

**Removing Barriers for Payment and Guidelines for Compensation when Working with
Members of Communities (Individuals and Sole Proprietors)**
Endorsed by UTSC Joint Executive May 9, 2023
Subject to ongoing review

Preamble:

This resource has been developed to help clarify processes for payment, remove barriers, and ensure culturally appropriate compensation, particularly when working with individuals bringing community-based knowledges to U of T Scarborough (UTSC), including Indigenous communities. In doing so, it reflects core principles and values around community engagement and process improvement related to service excellence articulated in UTSC’s Strategic Plan, *Inspiring Inclusive Excellence*, and the campus’s partnership framework: accountable stewardship, relational accountability, and commitment to ongoing reevaluation and dialogue. The resource is also a direct response to recommended action 5.1 in the Working Circle report:

- 5.1. Establish promising practices for compensating guest speakers that will:
 - 5.1.1. Ensure consistent approaches and resourcing across the campus that value the knowledge and time of community members who are invited into courses;
 - 5.1.2. Minimize barriers and impacts on community partners in processing honoraria;
 - 5.1.3. Enable alternative and culturally appropriate methods of compensation.

Academic Context and Definition of Community

The focus of this resource is on the academic context at UTSC, including guest speakers invited to contribute to courses and engagement with research initiatives.

“Community” is understood here to refer to individuals and organizations within Canada, including community partners from Scarborough and the Durham region as well as Indigenous communities. When community members contribute to the academic experience at UTSC, they are often doing so because of the distinct lived experience that they bring. They are also contributing time that in some cases may take them away from other paid employment. This resource aims to ensure that the knowledge and expertise that community members bring to UTSC is appropriately valued and that the processes for compensation are clear, culturally appropriate, and barrier-free.

This resource has been developed in dialogue with Financial Services, Human Resources, the Equity, Diversity, and Inclusion Office and Indigenous Initiatives, the Community Partnership and Engagement Department, the Dean’s Office, and representatives from academic departments who are working actively with communities. Some aspects of these processes connect also to ongoing tri-campus conversations. We welcome feedback, particularly if you have encountered barriers that you do not see resolved in the information included below.

What is the recommended amount for honorarium payments?

Planning for honoraria for community members is not the same as an honorarium for a visiting academic for whom presentations are a part of their professional role and service contributions. When determining an appropriate amount, it is vital that the knowledge, time, and experience being shared is recognized, particularly if this is connected to the lived experience of an individual. While consistent practice is a priority, open dialogue about what might constitute appropriate and equitable compensation is also crucial.

The Canadian Artists Representation ([CARFAC](#)) Guidelines, which outline a “minimum wage” standard for artists and creative practitioners, provide a helpful reference point. For 2023 CARFAC recommends **\$335 for a half-day (under 4 hours) and \$591 for a full day (over 4 hours)**.

In some cases, guest speakers (or the community organization they represent) may have a fee for their contributions which would be invoiced to the university.

If gift cards are being used for compensation (see guidance for relevant scenarios below) it is important to ensure that amounts reflect the expertise and contributions of the invited speakers.

While the university can pay either an individual or an organization for services rendered, it may not make a charitable donation to an organization.

Departmental Pedagogies of Inclusive Excellence ([PIE](#)) funding can be used to support these costs for visits that are connected to courses, teaching and learning, and curricular initiatives.

Are there other costs that should be factored into planning?

When working with community members, planning for a visit should also encompass other relevant supports. Such needs might include transportation, childcare, and/or support for a helper or family member(s) accompanying the individual. Whenever possible, planning should be done in advance to ensure that guests are not holding expenses. This includes covering any travel or mileage costs up front whenever possible.

Providing clear information in advance and, where needed, offering assistance for completion of institutional paperwork is also important, particularly if a guest does not have ready access to a printer or scanner.

If you are working with a community partner for the first time, please consult with the Department of Community Partnerships and Engagement (communityinfo.utsc@utoronto.ca).

What if I am working with an Indigenous individual, Elder, or Knowledge Keeper?

