



## HONORARIUM POLICY

#6-09

Approved:	November 1, 2000	by: President's Council
Effective:	November 1, 2000	
Date to be Reviewed:	2006	

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### POLICY

**The maximum amount that may be considered to be a non-taxable honorarium is \$500. Amounts paid in excess of this amount will result in the issue of a T4A.**

### PURPOSE

An honorarium is a **small token** of recognition to an individual **volunteering** a service. It is not a payment to compensate an individual for their time or expense, but only a **small token** to show the College's appreciation. If the payment is to significantly compensate the individual for their time and expense then it does not qualify as an honorarium. Significant compensation is either a payment to an employee (use a timesheet or an Employee Appointment Requisition) or in very specific cases this is a payment to a contractor (requires a standard "Services Contract between North Island College and the Independent Contractor).

Where the amount of the honorarium is more than a token it can be interpreted by Canada Customs and Revenue Agency as unreported wages. Use of Honorariums outside of the very specific situations set out above may be construed by Canada Customs and Revenue Agency as the College assisting an individual in tax avoidance. This leaves the College, and potentially the staff member initiating the request, open to significant fines.

### GUIDELINES

A request for the payment of an honorarium must be on a completed and approved Purchase Requisition. The Purchase Requisition must contain a brief outline of the services the volunteer has performed. No supporting documentation is required in addition to the Purchase Requisition. Honorariums showing a payment calculation based on hours of service will not be processed and will be returned to the budget approver.