



## **Policy 13: HONORARIUMS**

Updated and approved by Board of Directors: December 16, 2024

### **PURPOSE**

The purpose of this policy is to provide guidelines for the Board of Directors when offering honorarium payments to individuals who volunteer for Kitchener Minor Baseball Association (KMBA).

### **DEFINITION**

Honorarium: An honorarium is an ex gratia payment made to a person for services provided in a volunteer capacity to recognize and acknowledge the contribution of gratuitous services.

### **POLICY**

The Board of Directors will annually review the honorariums given out to volunteer positions within the organization and the honorariums will be included in KMBA's annual budget.

Situations where honorarium payments would be acceptable include:

- Payment as a “thank you” to a non-professional guest speaker or instructor;
- Payments as a “thank you” for a volunteer setting up or supporting an event or tournament

Situations where honorarium payments would NOT be acceptable include:

- Coaching staff or other volunteers on teams.
- An honorarium is not based on an agreed to amount between the individual providing services and KMBA seeking services. If payment is agreed upon, this constitutes a contractual arrangement. This means that an employment or independent contractor (business) relationship exists.

- An honorarium is not appropriate if KMBA is obtaining the services of a professional where the professional provides this requested service for a living. These individuals would be considered self-employed and should receive a fee for service or consulting payment.

#### Tax implications

An honorarium paid to a resident of Canada who is not an employee of KMBA is not subject to tax deductions; however, this does not mean that the recipient does not have to pay taxes on the amount received. Individuals are to consult with Canada Revenue Agency about applicable tax deductions.

#### **REVIEW AND UPDATES**

This policy will be reviewed periodically to ensure its effectiveness and compliance with relevant laws, regulations, and best practices. Updates or revisions to the policy will be incorporated into KMBA's governance practices as necessary.

By adhering to this policy, we uphold the values of integrity, accountability, and transparency within KMBA and demonstrate our commitment to serving the best interests of the organization and its members.

Any questions, concerns, or requests regarding this policy, please contact the President or the Treasurer at: [Admin@kitchenerminorbaseball.ca](mailto:Admin@kitchenerminorbaseball.ca) . We will update this policy periodically to reflect any changes in our practices or legal requirements.