Reference Guide
Determining, Hiring and Paying for Services
The purpose of this document is to provide guidance on how to determine, hire and pay an individual or vendor for services. There are certain risks involved when an individual is hired incorrectly: Tax, Public Transparency, Workplace Safety and Insurance, and Reputation (wrongful/unjust dismissal). This document will also include reference to account codes and what steps to take to minimize any delay in payments. If you require further guidance, please contact your local HR Advisor and/or your Procure to Pay Client Services Representative.

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**Procurement for Services Flowchart**

1. **Identify your needs**
   - Honoraria (for employees only)
     - Refer to Appendix D for definitions
   - Procurement for Services
   - Token of Appreciation (for non-employees)
     - Refer to Appendix E for definitions
   - Determine scope of work, deliverables, compensation, duration and location

2. **Employee or Independent Contractor?**
   - Employee
     - Complete Employee Declaration for Services Form (Appendix A-1)
     - Contact HR/Faculty Relations for next step
   - Independent Contractor
     - Employee
       - HR Approval for Independent Contractor
         - No
           - HR will provide direction for next step
       - Yes
         - To determine if individual should be hired as an employee or contractor:
           - Complete HR Fast Track Assessment (Appendix A)
           - Review Tax and Immigration and Citizenship Implications (Appendix B, C)
           - Payment terms – UBC Standard Net 30 days
           - Non-Residents - 15% withholding tax will apply for services performed in Canada

3. **What is your purchase amount?**
   - Less than $3,500
     - No PO is Required
       - Provide agreement for services to vendor
       - Check if Vendor exists or setup is required. (Appendix F)
   - $3,500 or above
     - PO is Required
       - Check if Vendor exists or setup is required. (Appendix F)
       - Complete Purchase Form
       - Email form to purchase.requisitions@ubc.ca to receive a PO
       - RFX Tender Process Complete
       - Check if Vendor exists or setup is required. (Appendix F)
       - P2P will create a Purchase Order
   - $75,000 or above
     - PO & RFX Review is Required
     - Complete Purchase Form
     - Email form to purchase.requisitions@ubc.ca to receive a PO
     - RFX Tender Process Complete

4. **Once Services have been rendered please see instructions on preparing and submitting a request for payment.**

5. **Determine scope of work, deliverables, compensation, duration and location**
Checklist for the Payment of Services

Once services have been rendered (Independent Contractors)

What is your purchase amount?

Less than $3,500
No PO is Required

UBC Payment Terms – Net 30 days

$3,500 or above
PO is Required

Individuals
- Verify services were rendered
- Authorization for Payment
- Vendor Invoice, Agreement or Invitation which includes: scope of work
- Provide HR Fast Track Assessment (Appendix A)
- Provide SIN #
- Verify if tax has been applied accordingly
- Provide GST # if you are a sole proprietor and have a GST #
- Account codes:
  - 713001 (for Canadian residents)
  - 713005 (for non residents)
- For non residents: 15% withholding tax will apply if services were performed in Canada
- Provide date services were performed in Canada
- Refer to Decision Tree Example numbers 2 & 3

Companies
- Verify services were rendered
- Authorization for Payment
- Vendor Invoice
- Business # and GST #
- Verify if tax has been applied accordingly
- Account code:
  - 713000 (for all Canadian companies, and for foreign companies providing services outside Canada)
  - 713005 (for non Canadian companies providing services in Canada)
- For foreign companies: 15% withholding tax will apply if services were performed in Canada
- Provide date services were performed in Canada
- Refer to Decision Tree Example number 1

