

Honoraria Payments: Employees

A department or unit may request to provide a small token amount (amounts less than \$250) to an ISU employee who assists in presentations, speaking engagements, and other non-research-related ISU activities¹. These token amounts should not be paid directly to the employee. These activities are included in the work provided by ISU employees in other duties as assigned, which is considered part of on-going responsibilities. Instead, the employee can receive the token amount within an unrestricted account to be utilized on expenses with an ISU business purpose (for example, professional development).

The appropriate mechanism is a manual journal between two unrestricted accounts. The only ISU Resource Types allowable for this entry are PI incentive accounts (IRT1074) and discretionary residual accounts (IRT1110)². The manual journal should utilize a “misc./other expense” spend category to credit expenses from the unrestricted account you want to receive the funds and debit the unrestricted account giving the funds.

Transaction Impact	Spend Category	Debit/Credit
Increasing overall expense and decreasing the available to spend	SC10824 Supplies – Other	DEBIT
Reducing overall expense and increasing the available to spend	SC10824 Supplies – Other	CREDIT

The “misc./other expense” spend category includes SC10824 Supplies – Other, SC10088 Services - Misc. and SC10247 Speakers & Lecturers. Please note that a transfer journal source is not allowed; only a manual journal can be used.

When effort devoted is above 5% or greater (not additional compensation activity³), then an adjustment to payroll allocations should be processed during the time period where effort was devoted. This will ensure the effort is reflected properly on an effort certification utilizing federal, federal flow-thru or corresponding cost share funds.

¹*These payments are for internal ISU activity only, these are not related to any work performed on a Fee for Service (FFS) program.*

² If the department requests to use funding outside of the approved ISU Resource Types, actual allowable expenses must be moved to increase or decrease spending authority

³*When the activity meets the threshold for additional compensation, then that request should be processed through HR. See [here](#) for information regarding Additional Compensation.*

Example 1: \$200 payment for John Smith, for a conference presentation in the 2021 Algae Biomass Conference in the Food Science Department (CALs). Dr. Smith is a professor in Biological Systems Engineering (ABE) who specifically studies Algae Biomass.

- Processed as a manual journal utilizing 6600: Services and SC10071 Seminars, Events as a negative expense as the work would fall under “other duties.”

Example 2: \$200 payment for Jane Doe, for refereeing an intramural soccer game. Jane is a professor in History and has no professional experience in Soccer.

- Processed as a one-time payment as the work is unrelated to the employee duties at Iowa State University.

Example 3: \$4,500 payment for John Smith (Smith’s salary is \$75,000 a year) for collaboration with Extension and Outreach to explore how macroalgae and microalgae can improve sustainability in aquaculture. John Smith is a professor in Biological Systems Engineering (ABE) who specifically studies Algae Biomass.

- Processed as a payroll allocation as effort is directly related to the individual's work and is a change greater than 5% of their overall effort.

Honoraria Payments: Non-Employees

Honoraria is a one-time payment to a person for services in a volunteer capacity for services for which fees are not traditionally required (ex: judge in a contest, participating in a panel discussion). Honoraria is not to be used for a company, business entity, or anyone who performs services as a career including: professional or technical advice or consulting, performances (comedic, dramatic, musical), and professional speakers.

The appropriate mechanism is to email a request for non-employee honoraria to finance_delivery@iastate.edu. Honoraria less than \$100.00 will be processed as an Ad Hoc Payment and will require a Conflict-of-Interest Form and an email or invoice. Honoraria \$100.00 or greater will be processed as a Supplier Invoice and will require a Conflict of Interest Form, a W-8 or W-9, and an email or invoice. [Professional Services Contractual Agreements](#) (PSCAs) under \$2,000 may be paid through an honorarium voucher. The entry should use Spend Category: SC10919 Honoraria.

Reference:

<https://www.procurement.iastate.edu/reg/psa/psa>

<https://www.procurement.iastate.edu/resources/payment-and-procurement-methods#Honoraria>