

VA Financial Policies and Procedures  
Honoraria

CHAPTER 7B

0701 OVERVIEW .....	2
0702 POLICIES .....	2
0703 AUTHORITY AND REFERENCES .....	3
0704 ROLES AND RESPONSIBILITIES .....	3
0705 PROCEDURES .....	3
0706 DEFINITIONS.....	4
0707 QUESTIONS .....	4

## 0701 OVERVIEW

This chapter describes the Department of Veterans Affairs (VA) financial policies and procedures, which set the framework for the payment of honoraria to Federal non-VA employees.

[18 U.S.C. 209](#) and [5 C.F.R. 2635.807\(a\)](#) generally prohibit a Federal employee from accepting payment from any source other than the United States in connection with the performance of the employee's official duties, including attendance at training meetings or conferences and teaching, speaking and writing, which relates to the employee's official duties. This includes the acceptance of compensation for teaching, speaking and writing while on annual leave since the individual is still a Federal employee in active pay status.

In 1995 the Supreme Court held that a ban on the acceptance of honoraria by employees below GS-16 violated the First Amendment. Although the Court was unwilling to strike down [5 U.S.C. app. 501\(b\)](#) in its entirety, the Office of Legal Counsel at the Department of Justice determined the Court's ruling essentially nullified the honoraria prohibition for all Government employees ([Memorandum – Honoraria](#)). Consequently, Government employees, including those in the Senior Executive Service, may receive honoraria subject to the aforementioned regulations.

### Payment of Honoraria

The [Appropriations Law Manual, Volume I, Chapter 4](#), states “payment of an honorarium to an invited guest speaker (other than a Government employee) is permissible under the necessary expense rule.”<sup>1</sup> Reimbursement may include fees, travel costs, and other miscellaneous expenses incurred in carrying out the purpose of any honorarium.

## 0702 POLICIES

070201 VA may pay honoraria to invited Federal non-VA employee guest speakers, provided the honoraria are permissible under the Necessary Expense Test.<sup>2</sup>

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<sup>1</sup>This rule is a combination of two slightly different, but closely related concepts: (1) An appropriation made for a specific purpose is available for expenses necessarily incident to accomplishing that purpose unless prohibited by law or otherwise provided for and (2) Appropriations, even for broad categories such as salaries, frequently use the term “necessary expenses.” As used in this context, the term refers to “current or running expenses of a miscellaneous character arising out of and directly related to the agency’s work.”

<sup>2</sup>The standard for measuring the propriety of a particular expenditure not specified in a statute is referred to as the Necessary Expense Test. Under this test, the expenditure is permissible if it is reasonably necessary in carrying out an authorized function, or will contribute materially to the effective accomplishment of that function and if it is not otherwise prohibited by law.

070202 VA may reimburse invited Federal non-VA employee guest speakers for any fees, travel costs or other miscellaneous expenses, which qualify under the Necessary Expense Test and meet the criteria listed in 0705 Procedures.

### **0703 AUTHORITY AND REFERENCES**

070301 [5 U.S.C. app 501\(b\), Ethics in Government Act of 1978, Title V – Governmentwide Limitations on Outside Earned Income and Employment](#)

070302 [18 U.S.C. 209 Salary of Government officials and employees payable only by United States](#)

070303 [5 C.F.R. 2635 Chapter XVI, Office of Government Ethics, Subchapter B, Government Ethics, Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch, subpart H, Outside Activities](#)

070304 [Department of Justice, Office of Legal Counsel Memorandum - Honoraria](#)

### **0704 ROLES AND RESPONSIBILITIES**

070401 The Assistant Secretary for Management/Chief Financial Officer (CFO), as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309, oversees all financial management activities relating to the Department's programs and operations. Specific responsibilities include the direction, management and provision of policy guidance and oversight of VA's financial management personnel, activities, and operations. The CFO establishes financial policy, systems, and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

070402 Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chief Accountants, and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

070403 The Office of General Counsel (OGC) or regional legal counsel will review, clear and approve all payments of honoraria to Federal non-VA employees for accepted activities under statute. Such honoraria should adhere to VA's Human Resources policies and procedures.

### **0705 PROCEDURES**

#### **Payment of Honoraria**

070501 The OGC, or regional legal counsel will review, clear and approve all honoraria requests prior to payment to ensure the purpose for which the honoraria are given is legal and proper and complies with VA policies and procedures.

070502 VA will adhere to the following criteria when determining honoraria payments to speakers who are Federal non-VA employees:

- A. The speakers will provide evidence the activities performed were outside their official Federal tour of duty hours in order to accept an honorarium, which would be normally prohibited due to the Federal Government's dual compensation restriction on pay.
- B. The speakers certify the activities were not directly related to their duties in order to accept honoraria, but pertain to their general expertise.
- C. The speakers will provide certifications of their Tax Payer Identification Numbers (IRS W-9 Form).

### **0706 DEFINITIONS**

070601 Honoraria. Monetary payments granted to individuals in recognition of a special service or distinguished achievement for which custom or propriety forbids any fixed business price (e.g., hourly rate). These payments, whether direct or indirect, may provide monetary and/or non-monetary value for an appearance, speech or article, including a series of appearances, speeches or articles if the subject matter is directly related to their official duties and overall general expertise.

### **0707 QUESTIONS**

Questions concerning these financial policies and procedures should be directed as shown below:

VHA	VHA Accounting Policy (Outlook)
VBA	VAVBAWAS/CO/FINREP (Outlook)
All Others	OFP Accounting Policy (Outlook)