Submit payment via manual requisition to P2P Financial Operations

Submit payment via OPT

Individuals or Companies
- Verify goods received and/or services rendered
- Review and match invoice to PO (by line item if applicable)
- Verify shipping terms match PO to confirm who is responsible for freight
- Review remaining balance on PO to ensure enough funds are available (if there are not enough funds available, please reference Appendix G)
- Authorization for Payment: Sign, print name of signatory below the signature and write "OK to Pay" on invoice
- Signatory can only be the 'ship to contact' or PG manager / FMS Signing Authority
- Provide HR Fast Track Assessment (Appendix A)
- Provide SIN # (for Individuals)
- Business # and GST # (for Companies)
- Verify if tax has been applied accordingly
- Account codes:
  - 713000 (for all Canadian companies, and for foreign companies providing services outside Canada)
  - 713001 (for Canadian residents)
  - Individuals
  - 713005 (for non residents) – Individuals & Companies providing services in Canada
- For non residents and foreign companies: 15% withholding tax will apply if services were performed in Canada
- Provide date services were performed in Canada
- Refer to Decision Tree Example numbers 1, 2 & 3

Submit scanned invoice to po.invoice@ubc.ca
HR Fast Track Assessment – Assessing Independent Contractor or Employee

Determining whether a worker is an independent contractor or employee at law is an invariable challenge for administrators and lawyers alike. The mutual understanding of a particular working relationship may not be supported at law at all and the consequences of error can be significant. The following is intended to assist in the process of distinguishing an independent contractor from an employee. Over the years, a number of legal tests have emerged to try and simplify the determination. Regrettably, as the modern employment relationship has evolved, legal tests have followed suit and grown more complex. As illustrated in the above quote, such a determination requires careful consideration of a wide variety of factors, and each situation will invariably require its own independent assessment.

Risks

The risks of an improper determination relate to third-party interests in the employment relationship; typically, government and administrative bodies. The following outlines some of the impacts of mistaken identity:

- Canada Revenue Agency
- Failure to properly identify an employee as an employee may obligate the employer to pay outstanding payroll deductions in addition to significant penalties, interest, and legal fees.
- Labour Relations & Human Resources
- Insurance & Legal Liabilities
- Work Safe BC

HR Fast Track Assessment

Please answer the following 4 questions in **HR Fast Track Assessment Form**

Contact your Central HR Advisory Services or Faculty Relations representative for further guidance when the following occurs:

- If you have any uncertainties related to the questions below
- If you have answered differently to what has been identified below

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Is person an active or past employee within the past 24 months?</td>
<td>No</td>
</tr>
<tr>
<td>2. Is this work normally performed by UBC employees?</td>
<td>No</td>
</tr>
<tr>
<td>3. Is there currently or will there be an agreement in place that documents the scope of work, deliverables, compensation, duration and location? If yes, please include the draft or finalized copy.</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Is payment dependent on the completion of the services to be outlined in the Agreement?</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Post-Assessment Instructions

**Outcome #1** – you have answered “Yes” to Question #1– assessment indicates **Employee**

- Next step – ensure this form, the Employee Declaration for Services form, and the Agreement are all included in an email to Central HR Advisory Services or your Faculty Relations representative, who will provide further guidance.
Outcome #2 – you have answered any of Questions #2, #3 or #4 differently than the “Accepted answer to proceed as an Independent Contractor” – assessment indicates Employee

- Next step – ensure this form, and the Agreement are both included in an email to Central HR Advisory Services or your Faculty Relations representative, who will initiate a further review.

Outcome #3 – you have answered all of Questions #1, #2, #3 and #4 exactly as outlined in “Accepted answer to proceed as an Independent Contractor”

- Next step – proceed to follow the process for procuring an Independent Contractor. Include this form as supporting documentation when you start your request to hire the individual as an Independent Contractor.

If HR has completed their assessment and has agreed an individual can be hired to perform work as an independent contractor, please proceed to hire the individual as outlined in the Reference Guide – Determining, Hiring and Paying for Services. Additionally:

- If HR has completed their assessment and has agreed the employee can be hired to perform work as an independent contractor. Please attach the completed and signed Employee Declaration form for services as supporting documentation with the procurement or payment requisition.

- If HR has completed their assessment and has agreed the non-employee can be hired to perform work as an independent contractor. Please attach the results of your HR Fast Track Assessment and include a copy of an email approval from Central HR as supporting documentation with the procurement or payment requisition.

