**PURPOSE**

To describe the proper handling of payments to, and procurement from, non-employees* performing services in support of the University's operations and to establish responsibility for the approval of such payments.

*The Human Subject Fee is the only category in which employees may be paid other than an additional pay.*

**DEFINITIONS**

**Hiring Manager**

The individual responsible for the hiring of a temporary employee or for procuring services of an independent contractor.

**Human Subject Fee**

A human subject fee is a payment that represents remuneration and/or reimbursement to individuals participating as subjects in a research project.

**Honoraria**

An honorarium payment is a gratuitous payment of money or other thing of value to a person for the person's participation in a usual academic activity for which no fee is legally required. Honorarium payments are provided as a token of appreciation for participation in an activity or event, and not as a contractual obligation to pay for services rendered.

**Limited Engagement**

A Limited Engagement is a service provided by an individual who performs a service of an academic nature, short duration, and/or low dollar amount ($1,000 or less per transaction; $5,000 per year max). This is intended for the following services, meeting the fee guidelines:

- Academic guest speaker, presenter, or special lecturer
- Distinguished guest speakers at University functions
- Artist, performer
- Writer, editor
- Board members, critics, preceptors, and mentors
Independent Contractor

An independent contractor is a non-employee, as determined by the University according to applicable law and the procedures set forth below.

POLICY

1. It is the responsibility of the person initiating the payment request (hiring manager) to follow the guidance of the policies listed below for each category of payment being made to an individual.

2. Individuals who are currently employees of the University, University of Pennsylvania Health System (UPHS) or a subsidiary or individuals who have been employees of the University, UPHS or a subsidiary would be compensated through the University's payroll. Payments to the preceding must be made pursuant to Policy #2320 – Extra Compensation for University Employees.

3. The payment of Human Subject Fees to employees and non-employees must be made pursuant to Policy #2319.1 - Payment of Human Subject Fees.

4. The payment of Honoraria to non-employees must be made pursuant to Policy #2319.2 – Payments Made for Honoraria.

5. Payments to non-employees for Limited Engagements must be made pursuant to Policy #2319.3 – Payments Made for Limited Engagements.

6. Payments to Independent Contractors must be made pursuant to Policy #2319.4- Procurement – Procurement, Payment, and Reporting of Independent Contractors.