

CANADORE COLLEGE

OPERATIONAL POLICY

TITLE: Honorarium Payments**EFFECTIVE DATE:** February 4, 2026**1. SCOPE****1.1 Authority**

This policy is issued under the authority of the President.

1.2 Application

This policy applies to all payments, other than payroll compensation payments, made to individuals.

2. PURPOSE AND PRINCIPLES

The purpose of this policy is to ensure the College complies with Canada Revenue Agency (CRA) issued guidelines when issuing honorarium payments.

3. POLICY**3.1 Honorarium Payments**

The College may occasionally provide honorariums to individuals who have been invited to provide a unique service. An honorarium is a nominal payment made to a person for their services in a volunteer capacity, or for services for which fees are not traditionally or legally required, in order to recognize or acknowledge the contribution of gratuitous services to the College.

3.2 Payments to Employee

Honorariums paid to individuals who are otherwise employees of the College (e.g., staff, faculty, or students performing employment services for the College) will be treated as employment income and subject to deductions at source for Income Tax, Canada Pension Plan contributions and Employment Insurance premiums. The payment must be nominal (\$500 or less) and must be for services provided outside the individual's regular responsibilities. Any such additional payment to an employee will always be processed through payroll. These payments will be reported on the employee's T4.

3.2.1 Honorariums will not be paid to college employees, students, contractors, companies or any other individual providing a service to the College and expecting

payment. The provision of services to the College must follow the [Purchasing Policy C-16](#).

3.3 Payments to Non-Employees

3.3.1 **Residents of Canada:** An honorarium paid to a resident of Canada who is not an employee of the College is not subject to tax deductions at source; however, this does not mean that the recipient does not have to pay taxes on the amount received. The individual will be issued a T4A for the payment and, when the individual files their tax return for the applicable year, any taxes owing on the amount paid will be assessed by the CRA.

3.3.2 **Non-Residents of Canada:** Where the service was performed in Canada, honorariums paid to non-residents of Canada are subject to a flat rate income tax deduction and are reported on a T4A-NR. If the service was performed outside of Canada, there is no tax deduction or reporting requirements.

3.4 Payments to Indigenous Elders/Participants

The College recognizes the importance of honorariums to Indigenous community members in a culturally sensitive way; these payments are most often considered “gifts”. The participant’s legal name, home mailing address, and Social Insurance Number (SIN) must be included on the “Request for Honorarium” form. A T4A will still be produced in cases where a SIN has not been provided.

3.5 Tax Implications

The CRA views honorariums as taxable income. All individuals receiving cumulative annual payments totaling \$500 will receive a T4A. The individual’s SIN must be collected to complete this necessary tax reporting. The CRA may impose penalties and associated fees, fines, and interest on the College for incomplete reporting.

3.6 Gifts of Appreciation (Non-Financial)

In addition to honorariums, gifts of appreciation are often presented at the conclusion of an event or ceremony. Non-monetary gifts may be given in addition to, or instead of, the honorarium. With prior approval from the Manager of Financial Services, gifts can be purchased using a corporate credit card and/or an expense claim may be submitted through the expense reimbursement process if purchased out of pocket.

4. **ROLES AND RESPONSIBILITIES**

4.1 President

The President is responsible for the overall management and operation of the College. The President will ensure that the policy is implemented and that compliance is monitored.

4.2 College Senior Financial Officer

Changes to this policy will be processed through the College's Senior Financial Officer.

4.3 College Departments

4.3.1 Department Heads are responsible for:

- Obtaining honorarium information;
- Approving honorarium payment; and
- Submitting honorarium information to Financial Services.

4.3.2 Financial Services is responsible for:

- Ensuring the Honorarium Payments Policy is adhered to;
- Issuing honorarium payments;
- Collecting, consolidating and reporting all payments to individuals; and
- Preparing and issuing T4A.

5. **EVALUATION**

This policy shall be reviewed every 3 years.