For further information regarding the assessment to determine whether an individual can provide services as an Independent Contractor or Employee, please refer to the HR Website.
Decision Tree Examples

Example 1

Scenario: Drivers – Department regularly hires drivers to drive performers around

Employment/Hiring Process – Employee or Independent Contractor?

Complete the HR Fast Track Assessment to help determine whether you would like to hire an Employee or Independent Contractor.

Decision: In this scenario it was determined that you will be hiring an Independent Contractor who is incorporated (Company).

Things to consider when hiring an Independent Contractor are:

- General Implications
  - Terms and conditions, including Insurance & Legal Liability
  - PO Requirements based on dollar thresholds (contracts for services)
  - Contractual agreement
- Tax Implications
  - Non-resident Companies: T4A-NR – the 15% withholding tax will apply when services are provided in Canada
  - Sales tax may be applicable and will be self-assessed to services provided by non-resident companies

Payment Process

- Refer to the Payment Checklist for the Payment of Services (Page 4)
- Account Codes for Professional Services:
  - 713000 - Canadian and Non-Resident Companies where non-resident provided services outside of Canada
  - 713005 – Non-Resident Companies who provided services in Canada
- Complete form: Requisition for Payment (Appendix E)
- Submit payment requisitions to Procure to Pay Client Services (P2P), Financial Operations

Comment:
There is an insurance/liability component to consider beyond establishing a contract (PO).
If the drivers aren’t “professional drivers” and UBC is making all arrangements around the vehicle rental, etc, if there is any accident UBC will be liable.
e.g.: Vehicle damages, injury to the other party, personal injury to the driver (and passenger), etc.
For consideration, it may be worthwhile to explore hiring a licensed car/taxi service.
Example 2

Scenario: Department brings active UBC employee as Artists and Speakers to perform/speak at events.

Employment/Hiring Process – Employee or Independent Contractor?

Complete [HR Fast Track Assessment](#) to determine whether you hire an Employee or Independent Contractor.

Outcome A:

**Decision: Based on the results** of the HR Fast Track Assessment & completion of the Employee Declaration for Services form (Appendix A-1), it was determined that you will be hiring an [Employee as an Independent Contractor](#) and HR approves that employee can be hired as an Independent Contractor.

Things to consider when hiring an existing UBC employee as an Independent Contractor are:

- **General Implications**
  - Terms and conditions, including Insurance and Legal Liability
  - PO Requirements based on dollar thresholds (contract for services)
  - Contractual agreement

- **Tax Implications**
  - Canadian Resident Individuals: T4A – tax will apply for amounts over $500 per calendar year

- **Hiring Implications**
  - Canadian Resident: No Immigration and Citizenship Implications
  - A non-resident would not be considered

Payment Process

- Refer to the Payment Checklist for the Payment of Services ([Page 4](#))
- **Account Codes:**
  - For [professional services](#) - 713001 for Canadian Residents
  - For [performing artist](#) – 565000 for Canadian Residents
- Complete form: [Requisition for Payment](#) ([Appendix E](#))
  - Attach the [Employee Declaration for Services](#) form ([Appendix A-1](#))
- Submit payment requisitions to Procure to Pay Client Services (P2P), Financial Operations
Outcome B:

Decision: As a result of HR Fast Track Assessment, it was determined that you will be hiring an Employee as an Independent Contractor and HR does not approve the employee to be hired as independent contractor.

Things to consider when hiring an existing UBC employee are:

- **General Implications:**
  - Review if services are still required and if you would still like to hire the individual as an employee
  - Converse with HR regarding hiring options
  - Budget or funding availability
  - Does the employee meet the criteria’s established for an Honorarium? For Honoraria, please visit the HR website

- **Tax Implications**
  - Honorariums are income taxable (including, CPP, EI and WCB) and do not attract pension or benefits at UBC

**Payment Process**

- For compensation, please refer to Appendix D
Example 3

Scenario: Department regularly brings artists and speakers to perform/speak at events

Employment/Hiring Process – Employee or Independent Contractor?
Complete the HR Fast Track Assessment to help determine whether you would like to hire an Employee or Independent Contractor.

Decision: In this scenario it was determined that you will be hiring an Independent Contractor (Individual). A lump sum payment is made to a non-UBC individual for work/services provided to UBC on a contract basis. A formal agreement is required with an agreed upon fee for engagement.

Things to consider when hiring an Independent Contractor are:

- General Implications
  - Terms and conditions, including Insurance and Legal Liability
  - PO Requirements based on dollar threshold (contract for services)
  - Contractual agreement

- Tax Implications
  - Canadian Resident Individuals: T4A – tax will apply for amounts over $500 per calendar year
  - Non-residents Individual: T4ANR tax form and the 15% withholding tax will apply regardless of amount and when services are provided in Canada
  - Sales tax may be applicable and will be self-assessed to services provided by non-resident companies

- Hiring Implications
  - Canadian Resident: No Immigration and Citizenship Implications
  - Non-residents: Work permit is not required for performing artists/speakers

Payment Process

- Refer to the Payment Checklist for the Payment of Services (Page 4)
- Account Codes:
  - For professional services - 713001 for Canadian Residents / 713005 for Non-Residents
  - For performing artist – 565000 for Canadian Residents / 566000 for Non-residents
- Complete form: Requisition for Payment (Appendix E)
- Submit payment requisitions to Procure to Pay Client Services (P2P), Financial Operations

Comment: For speaking engagements at conferences, a letter of agreement which includes the monetary amount, conference location, conference date(s), and scope of work required can be the contractual agreement. If an individual is a resident of Canada (for income tax purposes) and is not incorporated, their SIN number is required.
**Example 4**

**Scenario:** Department invites an individual to be a guest speaker at a one-time event or lecture.

Token of Appreciation is a nominal and infrequent (one-time) gift made to a non-UBC individual in recognition of the services rendered or contributed towards a specific activity of the University. The individual is providing service on a volunteer basis and is not expecting payment. There are no defined deliverables and a letter of invitation is included.

Things to consider when determining if the situation qualify as a Token of Appreciation:

- Individual volunteers time with no formal expectation of payment
- Not associated with UBC
- Informal engagement: no fee discussed or agreed upon
- Letter of invitation

For further information, please refer to Appendix E.

Things to consider when paying a Token of Appreciation are:

- General Implications
  - Value of a gift should not exceed $100
  - Tangible goods are the preferred method
- Tax Implications
  - Canadian Resident Individuals: T4A – tax will apply for amounts over $500 per calendar year

**Payment Process**

- Refer to the Checklist for the Payment of Services (Page 4)
- Account code:
  - 656220 – Token of Appreciation
- Forms to complete: Requisition for Payment (Appendix E)
- Submit payment requisitions to Procure to Pay Client Services (P2P), Financial Operations
## Appendices, Helpful Links and Resources

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<td>Immigration &amp; Citizenship – Do I need a work permit to work in Canada</td>
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</tr>
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</table>
Appendix A: HR Fast Track Assessment Form

Below is the screenshot of the form for your references. Please use the following link to download fillable HR Fast Track Assessment Form.

![UBC HR Fast Track Assessment Form](image)

### POST-ASSESSMENT INSTRUCTIONS

**Outcome #1**
You have answered "Yes" to Question #1 — assessment indicates Employee

Next step — ensure the Employee Declaration for Services form (for active employees only), and the agreement are both included in an email to central.hr.advisory.services@ubc.ca or your Faculty Relations representative, who will initiate a further review.

**Outcome #2**
You have answered any of Question #2, #3 or #4 differently than the "Accepted answer to proceed as an Independent Contractor" — assessment indicates Employee

Next step — ensure this form, and the agreement are both included in an email to central.hr.advisory.services@ubc.ca or your Faculty Relations representative, who will initiate a further review.

**Outcome #3**
You have answered all of Questions #1, #2, #3 and #4 exactly as outlined in "Accepted answer to proceed as an Independent Contractor" — assessment indicates Employee

Next step — proceed to follow the process for procuring an Independent Contractor. Include this form as supporting documentation when you start your request to hire the individual as an Independent Contractor.

- If HR has completed their assessment and has agreed an individual can be hired to perform work as an independent contractor, please proceed to hire the individual as outlined in the Reference Guide — Determining Hiring and Paying for Services. Additionally:
  - If HR has completed their assessment and has agreed the employee can be hired to perform work as an independent contractor. Please attach the completed and signed Employee Declaration for Services form as supporting documentation with the procurement or payment requisition.
  - If HR has completed their assessment and has agreed the non-employee can be hired to perform work as an independent contractor. Please attach the results of your HR Fast Track Assessment and include a copy of an email approval from Central HR or Faculty Relations as supporting documentation with the procurement or payment requisition.

For further information regarding the assessment to determine whether an individual can provide services as an Independent Contractor or Employee, please refer to the HR Website.

Last Updated: April 3, 2023
Appendix A-1: Employee Declaration for Services

Below is the screenshot of the form for your references. Please use the following link to download fillable Employee Declaration for Services Form.

Employee Declaration for Services

If you are an employee and will be hired as an independent contractor, please work with your Department / Faculty to complete this section. Once completed, please sign the form then submit to HR for approval.

APPLICANT INFORMATION

Are you an active faculty or staff of UBC?  [ ] Yes  [ ] No

Job Title: ___________________________  Employee ID: ___________________________

SIN: ___________________________

Scope of Work Required:  Attach service agreement (may be a draft) that identifies the services required.

How is the work different than the employee's current functions at UBC?

________________________________________

I declare that this payment is for services outside of my regular employee functions at UBC. I understand that I will not be paid as an employee and payment for this service will not include deductions for Employment Insurance, Canada Pension or Income Tax.

Employee Name: ___________________________  Signature: ___________________________

Date: ___________________________

Find your HR Advisory or Faculty Relations contact

Central HR Advisory Services  Faculty Relations Representative

CENTRAL HR ADVISORY SERVICES/FACULTY RELATIONS

For the scope of work requested in the specified timeframe above, I approve that this UBC employee can be hired as an independent contractor.

Name: ___________________________  Signature: ___________________________

Date: ___________________________
Appendix B: Income Tax Decision Tree

- Please note, the application of the proper account codes will drive the proper application of tax deduction and reporting
- Failure to apply the proper tax application will result in financial and reputational risk to the University

T4A Comments

- Generally only payments exceeding $500.00 needs to be reported on a T4A slip. This may eliminate some or most of the reporting if the total amount paid to one individual during the calendar year is less than $500.00.
- Please note the payment is not based on the individual event(s). CRA’s administrative policy is that payers are required to file a T4A slip if they have paid, in total, more than $500.00 in any of the income categories which are typically required to be reported in the calendar year.

- Employee or self-employed? – CRA Guide (RC4110)
- Filing the T4A Slip – CRA Guide (RC4157)
Appendix C: Immigration & Citizenship – Do I need a work permit to work in Canada

You usually need a work permit to work in Canada. In some cases, you can work without a permit. Please visit the following Immigration and Citizenship website for more up to date information on the requirements for providing services in Canada.

Listed below are the common jobs that do not require a work permit:

**Athletes and coaches**
Foreign teams, athletes and coaches competing in Canada.

**Aviation accident or incident investigators**
Accredited agents or advisers working on an aviation accident or incident investigation being done under the *Transportation Accident Investigation and Safety Board Act*.

**Business visitors**
Business visitors who come to Canada to do business activities but are not part of the Canadian labour market.

*Note:* “Business people” does not mean the same thing.

**Civil aviation inspectors**
Inspectors who check the flight operations or cabin safety of commercial airlines during international flights.

**Clergy**
People who work as ordained ministers, lay persons or members of a religious order. Their duties may include preaching doctrine, leading worship or giving spiritual counselling.

