

IAS Research and Creative Collaboratives
Payments and Honoraria
(updated 25 September 2018)

Collaboratives may make payments to non-University people or companies, or to pay honoraria to visiting speakers or consultants. Please follow these instructions for payments.

All payments on the Twin Cities campus using collaborative funds must be done through IAS staff. Do not submit any forms to your departmental administrators. Conveners on other system campuses may find it simpler to work through their departments. Please contact Susannah Smith (624-2921 slsmith@umn.edu) to discuss options.

Payments

For a check to be cut to an outside supplier (a non-University person or company) we need the following information:

- Supplier name
- Mailing address
- Social Security number if individual
- Tax ID# if company or sole proprietor
- Telephone number
- A description of what you are paying for
- What budget number it is being paid on (your collaborative accounting string)

All of this information may be presented in either an invoice or memo. This information goes to Karen Kinoshita karenk@umn.edu. Karen can work with you if you have any questions.

If you will be paying more than \$2,999 for a **service** (this includes honoraria of \$3,000 or more), we must execute a **Contract for Professional Services**. This should be initiated **in advance** of the work. Fill out forms 1669 (Professional Services Information Sheet) and 1697 (Statement of Work Attachment for Professional Services) – both are available at the U's Forms Library <http://policy.umn.edu/Forms/Forms.cfm>.

Honoraria

- Karen Kinoshita karenk@umn.edu sets up all paperwork for honorarium and needs the following information:
 - Person's legal name
 - Address
 - Telephone number
 - Social security number or tax identification number
 - Citizenship status

Please give Karen the person's email address so she can contact him or her directly to get the necessary information in advance.

- **IMPORTANT NOTE: If you are paying honoraria to international visitors, they must also provide a copy of their current passport and the visa stamp on which they entered.** Payment to non-citizens is not possible without confirmation of visa status, so please remind your international visitors to bring their passports when they come to the IAS office. If they leave the U.S. without giving us a copy of their passport and visa, we might not be able to process payment at all.

- Non-citizens who do not have a Social Security number or Individual Tax ID Number (ITIN) may be charged 30% tax on honoraria. It behooves these visitors to apply for an ITIN in advance of their visit to avoid this tax. Other taxes may apply, depending on the tax treaty with that country.
- When a speaker comes for an event, Karen will provide paperwork for signature, an expenses worksheet, and a self-addressed, stamped envelope for returning of itemized receipts. **Work with Karen in advance to insure that you have all the necessary paperwork to process the honorarium payment.**
- An honorarium of \$3,000 or more requires a Contract for Professional Services (see above). These may be taxed.
- Honoraria for international speakers may be charged additional taxes, depending on what country the speaker is from. Honoraria for international speakers will also be taxed if the speaker does not provide a U.S. Social Security or Tax Identification number. Talk with Karen if you have questions about any country's tax treaty with the U.S.
- **Honoraria payments are processed after the event.** If the speaker has incurred travel expenses which you plan to reimburse, payment processing will not occur until after all itemized receipts are in hand. The goal is to have one check cut per guest speaker that includes both honorarium and incurred travel expenses.