

## SMU Tax Policies

**Subject:**                   **Donation of Earnings or Fees for Services Performed**

**Effective Date:**       **08/22/07**

**Revision Date:**       **08/23/17**

**Tax Policy:**           **4.1**

Compensation and fees for services performed are taxable income to the individual performing the services for the University. The payment for the services performed must be paid to the individual who actually performed the services and must be reported as taxable income to that individual. This policy applies to all payments for services including payments to SMU faculty and professors who are paid for extra duties or assignments.

The tax principle of constructive receipt states that a person is taxed on income if he has the right to receive it. The redirection of the payment to a third party does not alter the