**Convention organizers**
People who organize or run international meetings or conventions.

*Note:* People who provide “hands-on” services at these events must have a work permit. These services include providing audio-visual services, doing show decorating, and building, setting up and taking down displays.

**Crew members**
Crew members, such as truck drivers, bus drivers, and shipping and airline workers, if:

- they are working on foreign-owned and -registered vehicles that are used mainly to transport cargo and passengers internationally, and
- their work is related to operating vehicles or serving passengers.

**Emergency service providers**
People who help out in an emergency, if they are here to help preserve life or property. Emergencies include natural disasters, such as floods or earthquakes, or industrial accidents that threaten the environment.
Examiners and evaluators
Professors and academic experts who evaluate or supervise academic projects, research proposals or university theses. They may work for Canadian research groups or schools.

Expert witnesses or investigators
Experts who give evidence before a regulatory body, tribunal or court of law.

Family members of foreign representatives
Spouses and children of foreign representatives.

- They must be accredited (with a counterfoil in their passport) by the Department of Foreign Affairs, Trade and Development (DFATD). If they are not accredited, DFATD will refer them to an immigration officer to apply under the regular process.
- They need a letter of no objection from DFATD (normally issued only if there is a reciprocal employment arrangement with the person’s home country). To find out how to get this letter, contact DFATD’s Office of Protocol.

Foreign government officers
Employees of other governments. Canada has exchange agreements with some countries that let officials work in each other’s government departments. Government officials coming to work in Canada must bring a formal letter if they will work here for more than three months.

Foreign representatives
Diplomats and official representatives of other countries or the United Nations and their staff.

Health care students
Foreign health care students doing clinical clerkships or working in Canada for a short period of time, if:

- the main goal of the work is training,
- the training lasts less than four months and
- they have written approval from the board that regulates their job (note that certain provinces do not need written approval).

For further details, please refer to "Work without a work permit R186(p): Health care students" in the Foreign Worker program delivery instructions.

Judges, referees and similar officials
Officials at international amateur competitions who will judge or be officials for artistic or cultural events, such as:

- music and dance festivals,
- animal shows and
- agricultural contests.

Military personnel
Members of an armed force of another country, if they have movement orders stating that they are entering Canada under the terms of the Visiting Forces Act.
News reporters, film and media crews

People who are:

- news reporters or members of their crews,
- film or media crews who will not enter the Canadian labour market,
- journalists who work for a print, broadcast or Internet news service (journal, newspaper, magazine, television show, etc.), if the company they work for is not Canadian,
- resident correspondents or managers and clerical staff, as long as the event is short term (six months or less).

Producer or staff member working on advertisements

You do not need a work permit if you’re working on a foreign-financed commercial/advertising shoot for television, magazines or other media and you’re:

- a film producer,
- an actor,
- a director,
- a technician, or
- other essential personnel.

Performing artists

Foreign artists and their key support staff (people vital to the performance), only if they:

- will perform in Canada for a limited period of time,
- are not being hired for ongoing employment by the Canadian group that has contracted them, and
- are not involved in making a movie, television or radio broadcast.

Examples include:

- a foreign-based band or theatre group and their key crew,
- street performers (buskers),
- disc jockeys,
- members of a foreign or travelling circus,
- guest artists working within a Canadian performance group for a limited time,
- World Wrestling Entertainment wrestlers (and members of similar groups),
- people who will perform at a private event, such as a wedding,
- air show performers,
- rodeo contestants,
- artists attending or working at a showcase,
- film producers (business visitors),
- film and recording studio users (limited to small groups renting studios who will not enter the labour market, and to business visitors) and
- people doing guest spots on Canadian television and radio broadcasts (guest speakers), such as news programs.
Public speakers
Guest speakers, commercial speakers or seminar leaders who speak at specific events provided the event is no longer than five days.

