FIN-014

Honorarium Payments to Non-Employees Including Short-term, Non-Immigrant Alien Visitors

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Contact Office Financial Operations & Tax

Procurement Services

Oversight Executive
Vice President and Chief Financial Officer

Applies To Academic Division and the College at Wise.

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Reason for Policy

This policy provides guidance on honoraria payments and/or travel and incidental expense reimbursements to non-employees including short-term, nonimmigrant alien visitors to the University to assist in complying with U.S. Immigration and Tax laws.
(Note: Financial Operations & Tax is prohibited from providing tax and/or legal advice.)

Definition of Terms

Academic Activity or Activities (Usual)

Description

As defined by U.S. laws and regulations (8 CFR 214.8), includes but is not limited to lecturing, consulting, attending meetings, or otherwise sharing knowledge, experience, or skills in master classes, readings, and

performances (when the audience is composed of non-paying students and/or open to the general public and general admission tickets to the public have not been sold).

Non–Immigrant Alien

Description

An alien (foreign national) whose reason for coming to the United States involves a temporary stay that will end when its purpose has been accomplished.

Honorarium

Description

A token of appreciation paid to an individual for services performed **for which payment is not required**. The services involved vary but are generally associated with presentations made at University sponsored functions. The arrangement between the individual and the University is informal. It does not involve a contract, and invoicing is not required. An employee may not receive an honorarium from the University.

Visa

Description

A document that allows a non-immigrant alien from a foreign country to travel to a U.S. port-of entry, and request permission of the U.S. immigration inspector to enter the U.S. Issuance of a visa does not guarantee entry to the U.S. The Customs and Border Protection Officer at the port-of-entry determines whether the non-immigrant alien can be admitted and decides how long the non-immigrant alien may stay for any particular visit.

> **B-1 and B-2 Visas**: The most common non-immigrant visa also known as the “visa for temporary visitors for business or pleasure” is used for persons desiring to enter the U. S. temporarily for Business (B-1) or for pleasure, tourism, or medical treatment (B-2). Business reasons include “usual academic activity or activities” such as lecturing; attending meetings; and sharing knowledge, experience, or skills in master classes, readings, and performances.
>
> **J-1 Visa**: Non-immigrant visa issued by the U.S. to exchange visitors participating in programs that promote cultural exchange, especially to obtain medical, scientific, or educational training within the U.S. J-1 visitors may remain in the U.S. until the end of their exchange program, as specified on form DS-2019.

Visa Waiver Program (VWP)

Description

Enables citizens of participating countries meeting the Visa Waiver Program requirements to travel to the U. S. for business or tourism (visitor [B] visa purposes only) for stays of 90 days or less without obtaining a visa. Non-immigrant alien visitors cannot extend their stay.

VWB and VWT

Description

VWB (Visa Waiver for Business) and VWT (Visa Waiver for Tourism) travelers are required to have a valid authorization through the Electronic System for Travel prior to travel to a U.S. port-of-entry.

Electronic System of Travel Authorization (ESTA)

Description

The U.S. Department of Homeland Security's Customs and Border Protection online system that is used by international travelers to request entry to the U.S. through the Visa Travel Program.

Policy Statement

Only individuals who are not employed by the University are eligible for honoraria payments. Any compensation or recognition payment made to a University employee, including student employees, must be requested, approved, and issued through standard human resources and payroll processes and comply with applicable University employment and compensation policies. Departments considering payments of honoraria to University students, whether or not student employees, must first contact Student Financial Services to assess potential impacts on financial aid. Honoraria payments in excess of $2000 require prior approval by the respective dean or vice president.

An honorarium is taxable income that is reported to the Internal Revenue Service (IRS) on Form 1099 if the sum of annual payment(s) to the recipient is $2000 or more annually (see below for special rules on tax reporting for non-immigrant aliens). However, travel expenses reimbursed to an honorarium recipient are not considered taxable when accountable plan rules are met. Honorarium recipients must register as vendors with Procurement Services to facilitate accurate tax reporting.

Because honorarium payments are considered taxable income, the recipient of an honorarium payment may not request that the honoraria be transferred and paid to another organization or individual. If the honorarium recipient wishes to transfer the payment to another organization or individual, the recipient must first receive the honorarium payment and then donate it.