If you are working with an Indigenous individual, Elder, or Knowledge Keeper, please consult with Indigenous Initiatives in the Equity, Diversity, and Inclusion Office at UTSC for guidance, including protocols around making a request, presentation of tobacco, and preparing payment for the day of an event (edio.utsc@utoronto.ca and indigenousinitiatives.utsc@utoronto.ca). It is recommended that a relational

approach be taken so that an Elder or Knowledge Keeper is not simply invited to e.g. open an event as a one-off.

The tri-campus Office of Indigenous Initiatives is currently developing a working group to look at guidelines for compensation for Elders and Knowledge Keepers.

How are payments to individuals processed?

Payments to individuals are processed either by Financial Services or Payroll Services, depending on the amount: payments \$500 and above per calendar year are processed through Payroll Services and amounts under \$500 are processed through Financial Services. Honorarium payments of \$500 and above are subject to tax reporting as per Canada Revenue Agency regulations. Please refer to the attached process flowchart for details.

If individuals have an existing personnel number and their status is active on HRIS, their honorarium payments should normally be forwarded to Payroll Services for processing, regardless of whether the amount is below or above \$500. This ensures that payments across the tri-campus are accurately reflected.

Please reach out to either Payroll Services and/or Financial Services to coordinate if you have further questions.

What is the process for payment for work performed on reserve land or undertaken by individuals registered under the Indian Act?

In terms of process for payment for individuals that are working on reserve, if there is no employment relationship (employment contract) between the University and the individual, a T4A slip will be issued by the Central Payroll office and this income is reported in Box 48 on the T4A.

If there is an employment contract in place, the individual working/living on reserve or individual registered under the Indian Act needs to complete the [TD1-IN](#) - 'Determination of Exemption of an Indian's Employment Income' form and return it to payroll. A T4 slip will be issued by the Central Payroll office and this income is reported in Box 71 (provided the individual completed the TD1-IN).

Please consult with Payroll Services if you have further questions.

What should I do if I am working with an individual who does not have ready access to a banking facility?

Gift cards can be considered an option if the individual does not have ready access to a banking facility to deposit a cheque.

Please note that the same tax reporting rule applies: for individuals receiving \$500 and above in a calendar year (i.e. gift card, cheque.) from the University of Toronto, HR needs to be informed and the amount payable to the individual will be recorded as Taxable Benefit in HRIS.

If the gift card is given in person, please have the individual sign off in confirmation of receipt of the gift card and include the signed and dated confirmation as a backup for the staff expense reimbursement.

If the gift card is given virtually, please retain a copy of the email confirmation that clearly indicates the individual's name and email address receiving payment. The email confirmation is to be included as the backup for the staff's expense reimbursement.

Is it possible to provide compensation in cash?

Cash payment should be considered a last resort, but may be necessary in some circumstances. When facilitating the cash payment, please have the recipient sign off in confirmation of receipt in cash with complete information indicated on the cash disbursement form (per attached) for expense reimbursement purposes. An accountable advance may also be considered if the amount is significant. Please consult with Financial Services and Payroll Services prior to making this arrangement and provide a clear justification as the Central Payroll office will assess if cash disbursement is necessary. All cash payments are required to be reported on year-end tax receipt, and departments are required to provide the information to the Payroll office at year end.

FAO and Process Flowchart

Processed by Human Resources	Processed by Financial Services
What is the turnaround time for a payment to be processed?	
<p>Payments through Payroll Services fall under the bi-weekly pay schedule. Refer to the bi-weekly schedule for the submission deadlines and payment dates.</p> <p>These can be found on the UTSC website: https://www.utsc.utoronto.ca/hr/payroll-forms</p>	<p>Please note the standard payment term for the University is net 35 calendar days. The cheques are produced every Wednesday morning and mailed to the address of the individual. Payments to individuals are typically processed within five (5) business days by Financial Services. Mailing time is subject to Canada Post processing times</p>
What are the payment terms?	
<p>Payroll payments are processed on the bi-weekly pay cycle and pay date is every other Friday.</p>	<p>Payment term is the standard net 35 days based on current University policy. This means the cheque will be produced by central Financial Services 35 calendar days from the invoice date.</p>
Can a cheque be prepared in advance to be given to the guest speaker at the event?	
<p>No, payments can only be processed in HRIS after the service is rendered. For any questions, please reach out to Payroll Services.</p>	<p>Yes, you can submit a cheque request form to Financial Services in advance of the event. Please submit the cheque request at least 10 business days prior to the event. This allows for the cheque request to be processed and the cheque to be delivered to our campus and presented to the guest speaker on the day of the event.</p> <p>Clearly indicate on the request that the cheque needs to be prepared in advance of the event. Please reach out to Financial Services if you have any questions</p>
Can a percentage of payment be made to the guest speaker upfront?	
<p>No, payments can only be processed in HRIS after the service is rendered. For any questions, please reach out to Payroll Services.</p>	<p>Normally, payments are processed after services are rendered to mitigate any risk to the University.</p> <p>In some cases, small deposits to secure a contract or invoicing at milestone point may be appropriate. Please contact Financial Services if you have any questions.</p>

