



Stipends and Honoraria

I. Purpose

This Standard Operating Procedure (SOP) establishes requirements for determining, approving, processing, and documenting stipend and honorarium payments. The purpose is to ensure that payments are appropriately classified, supported by documentation, consistent with University policy, and compliant with applicable sponsor requirements and federal regulations.

II. Scope

This SOP applies to University departments, faculty, staff, students, and administrators who request, approve, or process stipend or honorarium payments.

This SOP applies to payments funded by sponsored awards, including federal and non-federal awards.

III. Definitions

Stipend- a periodic payment made to support an individual's educational, academic, research training, or other qualifying activities. A stipend may be provided through a fellowship, scholarship, financial assistance grant, training grant, or similar program.

A stipend is not compensation for services rendered. It is intended to support the recipient while participating in an educational or training activity.

Examples of expenses that may be supported by a stipend include:

- Tuition and educational expenses
- Living expenses
- Subsistence
- Books and supplies
- Other incidental expenses associated with an educational or training experience

Honorarium- a voluntary, generally one-time payment made to an individual as a token of appreciation for participation in a special, non-recurring academic, educational, research, or public-service activity when no fee is legally or traditionally required.

An honorarium is not intended to fulfill a contractual obligation to pay for services.

IV. Roles and Responsibilities

Requesting Department

The requesting department is responsible for:

- Correctly describing the activity
- Determining the proposed payment classification
- Confirming eligibility
- Obtaining required approvals
- Providing complete supporting documentation
- Ensuring that sponsor requirements are satisfied

Principal Investigator or Program Director

When sponsored funds are involved, the Principal Investigator or Program Director is responsible for ensuring that the payment is consistent with the approved project and award requirements.

Human Resources/Payroll

Human Resources and Payroll are responsible for reviewing and processing payments that constitute compensation and for ensuring compliance with applicable employment and wage requirements.

Sponsored Programs

The sponsored-programs office provides guidance regarding sponsor and federal requirements, including allowability and treatment of stipends charged to sponsored awards.

Purchasing/Accounts Payable

Purchasing or Accounts Payable processes payments within their respective areas and applies applicable University payment, documentation, tax, and procurement requirements.

V. Procedure Steps

Before processing a payment, a determination must be made as to whether the payment is appropriately classified as a stipend, honorarium, wages, salary, or payment to an independent contractor.

The classification must be based on the nature of the activity and the relationship between the University and the recipient, not simply on the name assigned to the payment.

A stipend or honorarium must not be used to:

- Avoid wage and hour requirements
- Avoid minimum wage or overtime requirements
- Compensate an individual for services that would otherwise be paid as wages
- Circumvent employee or independent-contractor classification requirements
- Reclassify compensation as a stipend or honorarium solely because a sponsor permits or prefers that classification

University Human Resources, payroll, procurement, and sponsored-program policies, as applicable, take precedence over sponsor preferences when determining the appropriate payment

classification.

Step 1: Identify the Recipient and Activity

The requesting department must identify the recipient and clearly describe the activity or program associated with the payment.

Step 2: Determine the Appropriate Payment Classification

Determine whether the payment is:

- Stipend
- Honorarium
- Wages or salary
- Payment to an independent contractor
- Another type of University payment

If the recipient is performing services for the University, consult Human Resources, Payroll, Procurement, or the appropriate University office before proceeding.

Step 3: Review Funding Requirements

For sponsored awards, review the applicable award terms, approved budget, and sponsor requirements.

For federal awards, confirm that the stipend is associated with an allowable training or participant-support purpose and that any required sponsor approval has been obtained.

Step 4: Confirm Eligibility

Verify that the recipient and activity meet the requirements for the proposed payment type.

Step 5: Obtain Required Approvals

Obtain departmental, sponsor, and other required approvals before the payment is processed.

Step 6: Collect Documentation

Collect all required recipient, tax, immigration, program, sponsor, and payment documentation.

Step 7: Process the Payment

Submit the payment through the University's designated payment system and follow applicable Accounts Payable, Payroll, Procurement, or sponsored-program procedures.

Step 8: Retain Records

Retain documentation according to University record-retention requirements and any applicable sponsor requirements.

VI. Related Documents/References

The requesting department should maintain documentation sufficient to demonstrate the purpose, eligibility, approval, and amount of each payment.

Documentation should generally include:

- Recipient's name and identifying information required for payment
- Description and purpose of the activity
- Dates of the activity
- Classification of the payment as a stipend or honorarium
- Funding source and account information
- Sponsor approval, when applicable
- Departmental approval
- Supporting award or program documentation
- Applicable tax or payment forms
- Documentation required for foreign visitors, when applicable

Honorarium

- Honorarium request form.
- Event agenda or invitation.
- Approval documentation.
- Payment request.

Contractual Services

- Executed contract.
- Scope of work.
- Procurement documentation, if applicable.
- Invoice.
- Payment authorization.

Additional documentation may be required by university policy, the sponsor, Payroll, Accounts Payable, Procurement, or other responsible offices.

VII. 7. Recordkeeping Requirements

All records should be stored by the sponsor, Contracts and Grants, Payroll, Accounts Payable, Procurement, or other responsible offices.

Approving Authority:

History: