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FEDERAL BUREAU OF INVESTIGATION

POLICY DIRECTIVE

0867D

1. Policy Directive Title.	Honoraria Policy
2. Publication Date.	2016-02-25
3. Effective Date.	2016-02-25
4. Review Date.	2019-02-25

5. Primary Strategic Objective.
P1-Streamline administrative and operational processes.

6. Authorities:

6.1. Policy Directive (PD) 0588D, *Finance Division (FD) Statement of Authorities and Responsibilities*

6.2. Title 5 Code of Federal Regulations (CFR) Parts 2635 and 2636

6.3. U.S. Government Accountability Office (GAO) [formerly known as the General Accounting Office] *Principles of Federal Appropriations Law*, Third Edition, Volume I, pages 4-35

6.4. Comptroller General of the United States A-69906, 3/16/1936 ("Request for Payment of a Voucher for Traveling Expenses")

6.5. Comptroller General of the United States B-20517, 9/24/1941 ("Letter to the Secretary of State")

7. Purpose:

The purpose of this policy is to promulgate Federal Bureau of Investigation (FBI) policy and procedures for the request, approval, and payment of honoraria for training- or mission-related presentations to the FBI.

8. Policy Statement:

8.1. Use of honoraria must be for training- or mission-related presentations and presented only to an individual and not to a business or an agency. Potential recipients of honoraria include, but are not limited to, academicians, business professionals, and former or current public officials who do not contract their services as part of their professional duties.

8.2. Honoraria to current federal government employees cannot be approved except in extraordinary circumstances. In no instance may an honorarium be paid to a federal employee for services provided in his or her official capacity. Payment requests involving current federal government employees must satisfy the requirements of 5 CFR Parts 2635 and 2636.

8.3. Agreements to pay honoraria do not fall within the scope of the Federal Acquisition Regulation (FAR) and therefore do not require a contract. However, honoraria cannot be used to circumvent acquisition procedures or to extend an existing contractual relationship with an individual. Honoraria payments are not appropriate for professional speakers. There is no specific dollar ceiling with respect to the amount of an honorarium. The average speaking fee request (exclusive of travel expenses) is at or below the current micropurchase threshold. Requests for fee amounts in excess of the micropurchase threshold must be carefully reviewed to verify reasonableness. Please contact the Government Purchase Card Program for the current micropurchase threshold.

8.4. If more than one appearance by an individual will be necessary in any given fiscal year (FY), consideration must be given to initiating a contractual relationship in lieu of an honorarium. FD must determine, after consultation with the FBI entities set forth in subsection 8.5. of this policy,

whether or not an honorarium may be paid if a contractual relationship should be initiated.

8.5. All requests for the use of an honorarium must be approved by the assistant Director (AD) (or the deputy assistant director [DAD] who has been delegated authority to do so by the AD) of the FBI Headquarters (FBIHQ) division or the assistant director in charge (ADIC) or special agent in charge (SAC)(or the assistant special agent in charge [ASAC] who has been delegated authority to do so by the ADIC or SAC) of the field office (FO). After approval at the FBIHQ division or FO level, the request must be submitted to FD to the attention of the section chief (SC) of the Procurement Section. All requests must be reviewed and approved by the SC of the Procurement Section and the Fiscal and Contract Law Unit (FCLU), Office of the General Counsel (OGC) before a letter of invitation with an offer of an honorarium may be sent. Additionally, if the prospective recipient is a federal government employee, the FBI Office of Integrity and Compliance (OIC) deputy designated agency ethics official (DDAEO) must also conduct a review. These reviews will determine if the proposed payment meets the standard for use of an honorarium and that there are no potential ethical or conflict of interest issues, particularly with proposed payments involving a current or former federal government employee.

8.6. Once the request has undergone the appropriate FBIHQ reviews and approvals, a letter of invitation offering an honorarium must be sent to the prospective recipient by the requesting FBIHQ division or FO. This letter of invitation must be approved by the AD (or the DAD who has been delegated authority to do so by the AD) of the requesting FBIHQ division or the ADIC or SAC (or the ASAC who has been delegated authority to do so by the ADIC or SAC) of the requesting FO and must be kept on file in the requesting FBIHQ division or FO. A link to the sample letter of invitation is found in Section 14 of this policy.

8.7. Following the presentation, a payment voucher must be prepared, approved, and submitted to FD. The payment voucher must be approved by the AD (or an FBI official of the FBIHQ division who has been delegated approval authority by the AD) of the requesting FBIHQ division or the ADIC or SAC (or an FBI official of the FO who has been delegated approval authority by the ADIC or SAC) of the requesting FO. The AD of the requesting FBIHQ division may delegate approval authority of the payment voucher to a subordinate FBI official in the FBIHQ division but not lower than the unit chief (UC) level. The ADIC or SAC of the requesting FO may delegate approval authority of the payment voucher to a subordinate FBI official in the FO but not lower than the ASAC level.