I. **Rules for Payment of Honoraria to Non-Immigrant Aliens:**
   The University will adhere to U.S. Immigration and Tax laws relative to payments made to short-term, non-immigrant alien visitors. Departments requesting payments of honoraria and/or travel reimbursements for short-term, non-immigrant alien visitors should contact Financial Operations & Tax, Foreign Tax Advisor if any questions arise as to compliance with these laws.
   1. **B-1, B-2, or VWB and VWT Honoraria Payments:**&
      Tax and immigration laws allow honoraria to be paid to a non-immigrant alien visitor holding B-1 or B-2 visas, or Visa Waiver status VWB and VWT. An honorarium is provided as a token of appreciation. Generally, the value of an honorarium may be of any dollar amount with no minimum or maximum dollar amount required.
   2. **9-5-6 Honoraria Rule:**
      The Honoraria Rule allows a non-immigrant alien visitor to receive an academic honorarium payment and expenses as long as the "usual academic activity or activities" comply with the 9-5-6 Honoraria Rule. The rule states that a visitor may not present lectures or teach classes for more than ***9 days*** (maximum days of presence) at the University (e.g., a non-immigrant alien is not eligible if they present a lecture or teach a class each day for 10 or more days). Further, the non-immigrant

alien visitor may not have accepted any type of payment from more than ***5 educational or research institutions (including the University)*** within the previous ***6-month period***. A non-immigrant alien visitor meeting all three provisions is eligible to receive an honoraria payment.

3. **Tax Implications:**
   Honoraria payments are subject to federal income tax withholding at a 30% rate unless specifically exempted by a tax treaty. Certain countries have a tax treaty with the U.S. that includes an "independent personal services" article (IRS Form 1042-S income code 17) that reduces or eliminates withholding. Countries that have a tax treaty with the U.S. are listed in IRS Publication 519, Table 9-1. To be eligible to apply the tax treaty, the non-immigrant alien visitor must also possess, at the time of the payment, either a U.S. social security number or Individual Taxpayer Identification Number (ITIN). (See procedure for completing Form 8233.)

4. **B-1, B-2, or VWB and VWT Travel Reimbursements:**
   In addition to paying honorariums to non-immigrant alien visitors, departments also have the option of reimbursing non-immigrant alien visitors for travel and incidental expenses. Travel reimbursements are not subject to tax withholding and are not reportable to the Internal Revenue Service as long as they are made under accountable plans as allowed by Section 62 (c) and described in Treasury Regulations, Subchapter A, Section 1.62-2. To be eligible for a reimbursement, the non-immigrant alien visitor must comply with University policy and procedures covering the reimbursement of travel and incidental expenses.

   The University encourages non-immigrant alien visitors to travel on B-1 or VWB visas (visas for business reasons). Persons holding a B-1/VWB visa who exceed the provisions of the 9-5-6 Honoraria Rule are not prohibited from giving an invited lecture; however, they cannot be paid an honorarium but may receive reimbursement for travel and/or incidental expenses. Foreign nationals holding a B-2/VWT visa, who exceed the provisions of the 9-5-6 Honoraria Rule also can continue to give lectures; however, these foreign nationals cannot receive either an honorarium or travel reimbursement.

5. **Honoraria Payments and Travel Reimbursements to J-1 Scholars:**
   A J-1 scholar at another university and/or institution may be invited to the University to lecture or participate in a usual academic activity or activities on an occasional basis. The scholar must have received written authorization in advance of the academic activity from scholar's sponsoring organization's "Responsible Officer" or "Alternate Responsible Officer" to receive an honoraria payment and/or travel reimbursement from the University. The written authorization must be included with the paperwork that is submitted to pay the honorarium and reimburse travel and/or incidental expenses. J-1 scholars are not subject to the provisions of the 9-5-6 Honoraria Rule. For an honorarium, J-1 scholars are subject to federal income tax withholding of a 30% rate unless specifically exempted by a tax treaty.

II. **Compliance with Policy:**
Failure to comply with the requirements of this policy by individuals may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Direct questions about this policy to Financial Operations & Tax or Procurement Services.

Procedures

Approval for Honoraria
Processing Travel and Incidental Expenses Reimbursements
Instructions for Form 8233
Form 8233 Exemption from Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual

Related Information

FIN-004: Travel, Meals, and Entertainment Expenses Incurred on Behalf of the University
FIN- 012: Scholarship/Fellowship Payments to Foreign Nationals
HRM-045: Faculty External Consulting and Internal Overload

Electronic System for Travel Authorization
Information for Suppliers
Travel Planning
U.S. Department of State Travel
International Taxation

Major Category Finance and Business Operations

Next Scheduled Review Sunday, April 22, 2029

Revision History

Edited Honorarium 9/24/26; Annual payment in 2nd paragraph increased from $600 to $2000 9/8/26; Confirmed 4/22/26; Updated 8/4/23; 7/24/19; 7/10/14, 6/30/11, 3/19/08.

Supercedes Policy Text

VII.R.13 Payment of Honoraria to Non-Employees.

Approved By Executive Vice President and Chief Operating Officer

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