

Participant Support (including Stipend): a project-related payment (including stipend, materials, travel, other) made to non-UC employees or students, intended to offset costs associated with participation in the project. This payment type is not subject to Human Subject protocols, and is not 1099-reportable.

Honoraria Guidelines

An honorarium is normally a one-time payment granted in recognition of a special service or distinguished achievement for which propriety precludes setting a fixed price, such as a special lecture, participation in a workshop or panel discussion, or similar activities. If the fee is prescribed by the individual or if it is negotiated, an honorarium situation does not exist, rather a contract for services exists. Further, it is inappropriate to pay honoraria to individuals who make significant instructional contributions to a course, or to pay honoraria over several months, such as to visiting scholars. Honorarium payments are generally not allowable charges to federal funds unless a contract or grant specifically authorizes such payments.

Honoraria payments to non-University personnel

The maximum honoraria rate that can be paid to non-University personnel is \$10,000. All honoraria of \$10,000 or less require the written approval of a Dean, the University Librarian, or a Vice Provost. For approval of honoraria payments generated within a Research Control Unit, see note at the bottom of this page*. Exceptional honoraria paid to non-University personnel in excess of \$10,000 will require advance written approval by the Executive Vice Chancellor and Provost.

For further information, please see Section D-371-35 of the Accounting Manual.

Honoraria payments to UC Faculty from other campuses

The maximum honoraria rate that can be paid to University of California faculty is \$1,500 (with exceptions allowed up to \$3,000) per event. All University of California faculty honoraria payments of \$3,000 or less require the written approval of a Dean, the University Librarian, and Vice Provost. Exceptional honoraria paid to University of California faculty in excess of \$3,000 require written approval from the Office of the President.

Payment of honoraria to faculty from other UC campuses should be processed on an Intercampus One-Time Payment Form (UPAY 644C-T) and be routed through APO. All honoraria paid to University of California faculty must conform to the relevant provisions in the Academic Personnel Manual Sections 660 and 666. Note that State funds cannot be used for honoraria paid to University of California faculty.

Basis for Allowed Gifts (INCENTIVES)

Moderately-priced gifts made on behalf of the University to non-employees, students, or outside organizations are allowed when the gift benefits the University, is in furtherance of a University business purpose, and is clearly necessary to the University's fulfillment of its role as a good community citizen. The business reason for making the gift or the nature of the business benefit the University derives or expects to derive must be documented in writing. In most cases, the promotion of goodwill in the University community is an acceptable business purpose. The cost of such gifts must be reasonable in relation to the actual or expected benefits.

To avoid any appearance of favoritism or a conflict of interest, no officer or employee should present a gift on behalf of the University if it appears that the gift is being offered because of the position held by the recipient.

Other than a donation to a charitable organization in memory of or in support of an individual or cause, this policy does not permit cash gifts.

Campuses may establish more restrictive gift policies and procedures and dollar limits than those set forth in this policy.

- A volunteer, including a University retiree to acknowledge the contribution of time or other resources or for participation a University-sponsored activity
- A student or volunteer for participation in a research study, completion of a survey or questionnaire, or for participation in another University-sponsored event

Appreciation, Recognition, or Incentive

Items of more than minimal value. (e.g., a plaque, watch, logo item, book, non-negotiable gift certificate, tickets to a sporting, theatrical, or musical event, or a meal provided to an individual in appreciation or recognition).

<\$600 per individual²

Student awards for a noteworthy academic achievement or for participation in a University-sponsored activity.

Gifts to students / volunteers for participation in a research study or as an incentive to complete a survey or questionnaire. Door prizes and other gifts provided to non-employees to encourage participation a University-sponsored event are also included in this category.

Funding Restrictions

Each location is responsible for funding the gifts authorized under this policy subject to the following requirements:

1. State Funds

Expenditures for gifts may **not** be charged to State funds except for a gift awarded to a student for an academic achievement.

2. Contract and Grant Funds

Federal, local government, and private contract and grant funds may **not** be used to purchase gifts, unless such expenses are specifically authorized in the contract or grant and only to the extent and for the purpose(s) so authorized.

3. Non-State Funds

Various non-State funds controlled by the University (e.g., endowments, gifts, etc.) **may** be used to purchase gifts, in accordance with this policy and subject to any restrictions on those funds. In the event of a conflict between the terms of the funding source and University policy, the more restrictive policy shall apply.

Tax Reporting

Under Internal Revenue Service regulations, the University will report any gift or award with a value of \$600 or more provided to a non-employee on a

Form 1099. If a gift recipient is both a student and an employee, a determination must be made as to whether the receipt of the gift is dependent on the individual's employment relationship with the University. If the gift is not dependent in any fashion on the fact that the student was also employed by University (e.g., a student prize for outstanding course work), the gift will be treated as a non-employee transaction.

Departments should collect a Form W-9, Request for Taxpayer Identification Number and Certification, at events where cash prizes and awards will be distributed.

If the gift relates to the employee's employment with the University, the gift will be subject to the tax reporting rules set forth in Business and Finance Bulletin G-41. A taxable gift made to a foreign individual is subject to the reporting rules contained.