

<b>NORTH CAROLINA DEPARTMENT OF COMMERCE</b>		<b>POLICY #  FM 7</b>
<b>Title: Honorariums</b>		
<b>Effective Date: March 5, 1997 Revisions: Sept. 28, 2007</b>		<b>Administering Authority: Chief Fiscal Officer</b>
<b>Statutory Authority (if Applicable): State Budget Manual, Section 6.8</b>		

**Purpose:** To outline procedures for approval, payment and receipt of honorariums.

**Scope:** This policy applies to all Divisions organized under Department of Commerce, except ESC.

**Policy:**

Payments:

All requests for payments of honoraria are subject to prior approval by the Secretary's Office. Requests should be in the form of a Budget Authorization (BDA) and an attached letter of justification.

Non-State Employees:

The amount of the honorarium is to "cover any and all expenses incurred by the non-state employee in lieu of a per diem."

State Employees:

The Department may not pay honoraria to state-employees. If the Department wishes to access the services of a state-employee in another department, the state Dual Employment policy must be followed. Please refer to the Personnel Manual for details.

Receipt of Honoraria:

Department of Commerce employees shall not accept an honorarium for an activity conducted on state time where state-reimbursed travel or other resources are used or where the activity can be construed as having a relationship to the employee's

state position; such activity would be considered official duty on behalf of the state. A relationship exists between the activity and the employee's state position if "but for" that employee's state position, the employee would not participate in the activity in the same manner or capacity. The employee should make every attempt to avoid the appearance of impropriety.

An employee may receive an honorarium for activities performed during non-working hours or while on annual leave provided:

1. All expenses are the total responsibility of the employee or the non-state sponsor of the activity in which the employee is participating; and
2. The activity has no relationship to the employee's state duties.

When the employee agrees to such an arrangement, the policies and procedures of the state Secondary Employment policy prevails. Please refer to the Personnel Manual for details.

Nothing in this policy shall be interpreted as preventing the payment to the state by an outside source for actual expenses incurred by an employee in an activity, or the payment of a fee to the state (in lieu of an honorarium to the individual) for the services of an employee. Any such payments made payable to Department of Commerce should be deposited to the appropriate revenue line. Outside entities may reimburse Department of Commerce for the actual expenses incurred by an employee for services provided. Such funds will be the property of the state, not the individual employee.

Exceptions:

Any exceptions to the rules and regulations as herein stated in the State Budget Manual except those expressly delegated must be approved in advance by the Office of State Budget and Management.