The University of Alberta recognizes the importance of honorarium to **First Nations, Métis and Inuit individuals (FNMI)** in a culturally sensitive way. These payments are most often considered ‘Gifts’ - a long Inherent and Traditional Custom in most Indigenous cultures today. Procedures, guidelines and forms are available to assist faculty and staff when making these payments.

**Honoraria, Travel/Incidental Reimbursement - Protocol and Process:**

- **Honoraria** should not be viewed as a payment for service, but as a gift in exchange for Traditional Knowledge, for Ceremony and/or blessings.
- They should be presented on the day of the event or ceremony (cash only).
- All honoraria payments (regardless of method of payment) are subject to tax reporting as per Canada Revenue Agency regulations so the following information must be collected from all individuals receiving a payment.
  - Existing CCID (if applicable)
  - First and last name
  - Social Insurance Number
  - Current home mailing address
  - Direct deposit/banking information should individual choose to have money directed to their financial institution
  - Event detail (description, date, etc.)
  - Value of payment
- **Incidental Expenses or Travel Reimbursement:** If engagement of a FNMI individual requires travel, it is appropriate for the institution to provide remuneration for these expenses. These expenses can include but are not limited to kilometer rate, meals (allowance rate), parking and accommodations. Normally, reimbursement is processed by using the Non-Employee Travel Expense Process. However, in certain circumstances, it is allowable to use the Cash Payment Process (see processes outlined below). There is no tax reporting requirements as it relates to incidental expenses.

**Current practices or customs for honorarium payments and gifts include but not limited to:**

- Monetary gift (cash, cheque, direct deposit)
- Gifts of appreciation (cards, U of A swag, etc.)
- Incidental expenses (kilometer rate, meals, parking etc.)

**Areas of Responsibility (faculties and departments):**

- Faculty Office – First point of contact for protocols and guidelines relevant to that Faculty.
- Supply Management Services – Approval and resource for Cash Payment Process, payment information and training, central reconciliation of Cash Payment Process; processing and payment of non-employee travel expense payments.
- Financial Services – Petty Cash Process
- Human Resources – Collecting, consolidating and reporting all payments issued to FNMI individuals (cash, cheque or direct deposit through payroll) and preparing tax slips as per CRA regulations (T4A).
**Quick Guide**
Choose the appropriate payment type (honoraria, gift and/or incidental expenses) method.

**Cheque or Direct Deposit Honorarium (form collected and payment remitted after event):**

Use the First Nations, Métis and Inuit Payment form to make cheque or direct deposit payment directly to the payee (applies to non-employee only).

Payment Timelines: Payment is processed after the event and can take 7-14 business days to complete depending on when it was submitted to Human Resources.

**Cash Honorarium (remitted at event, cash payment):**

In some cases, it may be appropriate to make a presentation of an honorarium in cash as a gift of appreciation during a ceremony. In other circumstances cash is provided when the name of the payee may not be known in advance of the event.

Cash Payment Process: The Cash Payment Process is approved by Supply Management Services (SMS) and is intended to be utilized for amounts greater than $1000.00 the funds are obtained by the faculty/staff member requesting and/or making the honorarium payment. The employee applies for a cash advance and once approved (by the budget owner), the funds are deposited to the employee bank account. They are responsible for safeguarding the funds; providing the payment, obtaining a completed Cash Payment Form and reconciling the cash payment once all payments are completed (complete instructions are available from SMS, Cash Payment Process).

Petty Cash Procedure: If all other payment methods are deemed not to be feasible, the petty cash procedure may be used. Petty cash is requested by submitting a completed Petty Cash Requisition Form to Financial Services. Petty cash requests must include justification for the petty cash rather than using another payment form (e.g. cash payment process, expense reimbursement, payroll), type of activity the funds will be used for and a budget of how funds are expected to be distributed. When using Petty Cash of any amount; a First Nations, Métis and Inuit Payment Form must be completed for each recipient and submitted to the department/faculty and Payroll as appropriate.

Payment Timelines: Both cash payment processes require pre-planning of 7-10 business days prior to the event to ensure cash is in hand at the event.

**Gifts of Appreciation (non-financial):**

In addition to honoraria, gifts of gratitude are often presented at the conclusion of the event or ceremony. Non-monetary gifts may be given in addition to or instead of the honoraria. Gifts can be purchased using a Corporate Purchasing credit card (PCard) and/or an expense claim may be submitted through the expense reimbursement process if purchased out of pocket.
Incidental Expenses:

If engagement of a FNMI individual requires travel, it is appropriate for the institution to provide remuneration for these expenses. These expenses can include but not limited to kilometer rate, meals (allowance rate), parking and accommodations. The remuneration is based on the rates provided within the Travel Process and Expense Procedures within UAPPOL. An expense claim is completed by using the Non-Employee Travel Expense Form and submitted to SMS-Payment Services. The payment is completed by cheque and mailed to the payee.

Alternately, cash may be provided for incidental expenses however requires record keeping that includes amount, event type, signature & name upon receipt by payee and signature & name of payer.

There is no tax reporting requirements as it relates to incidental expenses.

Payment Timelines: Incidental expenses can be remitted through cash, cheque and EFT; payment timelines are identical to the honorarium payment schedule.

Recommended Honorarium: (The amounts indicated below are a recommendation only; consideration is based on budgetary requirements of the unit and what is deemed meaningful in each situation)

The remuneration for each activity will vary depending on time allocation, type of event and recipient. In an attempt to have payments remain consistent across campus, a range has been provided.

**Elders and Traditional Knowledge Keepers** (events such as opening prayer, guidance, Tipi teachings and setup and/or closing prayer)

- Half day $150 - $250 (0-4 hours)

**Cultural Artist** (activities such as sewing, beading, tufting, drum making and quilling)

- Half day $150 - $250 - plus supplies (0-4 hours)

**Master of ceremonies** (facilitator) Half day $150 - $250

**Traditional Performers**

- Powwow dancers - Half day $150 (0-4 hours)
- Powwow singers - Half day $150 (0-4 hours)
- Host drum - Half day (includes multiple drummers) $1500 - $2000 (0-4 hours)
- Hand Drummer (one traditional drummer) - Half Day $50 - $150 (0-4 hours)
- Jiggers, Dancers, and Fiddlers $50 - $150 (0-4 hours)
- *Note: Expenses are not included in these amounts

**Tax Implications and Consideration:**

The Canada Revenue Agency (CRA) views honorarium payments as taxable income therefore FNMI individuals receiving any payments will be issued a T4A (as other income - Box 028, with no tax deducted at source). Because there is no tax deducted a TD1-IN E(18) is not required. The payee’s Social Insurance Number (SIN) must be collected to complete this necessary tax reporting. The CRA may impose penalties and any associated fees, fines and interest to the University for reporting that is incomplete.
**Employment Status:**

For those individuals that hold an employment relationship with the U of A and would be eligible for an honorarium payment; payment request should be submitted to the Human Resource Services payroll department for processing of the payment through direct deposit. (Pay Action Form).

For those employees that are living and working (employment) on a reserve and who have Indian Status under the Indian Act are required to complete the TD1-IN E(18) and forward completed form to the Manager Payroll - tracy.berthelette@ualberta.ca

**TD1-IN E - Determination of Exemption of Indian’s Employment Income**

**Payment Timeline:**

Human Resources and SMS-Payment Services will make every effort to accommodate quick turnaround times for payments. The requesting department/faculty is encouraged to plan ahead and give a minimum of seven working days to ensure that their payment is available for presentation at the event.