid to an individual only requiring the individuals name, address, and amount (no SIN #). Filling out the Honorarium Claim form is still required. It is the responsibility of the authorizing manager to ensure that individual is not paid a second honorarium without receiving the individuals SIN #.

\$25 to \$99	Name, Address, Amount
Less than \$25	# of payees, Total Amount

The following information must also be provided on the honorarium claim form:

1. The purpose of the honorarium or type of service provided
2. Date of Engagement
3. Business registration number (if payment is not made to an individual)

Payment may be made by cheque, direct deposit, or cash, but cannot be made without the necessary information listed above. Verification of name and mailing address must be completed by visual inspection of a driver's license or other official identification.

Staff who are authorized to provide honorariums in the form of cash are Britannia Senior Management, Programmers, and Senior Supervisors. No other staff are authorized to provide honorarium payments in the form of cash. If payment is made by cash, the employee paying the honoree may fill out a cash advance form in advance of the date the honorarium will be paid (this must be planned ahead accordingly, accounting staff will not prepare cheques for this purpose without following Britannia's AP schedule), and will provide the completed honorarium claim form when reconciling the cash advance.

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