1 Introduction

1.1 This policy provides guidance related to honorariums provided by Appalachian State University to ensure compliance with all applicable federal and State laws, and University policies.

2 Scope

2.1 This policy applies to all faculty and staff.

3 Definitions

3.1 Honorariums

An Honorarium is a common form of payment for services to a Non Resident Alien (NRA). Generally, these payments are related to academic services and associated expenses provided by visiting scholars, teachers, lecturers, and researchers. These types of payments may be subject to certain restrictions depending on the type of VISA the individual has received.

3.2 Usual Academic Activity

Examples of usual academic activity generally include: lecturing, speaking, researching, advising, and collaborating. Appalachian State University is the beneficiary of the services provided.

3.3 Associated Expenses

Travel and other expenses related to the business purpose of the visit.

3.4 Non-Resident Alien

An individual who is not considered a U.S. Citizen or is not a resident alien is considered a non-resident alien (NRA).

3.5 Resident Alien

An individual who is not a U.S. Citizen, but meets the IRS “Green Card” test or the “Substantial Presence Test”.

4 Policy and Procedure Statements

4.1 An honorarium payment can only be made to a NRA in accordance with Federal Immigration laws, Internal Revenue Service (IRS) laws, other applicable State and federal laws and regulations, and University policies.

4.2 Honorarium payments cannot be made to U.S. Citizens or Resident Aliens. Departments should evaluate whether these types of payments need to be made through payroll, purchasing, accounts payable as compensation, by contract either as an independent personal or professional service, guest speaker or another approved method.

4.3 The origination of an Honorarium is the responsibility of each department arranging for the provision of services by the NRA. The department must receive approval from the Controller’s Office prior to the arrival of the individual in the United States to ensure the proper procedures are followed and all required information is collected.

4.4 Limitations for Honorarium for common VISA types:

1. B-1/B-2 and VWT/VWB: May be paid an honorarium for usual academic activity. The length of time the individual performs the activity cannot exceed 9 days, and the individual cannot perform similar activities at more than 5 institutions within a 6 month time period (9/5/6 rule). Travel expenses may be paid on behalf of the individual or be reimbursed, provided all
University travel policies are followed and the purpose of the travel was to provide services to the University.

2. J-1 Sponsored by ASU: May be paid an honorarium for services and is not subject to the 9/5/6 rule.

3. J-1 Sponsored by a Non-ASU Sponsor: May be paid an honorarium for services and is not subject to the 9/5/6 rule provided the Department requesting services receives permission from the sponsoring entity in writing and that the J-1 program they entered the U.S. in permits the services to be performed.

4.6 The total amount of an Honorarium may not exceed $5,000.00. The total amount authorized in advance shall include the payment for services and all expenses including travel and related business expenses. Amounts in excess of this limit must be approved in writing in advance by the appropriate Vice Chancellor. Requests for exceptions must include a rationale for the business need for the exception. The approval of this request shall be forwarded to the Controller’s Office with all other documentation for payment.

4.7 Any conflict of interest, actual or perceived, with related parties must be disclosed in advance to the appropriate dean or department head. Please see Conflict of Interest and Commitment Policy 604.6.

4.8 Payments for honorariums are generally subject to Federal and State tax withholding. The portion of the honorarium that represents travel expenses may be excluded from tax withholding, provided that University travel policies are followed.

Prior to the individual’s arrival on campus, the appropriate immigration related information and other documentation must be collected by the hosting department in consultation with the Office of International Education and Development and the Controller’s Office. Each payment will be reviewed for the appropriate taxation, reporting, and application of any available treaty benefits before funds are disbursed to the individual. For a list of the documentation needed, please visit http://controller.appstate.edu.

4.9 The University reserves the right to request additional documentation to comply with Federal and State laws and regulations.

5 Additional References

Conflict of Interest and Commitment Policy 604.6

6 Authority

NC Office of the State Controller
NC State Budget Manual
INA Section 212(q)

7 Contact Information

Controller’s Office 828-262-2110: Questions regarding taxation, treaty analysis, and disbursements
Office of Research Protections 828-262-2130: Export Controls

8 Original Effective Date

April 8, 2014

9 Revision Dates

May 27, 2014
March 7, 2018