

## **HONORARIUM AND INDEPENDENT CONTRACTORS**

### **Background**

An honorarium is typically a small payment made on a special or non-routine basis to an individual who is not an employee of the Board, to recognize or to acknowledge the contribution of gratuitous services to the Board. An honorarium is a payment made to a person that does not represent a full compensation for time and effort expended. It may also be a payment for which a fee is not traditionally or normally charged.

Examples would be a payment to a non-professional guest speaker or lecturer as a “thank you” as a gesture of good will and appreciation, or a token payment for other unique, incidental and infrequent services not traditionally required on an on-going basis.

Examples include:

- A special classroom lecture or short series of such lectures by an external party.
- Conducting a seminar or workshop.
- Serving as guest speaker at an educational event or other similar function.
- Participating as a guest speaker at outreach events.
- Assistance for set up or supporting activities at special events.

### **Procedures**

#### **1. Independent Contractors**

- 1.1 On occasion, services are provided to schools by independent contractors that may not be registered as a Business with the Canada Revenue Agency (CRA). In cases where the status of the contractor is unclear (the contractor has not provided a CRA/GST Business Number), the use of the attached form is required to process any payment for services. The completion of the form will be required for all invoices for services that do not have a CRA Business Number or GST Number.

#### **2. Income Tax**

- 2.1 The payment of honorarium or for services provided by Independent Contractors must be done in accordance with the Canadian Tax legislations. Canada Revenue regulations state that all services provided by independent contractors and honorariums exceeding five hundred dollars (\$500.00) cumulatively in one (1) calendar year are to be considered a taxable benefit and must be reported by the Division through a T4A form.

3. Visiting Speakers from Other Countries
  - 3.1 Visiting speakers that are non-resident of Canada must provide a CRA Tax Waiver with their Individual Tax Number (ITN). More information is available on the CRA Web Site.
  - 3.2 Request for payment to a non-resident must be made at least 90 days in advance prior to the engagement
4. Approval of Honorariums for School Based Activities
  - 4.1 Employees cannot not engage or commit the school to acquire the services of any individuals or companies unless they are delegated such authority by the Superintendent.
  - 4.2 The approval authority will normally rest with the Principal and cannot be further delegated.
  - 4.3 The payment of honorarium will adhere to the fee schedule published by the Division.
  - 4.4 All honorariums must be budgeted and included in the school budget documents.
5. Rate
  - 5.1 The honorarium rates are set to match the payment made to Substitute Teachers. The rates for 2020 are:
    - 5.1.1 Half-day (four (4) hours or less): \$ 126.00
    - 5.1.2 Full-day (more than four (4) hours): \$ 225.00
  - 5.2 When calculating the hours, the travelling time to and from the venue will be calculated for speakers/contractors residing in the Regional Municipality of Wood Buffalo (RMWB).
6. Travel
  - 6.1 Reimbursement of travelling costs may be authorized for speakers/contractors travelling from outside of the RMWB.
  - 6.2 The reimbursement of travelling costs will be limited to actual costs and must be authorized in advance of the engagement.
7. Payment of Honorarium or for Services provided by Independent Contractors
  - 7.1 All payment of honorariums or of services provided by independent contractors shall be made by the Finance Department. Principals must submit the "Request for Honorarium or Services by Independent Contractors" to the Finance Department at least ten (10) working days before the event.
  - 7.2 An honorarium is considered be taxable income and should be reported by the recipient on their tax return individuals' taxation T4 forms. The School Division will issue a T4A at the end of the taxation year as required.
  - 7.3 Payment for any types of honorarium or for services provided by individual or independent contractors shall be processed by the Finance Department. The use of school funds (eFund) or cash is strictly forbidden.

## 8. Conflict of Interest or Related Parties

- 8.1 Any conflict of interest or payment to related parties must be disclosed in writing to the Principal and to the Secretary-Treasurer prior to approval.
- 8.2 The disclosures will be retained on file and made available to the Board's external auditors for review.

---

Approved: January 2018  
Revision June 2020

Reference: Section 51, Alberta Education Act  
CRA – RC4157 Deducting Income Tax / Filing T4A and Summary



# REQUEST FOR PAYMENT - HONORARIUM OR SERVICES BY INDEPENDENT CONTRACTORS

*This form must be used to request payment of all honorariums or fees for services provided by independent contractors/self employed individuals not under contract with the Board.*

*It is required to ensure compliance with Canadian Income Tax laws and regulations.*

*Visiting speakers from other countries (non-resident of Canada) must provide a copy of their CRA Tax Waiver with their Individual Tax Number (ITN).*

Name of Event: \_\_\_\_\_

Date of Event: \_\_\_\_\_

School: \_\_\_\_\_

Description of event or Purpose:

*(Include breakdown of time and effort being recognized to justify amount)*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Staff person in charge of event: \_\_\_\_\_

Phone Extension: \_\_\_\_\_ E-Mail \_\_\_\_\_

## **Payment Recipient:**

Name of payee \_\_\_\_\_

Mailing Address \_\_\_\_\_

Contact information: Telephone # \_\_\_\_\_ Email : \_\_\_\_\_

Social Insurance Number or CRA Business Number: \_\_\_\_\_

Amount \$ \_\_\_\_\_ Pickup or Mail (*circle one*)

Name of Program or Code : \_\_\_\_\_ Cost Centre: \_\_\_\_\_

Approved by: \_\_\_\_\_ Date Submitted: \_\_\_\_\_

Signature of approval authority: \_\_\_\_\_

***Cheque will be available 10 working days after receipt of request by Finance Department***

***Payment will not be issued without all information being provided***

***Conflict of interest or engagements with related parties must be disclosed  
in writing to the Secretary-Treasurer***