

HONORARIUM PAYMENT POLICY



Purpose

This establishes a policy for what procedures must take place before providing 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

Britannia offers honorariums to Elders and Indigenous knowledge holders as well as volunteers, facilitators, note takers, active listeners and witnesses to respect their time, expertise and experience. It is a voluntary payment which is made to recognize that so much of what we do would not be possible without their contributions. An honorarium is an ex gratia payment, which is a payment made without the giver recognizing themselves as having any liability or legal obligation.

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:

- Guest speaker at a workshop
- Guest speaker at a special event
- Youth attending a workshop

When an honorarium is not appropriate:

- When an amount is agreed to be paid between the individual providing services and Britannia seeking services. If payment is agreed upon, this constitutes a contractual arrangement, and a contract should be used instead.
- If Britannia is obtaining the services of a professional speaker, consultant or artist who performs the requested services for a living.

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 ¹	Name, SIN #, Address, Amount
\$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.

3. Cash Honorariums

It is important to keep in mind what it means to respectfully pay someone for their time and to take financial accessibility into consideration. Some people may face barriers to accessing money through a bank or other financial institution. Some people don't have social insurance numbers; others may not have access to technology to convert a PDF or scan a document. Offering alternative methods of payment, such as paying cash or making an e-transfer, can be a great practice if the guidelines below are followed.

Staff who are authorized to provide honorariums in the form of cash or e-transfer through their personal account are Britannia Senior Management, Programmers, and Senior Supervisors. No other staff are authorized to provide honorarium payments in the form of cash or e-transfer.

- The maximum amount allowed to be paid in the form of cash is \$100
- The maximum amount allowed to be paid by e-transfer is \$250.

If payment is made by cash or e-transfer, the employee paying the honoree may fill out a cash advance form **prior** to 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). The employee will provide the completed honorarium claim form, along with proof that the funds were removed from the employee's personal bank account, when reconciling the cash advance. For cash honorariums, the honorarium form must be signed by the recipient in agreement that they received the funds. For e-transfers, a screenshot of the e-transfer confirmation should be included.

4. Timing

It's important to compensate people as soon as possible. When offered as a gift, payment should be given the day of the event, particularly for Elders, who we often thank and present payment to as an exchange during the event itself, depending on protocol.

¹ 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 #.