Short-term highly-skilled worker
You do not need a work permit if you will come to Canada as a high-skilled worker and
- your job is under the NOC skill type 0 (managerial) or A (professional)
- you will only work for
  - up to 15 consecutive days once every six months or
  - up to 30 consecutive days once every year

Short-term researcher
You do not need a work permit if you will come to Canada as a researcher:
- at a public degree-granting institution or affiliated research institution
- who will work for 120 or fewer consecutive days
- who has not worked in Canada under this exemption in the last 12 months

Students working off campus
Full-time international students may be eligible to work off campus while they study.

Students working on campus
Full-time international students may work on the campus of the university or college where they study.
Appendix D: What is an Honorarium & Forms Required for Payment (For Employees only)

Honorarium (Staff/Faculty)

An honorarium can only be issued to an employee of UBC. All Honoraria must be processed through Payroll.

An honorarium is a payment made to a UBC faculty or staff member for work that is above and beyond what is typically covered by their regular salary, to express gratitude, or to confer distinction on the recipient. Honoraria are one-time payments, and are not typically paid on an ongoing basis.

- **Staff Honorarium**: For more information, please go to [UBC HR Staff Honoraria](#), see below for an example of the form.

- **Faculty Honorarium**: For more information, please go to [UBC HR Faculty Honoraria](#), see below for an example of the form.

**Note:** Unionized staff are not entitled to receive honoraria. If you are unsure about rules pertaining to payments to unionized staff, please [contact your Human Resources Advisor](#). If you are unsure about applicable payroll codes, please [contact your Payroll Representative](#).
Appendix E: What is the difference between a Token of Appreciation vs Fee for Service

Token of Appreciation (Non-UBC individuals)

Tokens of appreciation are paid to a non-UBC individual, for services rendered, on a voluntary basis and is not expecting payment. A token of appreciation is a nominal and infrequent (one-time) gift made to a non-UBC individual in recognition of the services rendered or contributed towards a specific activity of the University.

Gifts are normally tokens of appreciation and generally should not exceed $100 as per the UBC Expenditure Guidelines. The preferred method is tangible goods (i.e. flowers, chocolates). A T4A is issued annually to Canadian resident individuals who received funds >$500 per calendar year. A gift is not a payment for something in return.

The following chart assists with determining a token of appreciation to fee for services:

<table>
<thead>
<tr>
<th>Token of Appreciation</th>
<th>Fee for Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual volunteers time with no formal expectation of payment.</td>
<td>Expectation of payment for speaking/appearance.</td>
</tr>
<tr>
<td>No formal agreement or contract in place i.e. No fee discussed or agreed upon. Letter of invitation.</td>
<td>Formal written agreement or contract i.e. An agreed upon fee for engagement.</td>
</tr>
<tr>
<td>No real consequence if cancelled or no-show</td>
<td>Legal obligation to speak/appear at event. Real consequence if cancelled or no-show</td>
</tr>
<tr>
<td>Informal engagement = individual who is guest speaking regardless of compensation.</td>
<td>Formal engagement = independent contractor paid for guest speaking.</td>
</tr>
</tbody>
</table>

Services (Non-UBC individuals)

A lump sum payment is made to a non-UBC individual for work/services provided to UBC on a contract basis. A formal agreement with an agreed upon fee for the services to be provided. A T4A is issued annually to Canadian resident individuals who received funds >$500 per calendar year. A T4A-NR is issued per payment to non-resident individuals and a 15% withholding tax is applied regardless of amount when services are performed in Canada. Gift cards are not a form of payment to individuals providing services to UBC. From CRA’s perspective, payment for services made to an individual are either employment or business income. Please refer to the Procurement for Services – Purchase Process Flowchart for further payment instructions.
Example of Requisition for Payment

Account Codes that apply:
656220, 713000, 713001, 713005, 565000, 566000

Submit completed requisition to P2P

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**REQUISITION FOR PAYMENT (QReq)**