8.8. Charges for honoraria payments must come from program and subprogram budget code GNHN. The appropriate spending object code is 25217. If funding is unavailable, the requesting FBIHQ division or FO must work with budget personnel to facilitate an intrabudgetary transfer.

8.9. Honoraria payments are not subject to the Prompt Payment Act.

8.10. In situations where it is determined that an honorarium was paid without securing the reviews and approvals required by this PD, the SC of the Procurement Section, or other higher-ranking FD officials, may consider, in their discretion, referring the matter to the Inspection Division (INSD) for an internal investigation.

9. Scope:

This PD is applicable to all FBIHQ divisions and FOs.

10. Proponent:

Facilities and Logistics Services Division and Finance Division

11. Roles and Responsibilities:

11.1. Sponsoring FBIHQ divisions and FOs must:

11.1.1. Ensure that requests submitted pursuant to this PD meet the definition of an honorarium.

11.1.2. Forward requests for the use of an honorarium via an electronic communication (EC) within the sponsoring program's Sentinel administrative file to the SC of the Procurement Section and FCLU for review.

11.1.2.1. Requests must be submitted a minimum of 60 days in advance of the date of the proposed presentation.

11.1.2.2. EC requests must clearly state the following information:

11.1.2.2.1. The identity and employment of the proposed recipient

11.1.2.2.2. The purpose and intended audience of the presentation

11.1.2.2.3. The location of the presentation

11.1.2.2.4. The date and time of the presentation

11.1.2.2.5. The amount of the honorarium and an estimate of travel and per diem expenses based upon currently published rates

11.1.2.2.6. An explanation of the reasonableness of the fee

11.1.2.2.7. Whether or not the recipient is a current or former employee of the federal government

11.1.2.2.8. If the proposed recipient is a former employee of the federal government, the proposed recipient's date of retirement or separation from federal government service, as well as the individual's former federal government agency affiliation.

11.1.2.2.9. If the proposed recipient is a current federal employee, the individual's current position, grade, rank, Senior Executive Service (SES) level, and federal government agency affiliation, as well as a recommendation that the matter be reviewed by the FBI DDAEO.

11.1.2.3. EC requests for honoraria must be approved by the AD of the FBIHQ division or ADIC or SAC of the FO. A DAD must only approve an EC requesting the payment of an honorarium when he or she has been delegated authority to do so by the AD or when he or she is acting in the absence of the AD. An ASAC must only approve an EC requesting the payment of an honorarium when he or she has been delegated authority to do so by the ADIC or SAC or when he or she is acting in the absence of the ADIC or SAC. Delegation must not go below the DAD or ASAC level.

11.1.2.3.1. The financial manager for the requesting FBIHQ division or FO must be included in the "Approved By" section of the requesting EC to ensure that the requesting FBIHQ division or FO possesses sufficient funds to cover the total cost of the request.

11.1.3. Following receipt of notification of the required FBIHQ approvals, send the intended recipient a letter of invitation with an offer of honorarium, including any travel or per diem expenses, and keep it on file in the requesting FBIHQ division or FO.

11.1.3.1. The letter of invitation must include the following statement with respect to the reporting of income to the Internal Revenue Service (IRS): "Please be advised that the FBI will comply with all existing requirements related to the reporting of income to the IRS and, if required, will report this honorarium to the IRS." Whether or not the honorarium must be reported to the IRS will be determined by the Accounting Section (AS), FD.

11.1.3.2. The letter of invitation must be approved by the AD (or the DAD who has been delegated authority to do so by the AD or when the DAD is acting in the absence of the AD) of the requesting FBIHQ division or ADIC or SAC (or the ASAC who has been delegated authority to do so by the ADIC or SAC or when the ASAC is acting in the absence of the ADIC or SAC) of the requesting FO. Delegation must not go below the DAD or ASAC level.

11.1.4. After completion of the presentation, submit a "Public Voucher for Purchases and Services Other Than Personal" (Standard Form [SF] 1034) form to the point of contact (POC) or contracting officer (CO) in the requesting FBIHQ division or FO. This voucher is kept on file in the Procurement Section after final submission for payment.

11.1.4.1. The amount of the honorarium must be designated on the SF 1034.

11.1.4.2. All airfare, lodging, per diem, and miscellaneous expenses will be treated as separate line items on the SF 1034 and based upon actual expenses incurred by the individual (not to exceed the published federal government per diem rate) and charged to the same account as the honorarium. If the FBI makes the travel and per diem arrangements, this cost will not appear on the SF 1034.

11.1.4.3. The voucher must be approved by the appropriate AD or ADIC or SAC or FBI official of the FBIHQ division or FO who has been delegated approval authority for the payment voucher.

11.1.4.4. The AD of the requesting FBIHQ division must not delegate approval of the payment voucher below the UC level and the ADIC or SAC of the requesting FO must not delegate approval of the

payment voucher below the ASAC level.

11.1.4.5. The program and subprogram code for the payment of honoraria is GNHN.

11.1.4.6. No request for payment must be processed until the services are rendered.

11.1.4.7. If the IRS "Miscellaneous Income" form (1099-MISC) is issued, it will not necessarily separate the fee amount from the reimbursed travel expenses. The recipient will be responsible for separating the fee and travel expenses for purposes of income tax reporting.

11.1.5. Ensure that the payee is already established in the Unified Financial Management System (UFMS) as a vendor. If not, establish the payee as a commercial vendor (VCOM) through a request submitted to the "Ask Finance!" Support Center.

11.2. The POC/CO must:

11.2.1. Complete a "Payment Request" form (FD-794) and obtain necessary approvals.

11.2.2. Submit the FD-794 and SF 1034 to the Commercial Payments and Confidential Services Unit (CPCSU), FD in order for payment to be processed. These forms are kept on file in the Procurement Section after final submission for payment.

11.3. SC, Procurement Section must:

11.3.1. Review incoming requests to pay honoraria and consult with FCLU with respect to policy and legal issues.

11.3.2. Determine, subject to the review of FD management, if the facts warrant the payment of an honorarium or, alternatively, if a contract relationship should be initiated in lieu of an honorarium.

11.3.3. Inform, within 30 days after receipt, the requesting FBIHQ division or FO via electronic mail (e-mail) as to whether or not the request has been approved and funded and keep the e-mail on file in the Procurement Section.

11.3.4. Provide appropriate procurement assistance if it is determined that a contractual relationship must be initiated in lieu of an honorarium.

11.3.5. Review circumstances involving the unauthorized payment of honoraria and, within his or her discretion, refer such matters to INSD for internal investigation.

11.3.6. Ensure that requests involving payments to on-board federal government employees are referred to the FBI DDAEO for review of ethics issues.

11.4. FCLU must review incoming requests to pay honoraria and should consult with the SC of the Procurement Section regarding legal and policy issues.

11.5. The DDAEO must review requests involving current federal government employees and will consult with the SC of the Procurement Section and FCLU.

11.6. CPCSU must:

11.6.1. Locate the payment recipient information in the FBI's UFMS.

11.6.2. If the payment recipient information is not found in UFMS, initiate a VCOM document and enter the bank account information into UFMS utilizing the VCOM process.

11.6.3. Process electronic funds transfer (EFT) payments for approved vouchers.

11.6.4. Determine if the Form 1099-MISC needs to be issued to a recipient based on the reporting level set by the IRS for payments to nonemployees for services rendered and issue Form 1099-MISC when required.

12. Exemptions:

None

13. Supersession:

PD 0340D, *Honoraria Policy*

14. References, Links, and Forms:

14.1. Links

14.1.1. Sample letter of invitation

14.1.2. "Ask Finance!" Support Center

14.1.3. SF 1034, "Public Voucher for Purchases and Services Other Than Personal"

15. Key Words, Definitions, and Acronyms:

15.1. Definition

15.1.1. Honorarium: a payment of money to a professional person for services rendered for which fees are not legally or traditionally required.

15.2. Acronyms

15.2.1. AD: assistant director

15.2.2. ADIC: assistant director in charge

15.2.3. AS: Accounting Section

15.2.4. ASAC: assistant special agent in charge

15.2.5. CFR: Code of Federal Regulations

15.2.6. CO: contracting officer

15.2.7. CPCUS: Commercial Payments and Confidential Services Unit

15.2.8. DAD: deputy assistant director

15.2.9. DDAEO: deputy designated agency ethics official

15.2.10. EC: electronic communication

15.2.11. EFT: electronic funds transfer

15.2.12. FAR: Federal Acquisition Regulation

15.2.13. FBI: Federal Bureau of Investigation

15.2.14. FBIHQ: Federal Bureau of Investigation Headquarters

15.2.15. FCLU: Fiscal and Contract Law Unit

15.2.16. FD: Finance Division

15.2.17. FO: field office

15.2.18. FY: fiscal year

15.2.19. GAO: U.S. Government Accountability Office

15.2.20. INSD: Inspection Division

15.2.21. IRS: Internal Revenue Service

15.2.22. OGC: Office of the General Counsel

15.2.23. OIC: Office of Integrity and Compliance

15.2.24. PD: policy directive

15.2.25. POC: point of contact

15.2.26. SAC: special agent in charge

15.2.27. SC: section chief

15.2.28. SES: Senior Executive Service

15.2.29. SF: standard form

15.2.30. UC: unit chief

15.2.31. UFMS: Unified Financial Management System

15.2.32. VCOM: commercial vendor

16. Appendices and Attachments:

None

Sponsoring Executive Approval	
Name:	Richard Lee Haley
Title:	Assistant Director Finance Division

Final Approval	
Name:	Andrew J. Castor
Title:	Acting Associate Deputy Director

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