

College of Design Honoraria and Guest Travel Guidelines

The purpose of this guide is to help faculty and staff quickly and easily navigate the process of inviting guest lecturers, reviewers, and other external experts.

1. What is an Honorarium?

An honorarium is a one-time payment given to an individual (not a business or organization) as a gesture of thanks for contributing to a short, non-recurring event, such as a guest lecture, panel discussion, or critique, where no formal deliverable is required.

2. Who Can Receive an Honorarium?

Guest lecturers, reviewers, and non-student/non-employee experts who contribute to short-term educational activities (e.g., a guest critique or seminar).

Note: Eligibility is determined by the Fair Labor Standards Act (FLSA).

3. How Much Can We Offer?

- **Standard Honorarium:** Typically, the honorarium ranges from \$250 to \$2,000, depending on the speaker's prominence, expertise, and budget.
- **Over \$2,000:** For payments exceeding \$2,000, a supplier contract must be created in the Workday system before the event. Contact **Finance_Delivery@iastate.edu** to initiate the contract process.

Special Note: Experts who are friends, alumni, or local professionals often express their support for our academic mission by accepting honoraria well below rates applied in other contexts. This decision is entirely up to the guest, and there is no obligation to accept a reduced honorarium.

4. When Are Honoraria Not Permitted?

Honoraria are **not allowed** in the following situations:

- Payment to current university employees (faculty or staff) or students.
- Pre-negotiated fees or when specific deliverables are required (this requires a service contract).
- For professional services such as consultancy or performance, which must be handled through contracts.

5. How Do I Arrange Guest Travel and Accommodation?

You have **three options** for handling a guest's travel and accommodation, with the most important guidelines listed below. Be sure to communicate these details clearly to the guest.

1. Include Travel Costs in the Honorarium:

- **How It Works:** You offer a flat honorarium that includes the guest's travel expenses along with the financial recognition for their contributions. The guest is responsible for booking and paying for their own travel, hotel, and meals, but the total honorarium amount remains fixed.
- **What to Tell the Guest:** Make sure the guest understands that this honorarium covers all expenses, including upgrades they may choose (such as first-class travel or above-standard rooms).
- **Typical Expense Coverage:** Generally, the honorarium should reflect coach-class airfare, standard hotel rates, and per diem meals (see Appendix B for allowable rates).
- **Payment Considerations:** The entire honorarium, including travel allowance, will be reported as taxable income (see Appendix A).

2. Reimburse Travel Separately:

- **How It Works:** The guest books and pays for their travel, and you reimburse them for eligible expenses.
- **What to Tell the Guest:** The guest should retain all receipts for travel, hotel, and meals, which will be reimbursed according to university policies.
- **Typical Expense Coverage:** Reimbursement covers coach-class airfare, standard hotel rates, and meals based on the federal per diem guidelines. Be sure the guest knows that above-standard accommodation or first-class travel will not be reimbursed (see Appendix B for full details).
- **Payment Considerations:** Travel reimbursements are generally **not** considered taxable income as long as proper receipts are submitted (Appendix A has more information on what qualifies).

3. Faculty Organizes Travel and Accommodation:

- **How It Works:** You handle all the arrangements for the guest's travel and accommodations, following the university's procurement policies.
- **What to Tell the Guest:** The guest should know that travel will be booked according to university policy, meaning coach-class airfare and standard hotel accommodation.
- **Important Note:** Only guests contributing directly to the event are eligible for covered travel and accommodations. Additional guests (e.g., family members or friends) are not eligible for university-paid travel expenses.
- **Additional Information:** See Appendix B for a complete guide on travel booking policies and eligible expenses.

6. What Is the Process for Paying an Honorarium?

Here is a quick checklist to ensure smooth payment:

1. **Document the Event:** Create a record of the event's purpose, the role of the guest, and the planned honorarium.
2. **Confirm the guest's eligibility for an honorarium.**
3. **Communicate and Seek Approval:** Regardless of the funding source, submit the event proposal, at least 3 weeks (15 business days) in advance, including honorarium details, to the department chair or area coordinator. Ensure the departmental partner is aware of the arrangement.
4. **Confirm with Guest:** Discuss and confirm arrangements with the guest, including honorarium, travel, and any expectations.
5. **Complete Approval:** Department chair and relevant partners review and approve the proposal.
6. **Complete Event:** Payments are issued after the event.