Processed by Human Resources

Processed by Financial Services

What supporting documents are required to process an honorarium payment?

For payments processed by Payroll Services, the Pay request form and a Small Traders Certification form are required. Submit these completed forms to Payroll Services for payment before the next biweekly deadline date.

For payments processed by Financial Services, an invoice or cheque request and a Small Traders form is required.

Note: The Smaller Traders form that is required for processing by Financial Services is different from the form required by Payroll Services. Please obtain the relevant form from the checklist below.

Payment to Sole Proprietor/ Individuals Checklist

Checklists for processing via Payroll (HRIS) at or over \$500

- [Honorarium Pay request form](#)
- [Small Traders Certificate Form](#) include SIN and DOB) This document is required under the University guideline as an acknowledgement if the individual is registered with or without HST number for audit trail. SIN and DOB are required for system set up purpose and the SIN is mandatory for issuing tax slips as required by the Canada Revenue Agency
Note: For Non-Canadian Residents without SIN number, Small Traders Certificate form is NOT required. Payroll only requires the payee name, mailing address and DOB for setting up payment in system.
- Payroll direct deposit authorization form only if the individual would like to receive payment on direct deposit into account.
- [TD1-IN](#) (optional if the work is performed on reserve)

Checklists for processing via Financial Services (FIS) under \$500

- [Cheque Request Form](#) / Invoice
- [Small Traders Certification Form](#) (required if HST number is not provided)

- Cash Disbursement Form (If applicable - sample form attached)

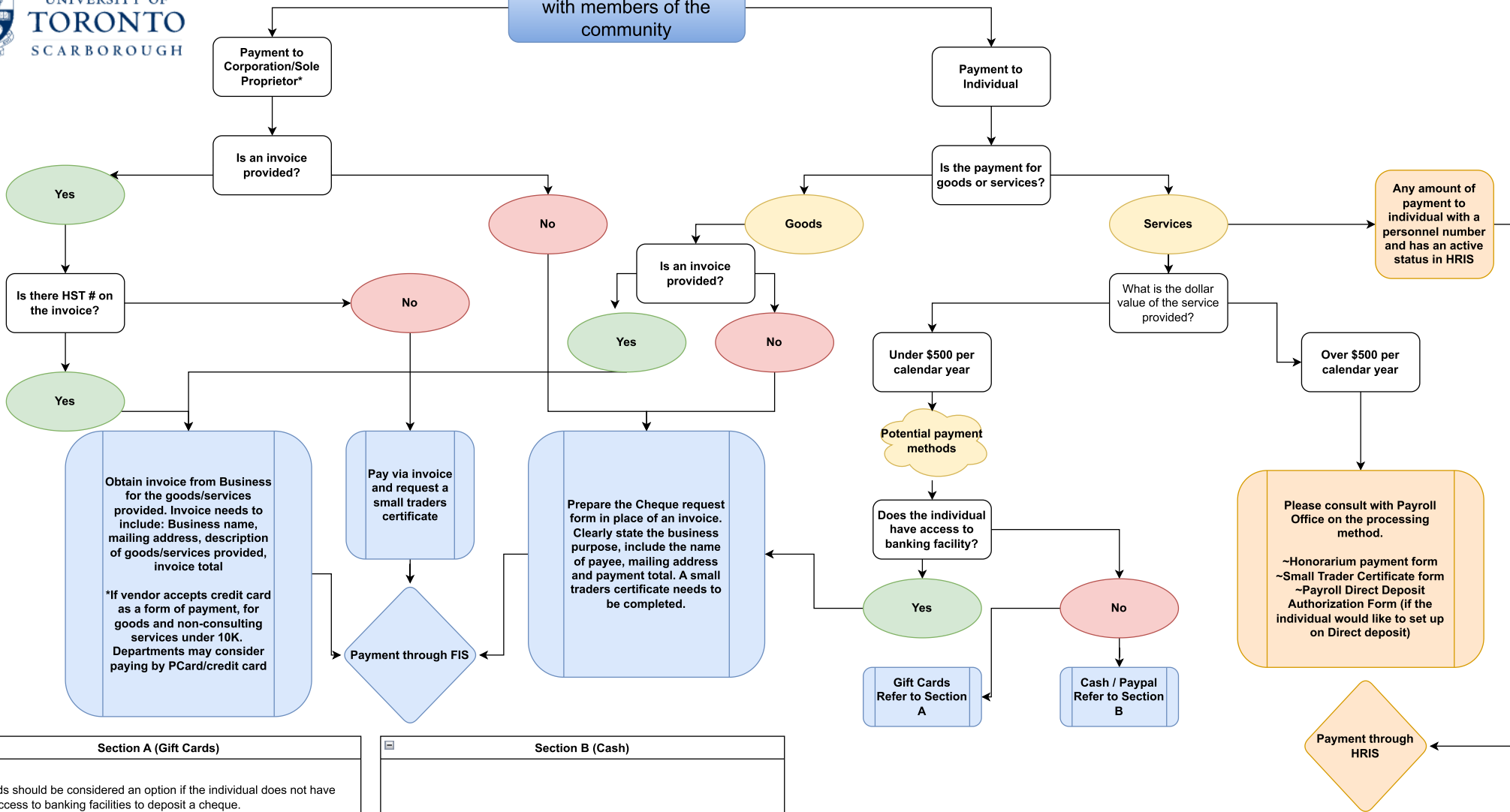
For additional inquiries please contact your Business Officer in the first instance. If further assistance is needed, guidance can be sought from HR Services at payroll.utsc@utoronto.ca or Financial Services at fsd.utsc@utoronto.ca

