



Administrative Procedure 4390 HONORARIUMS

Responsibility:	Superintendent of Business Services and Treasurer of the Board
Legal References:	<i>Education Act, R.S.O., 1990, c.E.2</i> <i>Income Tax Act, R.S.C., 1985, c. 1.2</i>
Related References:	<i>Broader Public Sector Accountability Act (2010)</i> <i>Board Policy 4005, Procurement</i> <i>Administrative Procedure - 4570 Procurement;</i> <i>Board Policy-4720 Accounts Payable</i> <i>Board Policy 4360- Principles of Business Conduct for Board Employees</i> <i>FS-20-AS3 – Request For Honorarium or Payment of Fees For Services Provided By An Individual</i>
Revisions:	
Reviewed:	February 2025

1. Preamble

The Waterloo Region District School Board (WRDSB) defines an honorarium payment as a gesture of reciprocity to individuals in recognition of their services in a volunteer capacity or for services for which fees are not traditionally required. It is not a payment to compensate an individual for their time or expense, but only a gesture of respect and gratitude to show the WRDSB's appreciation.

As such, it is inappropriate to use an honorarium for repetitive payments, part-time employment or independent contractor relationships.

2. Definitions

- 2.1. Honorarium: Any token of recognition for acts or professional services for which custom or propriety forbids a price to be set.
- 2.2. When an honorarium is more than a token, it can be deemed that the WRDSB is compensating an individual for their time and expense, hence rules of income determination within Canada Revenue Agency needs to be considered.
 - 2.2.1. An honorarium is a thank you gesture for nominal value for voluntary services provided by someone who is NOT an employee of the WRDSB.
 - 2.2.1.1. Examples include, but are not limited to, a payment to First Nations, Métis and Inuit Elders and Knowledge Holders as a gesture of reciprocity for their role in knowledge sharing, cultural teaching, support and ceremony.
- 2.3. Official: Any employee or Trustee of the WRDSB, or any person identified as an official by Trustee resolution.

- 2.4. Related Persons: Would include a person's spouse, child, grandchild, parent, grandparent, sibling and includes his or her spouse's parent, child, grandchild or grandparent and shall also include any other person permanently residing in the person's household.
- 2.5. Sole Source: Any contract for unique requirements such as considerations or requirements such as language and knowledge of community or for instances of emergencies.

3. Regulatory Restrictions

- 3.1. In accordance with the [Education Act s. 217 \(3\)](#), any WRDSB employee is prohibited from receiving compensation of any kind other than their salary as an employee.
 - 3.1.1. For clarity, s. 217 (3) of the Education Act states that “no person or organization or agent thereof shall employ a teacher, supervisory officer or other employee of a board or of the Ministry to promote, offer for sale or sell, directly or indirectly, any book or other teaching or learning materials, equipment, furniture, stationery or other article to any board, provincial school or teachers’ college, or to any pupil enrolled therein, or shall, directly or indirectly, give or pay compensation to any such teacher, supervisory officer or employee for such purpose.”

4. Honorariums

- 4.1. All employees of the WRDSB are ineligible to receive Honorarium payments. The Canadian Revenue Agency considers ALL honorarium payments to employees as employment income and fee for service payments to be considered taxable income under the Income Tax Act.
- 4.2. An Official shall not use his or her office or employment for a Financial Benefit for himself or herself or for Related Persons to the detriment of the interests of the WRDSB. An Official has a conflict of interest if he or she exercises an official power or performs an official function knowing that in doing so, there is the opportunity (or the perception thereof) to further his or her private interest or the interests of his or her Related Persons.
- 4.3. An honorarium amount is not negotiated or prescribed, and the amount does not change depending on the hours of service.
- 4.4. An honorarium payment should be infrequent in nature and rarely exceed \$500 to a single payee in a calendar year.
 - 4.4.1. Amounts exceeding \$500 per individual per year are considered taxable by the Canada Revenue Agency and must be reported on a T4A.
- 4.5. Social Insurance Numbers (SIN) may be requested of Indigenous individuals, however they may choose not to provide it and will not be pressured to do so.

5. Process

5.1. Determine the method and timing of payment:

- 5.1.1. Cultural protocol may require the honoraria to be given prior to the start or directly following an event but in other circumstances it may be acceptable to distribute after the fact. The event coordinator should speak with the individual (i.e. Elder, Knowledge Holder, speaker) directly to determine their cultural protocol.

5.2. Payment by Cheque

- 5.2.1. Cheque payment is recommended when making honorarium payments.
- 5.2.2. Complete the [Request for Honorarium Form](#) (for each person receiving an honorarium) and submit per the instructions. Ensure that there is sufficient lead-time for Accounts Payable to process the request. Typically, 3 business days.

5.3. Payment via Cash/Cash equivalent (e.g. gift card)

- 5.3.1. In some cases, it may be necessary for the honorarium to be presented in cash at the event, or when the name of the individual (i.e. Elder, Knowledge Holder, speaker) is unknown in advance of the event. If these circumstances arise, please contact Financial Services directly (finance-ap@wrdsb.ca).

Appendix A - Honorarium Quick Tips

What is an honorarium?

- Honorariums are recognized by Canada Revenue Agency as small payments that are not subject to the usual tax rules.
- The criteria for these payments are:
 - They are nominal - \$500 or less in a calendar year;
 - They are made to an individual for voluntary services for which fees are not legally or traditionally required;
 - They are not reflective of the value of the work done;
 - They are made on a one-time or non-routine basis to an individual as a 'thank you'.

When is an honorarium appropriate?

- The individual receiving the honorarium is not a WRDSB employee;
- Guest speakers at professional development days or education events;
- Classroom speakers and guest lecturers;
- Conducting a seminar or workshop;
- Payment to volunteers for supporting special events;
- Non-Employees (i.e. not on WRDSB payroll).

When is an honorarium NOT appropriate?

- The individual receiving the honorarium is a WRDSB employee, or the provision of an honorarium could (or may be perceived to be) furthering the private interests of a WRDSB employee or any of their Related Persons.
- When payment terms are negotiated and agreed upon (i.e. invoice, quote for pricing).
- When the individual receiving the honorarium performs the requested service for a living.

Are honorariums subject to tax deductions?

- Payments are not subject to source deductions. However, per CRA guidelines, individuals will be issued a T4A when payments exceed \$500 on a cumulative basis in a calendar year. This would include honorariums to trustees (both regular and student).

Process

- Request for Honorarium Payment form must be completed. No other payment forms will be accepted.
- Completed forms must be submitted to Accounts Payable (finance-ap@wrdsb.ca) 3 business days prior to the event in order to receive the physical cheque before the event occurs. All cheques need to be picked up at the Education Centre.
- Any incomplete forms will be returned to the preparer for completion.
- Accounts Payable forwards honorarium forms to payroll to process T4As.