7. What If the Guest is a Foreign National?

Special steps must be taken for foreign nationals:

- The guest must have a visa type that permits honorarium payments (e.g., B-1, B-2, WB, WT).
- Non-resident guests may qualify for tax exemption under IRS Form 8233.
- Always consult with Finance_Delivery@iastate.edu to verify compliance.

8. Are Honoraria Considered Taxable Income?

Yes, honorarium payments are subject to IRS tax reporting requirements:

- **For U.S. Citizens and Residents:** Payments will be reported on IRS Form 1099-MISC if the amount exceeds \$600 in a calendar year.
- **For Foreign Nationals:** All payments, regardless of the amount, are reported on IRS Form 1042-S.

We recommend guests consult their tax advisors for more specific guidance.

9. What Happens If There's a Cancellation?

In the event of a cancellation—whether by the guest or the university—specific guidelines are in place to manage any financial or logistical impact. Both parties are expected to communicate cancellations promptly to avoid unnecessary costs or complications.

For full details on cancellation policies and procedures, refer to Appendix D.

Checklist for Faculty: Inviting a Guest and Arranging an Honorarium

1. **Document the Event:**
 - Purpose of the event.
 - Guest's role and expertise.
 - Proposed honorarium and travel amounts.
 - Confirm the guest's eligibility for an honorarium.
2. **Communicate with Department Chair and/or appropriate administrator and Departmental Partner:**
 - Submit the proposal for approval.
 - Ensure all key individuals (department chair, administrator in charge of the funds, departmental partner) are informed.
 - Additional communications or approvals may be required for special cases (e.g., high-profile guests, unusual arrangements). Consult with the departmental partner.
 - Inform College Communications team to add to events schedule and for promotion.
 - Receive departmental approval for the honorarium and event.
3. **Arrange Travel and Accommodations:**
 - Confirm the guest's availability, Clarify expectations (length of talk, topic, Q&A session, etc.), and discuss the logistics of their trip. Based on that conversation, choose one of the three standard options for guest travel and accommodation described earlier in this document.
 - Explain the chosen travel arrangement option to the guest, including tax implications and potential withholdings. Let them know that they may receive additional communications from the University requesting necessary information for payment processing (e.g., a W-9 form for U.S. citizens, or a W-8BEN form for foreign nationals).
4. **Complete the Event:**
 - Communicate with the Chair and the departmental partner about the successful completion of the event.
 - Submit all necessary documentation for payment to the Departmental Partner.
 - If appropriate, complete the following suggested best practices:
 - Send a thank-you note to the guest within a week of their visit
 - If the event was supported by a donor, coordinate with our development officer to send a thank-you note as well.
 - Collect feedback from attendees
 - Follow up on any commitments made during the visit (e.g., sharing resources, connecting students with opportunities)
5. **Process Payment:**
 - Ensure payment is issued **after** the event, including any tax reporting requirements.

Proposal Template to Seek Funding to Invite a Guest with Honorarium

We seek approval for funding to invite [Guest Lecturer's Name] as a guest lecturer for the [Event/Series Name] to be held on [Event Date]. This proposal includes offering an honorarium and covering associated expenses as outlined in the College of Design's guidelines.

Event Details:

- Lecture/Workshop Title: [Title of the Lecture]
- Date: [Event Date]
- Location: [Event Location]
- Audience: [Students, Faculty, Public, etc.]
- Additional commitment from the guest: [Participation in final project presentations, conversations with students, etc.]

Based on the College of Design's guidelines for honoraria, I propose offering [Guest Lecturer's Name] an honorarium of [amount]. This amount includes the below:

- Travel: [\$XX]
- Hotel: [\$XX]
- Meals: [\$XX] (reduced by the per diem amount for any group meals).

Additional Information: [Provide any additional context, including event objectives, the value of the guest lecturer's contribution, and how the event aligns with department/college goals.]

Thank you for your consideration.