Feedback on this document can be directed to Amy Ng at amykw.ng@utoronto.ca who will liaise with the Equity, Diversity, and Inclusion Office, the Community Partnerships and Engagement Department, and the Dean's Office as needed.

Sample Cash Disbursement Form:

<p>Cash Receipt</p> <p>Date: _____</p> <p>Received from: _____</p> <p>Amount: _____</p> <p>Payment for/service provided: _____</p> <p>Received by: _____</p> <p>Address: _____</p> <p>SIN: _____</p> <p>Date of birth: _____</p> <p>Signature: _____</p>
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Payments when working with members of the community



Section A (Gift Cards)

Gift cards should be considered an option if the individual does not have ready access to banking facilities to deposit a cheque.

If gift cards is to be given in-person:

- Employee purchases gift cards in advance for distribution.
- A list of individuals will be required as supporting documents on the ERDD.
- Employee submits an expense reimbursement to recoup the cost of gift cards and related expenses.

If gift cards are distributed virtually:

- Employee purchases virtual gift cards and sends to individuals.
- Keep record of gift card confirmations that clearly state the individuals name and email addresses.
- Include proof of payment and a list of recipients as supporting documents for the ERDD.
- Employee submits an expense reimbursement to recoup the cost of the gift cards and related expenses.

Section B (Cash)

Cash should be considered an option of last resort. Situations such as remote locations, individuals with no access to banking.

Please contact Financial Services with your justification and we will work out a plan with you

- All cash distributions are to be documented. (A sample receipt is attached)
- Employee submits an expense reimbursement to recoup the cash distributions and related expenses.

** if the person is receiving over \$500 in a calendar year, it's considered taxable income and T4A will be issued at the end of the year

- this method is discouraged as it involves central payroll office for manual year end adjustment

(*) a sole proprietor is a self-employed individual where

- The business is not incorporated;
- The individual has sole responsibility for decision making;
- The individual receives all profits and is responsible for all losses; and
- The individual reports their business income on a T1 individual tax return

Useful links:

Financial Services Forms:

- [Cheque Request Form](#)
- [Small Traders Certificate](#)

HR Services Forms:

- [Honarium Payment Form](#)
- [Small Traders Certificate](#)