**The University of British Columbia**

**Financial Operations**

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<table>
<thead>
<tr>
<th>Payee (as it should read on the cheque)*</th>
<th>Invoice Date (mm/dd/yyyy)</th>
<th>Invoice Number</th>
<th>Vendor ID Number*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address*</td>
<td>Payment Method <em>(x)</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payment Method <em>(x)</em></td>
<td>Currency (x)*</td>
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<tr>
<td>Cheque</td>
<td>CAD</td>
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<tr>
<td>Bank Draft</td>
<td>USD</td>
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<tr>
<td>Direct Deposit</td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>Postal/Zip Code</td>
<td>Country</td>
<td></td>
</tr>
<tr>
<td>Amount of Cheque</td>
<td>GST Override Amount*</td>
<td></td>
<td>GST Registration #*</td>
</tr>
<tr>
<td>Self assessment required:</td>
<td>GST</td>
<td>PST</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Check applicable</td>
<td>GST Override Amount*</td>
<td>GST Registration #*</td>
</tr>
</tbody>
</table>

**LINE INFORMATION AND CHARGES**

<table>
<thead>
<tr>
<th>Amount*</th>
<th>GST 5% (check if applicable)</th>
<th>TRV</th>
<th>Speed Chart</th>
<th>Account*</th>
<th>Fund*</th>
<th>Dept ID (Org)*</th>
<th>Program</th>
<th>Project/Grant*</th>
<th>Alternate Vendor Number*</th>
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</tbody>
</table>

3       - Total

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**Details of Payment or Summary of Attached Invoices**

From (Dept)* | Select Handling Code (x)* |
---|---------------------------|
|                             | MY                         |
|                             | Mail - Canada Post         |
|                             |                            |
|                             | Direct Queries To*         | CN | Campus Mail                   |
|                             |                            | FN | Pick up Cheque                |
|                             |                            |    |                                |
|                             | Select Contract Agreement Ref* | CN | Direct Deposit                |
|                             |                            |    |                                |
| Label number, mandatory:   | Phone Number and E-mail*   | CN |                                |
|                            | Other                      |    |                                |
| Policy #97 - Conflict of Interest and Conflict of Commitment: | Return to / Pick-up By | Separate cheque |
|                                                   |                            |    |                                |

**SIGNING AUTHORITY APPROVAL**

Authorization Signature 1* | Authorization Signature 2 (if required) | Approved by |
---|---------------------------|----------------|
|                            |                            |               |
Print Name and Title* | Print Name and Title | Entered by |
---|---------------------------|----------------|
|                            |                            |               |
Date (mm/dd/yyyy) | Date (mm/dd/yyyy) | Date |
---|---------------------------|----------------|
|                            |                            |               |

**FO Exemption Matrix** can be found under finances.ubc.ca. Navigate to: Procure to Pay > Pay > Payments under $5,000 CAD

Fields marked with an * are mandatory fields, if applicable.

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Appendix F: Vendor Set Up Process

You can download a copy of Vendor Set Up Process Map [here](#).
Appendix G: PO Invoice Approval Process

You can download a copy of PO Invoice Approval Process Map [here](#).
Glossary of Terms

Compensation  Total value/dollar amount for all work to be performed with the same vendor and scope of work on the same project, regardless of time period (includes past, present and future).

Should the cumulative total value exceed $3500, a Purchase Order is required. The total amount of the services required should not be split (separated) if the scope of work is the same.

Gift  A gift is not a payment for something in return. It is a voluntary transfer of property without valuable consideration to the donor. Gifts offered are meant as a symbolic gesture of respect. They should generally not exceed $100 and do not represent an honorarium or performance related prize.

Purchase Order  A contractual commitment between the University and the vendor that holds both parties accountable to the agreed upon terms.

Scope of Work  Outlines the services required.

- What work are you requesting the person to do?
- What are the expected deliverables?
- Estimated duration (When should work be completed)?
- Compensation
- Please do not create and sign your own Service agreements.

Account Codes for Contractor

713000  Individuals or Companies providing services outside of Canada

713001  Individuals or Residents providing services in Canada

713005  Non-Residents providing services in Canada

565000  Performing Artists - Individuals

566000  Performing Artist Non-Residents