Best regards,

[Your Name] [Your Position] [Department]

Honorarium Proposal and Approval Form

Please fill in the Smartsheet form on this link:

<https://app.smartsheet.com/b/form/ea569f2b30c744bf9090e9f43dc78630>

Appendix A: IRS Compliance and FLSA

Honoraria are considered taxable income and must comply with federal tax reporting regulations, including:

1. **IRS Reporting:**
 - **For U.S. Citizens and Residents:** Payments over \$600 are reported on IRS Form 1099-MISC.
 - **For Foreign Nationals:** All payments are reported on IRS Form 1042-S, regardless of the amount. Foreign nationals may qualify for tax exemption under IRS Form 8233.
2. **Tax Withholding for Foreign Nationals:**
 - Consult with Finance regarding tax withholding rules, as some countries have tax treaties with the U.S. that could affect the withholding rate.
3. **Fair Labor Standards Act (FLSA):**
 - Honoraria should not be used for substantial instructional duties or long-term engagements, as this may violate FLSA provisions regarding employee classification.

Appendix B: Travel and Procurement Guidelines

1. **University Procurement Policies:**
 - All travel-related expenses must follow the university's procurement guidelines, including the use of approved vendors for booking flights, hotels, and other services:
<https://www.procurement.iastate.edu/resources/payment-and-procurement-methods#Honoraria>
2. **Travel Reimbursements:**
 - Receipts must be submitted for all reimbursed expenses, and per diem rates should align with federal guidelines (GSA per diem rates for meals and incidentals): <https://www.gsa.gov/travel/plan-book/per-diem-rates>
3. **Fly America Act:**
 - For ***federally funded*** travel, guests must use U.S. air carriers unless certain conditions apply (e.g., no available U.S. carrier or significant cost savings).

Appendix C: Intellectual Property and Data Privacy

1. **Intellectual Property:**
 - Any materials created or presented by the guest remain their intellectual property unless a specific agreement is made in writing.

- The university reserves the right to record guest lectures or presentations for internal educational use, provided this complies with copyright and privacy laws.
2. **Data Privacy:**
- The university is committed to protecting personal and financial information collected from guest speakers. This data will only be used for honorarium processing and tax reporting and will not be shared externally except as required by law.

Appendix D: Cancellation Policies

Guest Cancellation:

- If a guest cancels their engagement without sufficient notice (typically less than 30 days before the event), any non-refundable expenses incurred by the university (such as travel bookings) may be deducted from future honorarium payments in accordance with applicable laws and regulations.
- This policy should be communicated to the guest when confirming their participation to ensure clarity and understanding.

University Cancellation:

- If the university must cancel or postpone the engagement due to unforeseen circumstances (e.g., severe weather, campus emergencies, or other force majeure events), the guest will be notified as soon as possible.
- Non-refundable travel or accommodation expenses may be covered or the event rescheduled, as appropriate. The university may also explore options for virtual participation.

Content Considerations:

- The University upholds principles of academic freedom and values diverse perspectives. However, in accordance with constitutional law and university policies, the University may place reasonable restrictions on the time, place, and manner of guest presentations to ensure they do not disrupt the university's functioning or infringe on the rights of others.
- Organizers must consult with their department chair if they have any concerns about a guest's planned presentation. In rare circumstances, the University may modify or cancel a presentation if it is determined to violate applicable laws or university policies, particularly those related to harassment, discrimination, or campus safety.

Appendix E: Glossary of Terms

- **Honorarium:** A one-time payment made to an individual as a token of appreciation for a special, non-recurring activity or event.
- **Per Diem:** A daily expense allowance when traveling, typically meals and incidentals.
- **Workday:** The University's system for financial and human resources management.
- **W-9 Form:** IRS form used to request taxpayer identification numbers for U.S. persons.
- **W-8BEN Form:** IRS form used to establish foreign status for tax purposes.
- **Form 1099-MISC:** IRS form used to report miscellaneous income, including honoraria, to U.S. persons.
- **Form 1042-S:** IRS form used to report income and withholding to foreign persons.
- **IRS Form 8233:** Used by non-resident aliens to claim tax exemption on honorarium payments under a U.S. tax treaty. Consult the finance office for guidance.