UVic recognizes the importance of making payments to Indigenous payees in a culturally sensitive way. Specific procedures, guidelines and forms have been developed to assist faculty and staff making such payments.

Quick Guide

Choose the appropriate payment method
You must decide the appropriate payment method.

Cheque or Direct Deposit:
Use the Payment Request – Indigenous Payees form to make payment directly to payees. Where the payee has a completed direct deposit application form on file, Accounts Payable will respect those instructions as the preferred method of payment. Accounts Payable will contact the requesting department to confirm the method of payment the payee has on file. If payment is not available at the time of the event or ceremony, the event coordinator should follow up with participants directly as to the status of their payment.

Cash:
In some cases, it may be appropriate to make a presentation of an honorarium in cash as a gift of appreciation during a ceremony, or the name of the payee may not be known in advance of the event. These types of payments can be facilitated by using the Accountable Advance Request – Indigenous Events/Services form. The faculty/staff member requesting the payment will be issued a cash advance in their name, which they are responsible for safeguarding and for subsequently providing the payment details on the clearing form.

Consider the tax implications
The Canada Revenue Agency (CRA) views honorarium payments as taxable income. Payees receiving cumulative annual payments totalling more than $500 will receive a T4A. The payee’s Social Insurance Number (SIN) must be collected in order to complete this necessary tax reporting. The CRA may impose penalties for reporting that has incomplete information.

Understand the importance of location
Services performed by an individual with a status number on a reserve are tax exempt.
and will not be included on any T4A reporting.

**Collecting payee’s personal information**

The types of personal information that must be included on the payment request depend on the location of the event and the amount of the payment. In general, the payee’s name and address are required for payments over $25. Their status number is provided in lieu of their SIN number when the service is performed on a reserve. For events located off a reserve, the payee’s SIN number is required for payments over $100. Refer to the *Step-by-Step Payment Guide – Indigenous Payees* for specific information regarding the personal information to be including with the request.

**Determine employment status**

Honorarium payments made to UVic employees, regardless of the reason, need to be included as a part of the employee’s employment income and be reported to CRA on their T4. If the payment is being made directly to the employee either by cheque or direct deposit, the payment must be requested on the *Special Payments* form and submitted to Payroll.

Where payment in cash has been made to an employee as a part of a ceremony or event, a copy of the *Accountable Advance Clearing – Indigenous Events/Services* form will be provided to Payroll and the payment amount will be included in the employee’s taxable income as a taxable benefit (depending on location). The applicable statutory deductions will be taken in the next available pay period.

**Ensure a sufficient payment timeline**

Accounts Payable will make every effort to accommodate quick turnaround times for payments but the requesting department 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 or within the required timeframe.

**Payment cancellation**

Contact Accounts Payable to coordinate the cancellation of any payment made.

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Requesting departments are encouraged to contact Accounts Payable to work together to ensure that payments are made in a timely and efficient manner.

For more information, please contact Accounts Payable at 250-472-4525 or at askacct@uvic.ca.