

TYPE: Employment-Related
TITLE: Honorariums
NO.: EMPL-319
RESPONSIBILITY: Chief Administrative Officer, Chief Financial Officer and Associate Vice-President, Human Resources
APPROVED BY: Durham College Leadership Team
EFFECTIVE DATE: November 2020
REVISED DATE(S):
REVIEW DATE: November 2023

1. Introduction

An honorarium is typically a small payment of appreciation made on a non-recurring basis to an individual who is not an employee of the College, to acknowledge the contribution of gratuitous services to the College.

2. Purpose

The purpose of this policy and procedure is to provide a framework for consistent and fair treatment, across the College, when giving a nominal payment to a guest speaker or other individual(s) who have been invited to provide a service offered over a very short period of time for a payment of not more than \$500 to the College.

3. Definitions

Refer to [Durham College's Standard Definitions](#).

4. Policy statements

4.1. Existing employees cannot receive a non-taxable honorarium payment. Rather, Managers in consultation with their Human Resources generalist shall determine if an employee may be eligible to receive additional payments for specified services processed through payroll and therefore subject to all applicable taxes and deductions.

5. Procedure

5.1. If it is necessary to provide a payment, it should be recognized, not as an equivalent value to a professional charge rate or opportunity cost, but as a token of appreciation, and a nominal value assigned to it of less than \$500. Examples include:

- Serving as a guest speaker, performer or delivering a workshop at an educational event or other similar function;
- Assistance for set-up or supporting activities at special events.

- 5.2. An honorarium is not based on an agreed amount between the individual providing the services and the College. If payment is agreed upon, this constitutes a contractual agreement and would be classified as “employment income”.
- 5.3. Care must be taken at the corporate level to ensure any actions the College takes would survive a challenge under the Income Tax Act.
- 5.4. Honorarium payments, which are one-time only payments, to non-employees, can be paid by completing a cheque requisition referencing account #61810 and must be limited to a maximum of \$500 per individual per calendar year. Canada Revenue Agency regulations state that any payments to an individual exceeding \$500 cumulatively in one year are to be considered taxable and must be reported through payroll and issued a T4 slip. If the services of an individual are required on a continuous basis an employment contract will be required.

6. Roles and responsibilities

- 6.1. All Managers are responsible for ensuring compliance with this policy and procedure.
- 6.2. The Manager of Payroll is responsible for ensuring no individual receives honorariums in excess of \$500 per calendar year.

7. Accessibility for Ontarians with Disabilities Act considerations

Accessibility for Ontarians with Disabilities Act (AODA) standards have been considered in the development of this policy and procedure and it adheres to the principles outlined in the College’s commitment to accessibility as demonstrated by the Accessibility Plan (ADMIN-203).

8. Non-compliance implications

Non-compliance with the Income Tax Act may result in penalties and interest from the failure to withhold statutory deductions, and any penalties incurred will be charged to the department.

9. Communications plan

- A message will be posted on ICE alerting employees when new or revised policies and procedures are added to ICE.

10. Related forms, legislation or external resources

- Income Tax Act