

# NEW: Journal of Finance Referee Honorarium Policy

## 1. Purpose

This policy transitions the *Journal of Finance* from a legacy credit-based system to a streamlined honorarium model. The goals are to simplify journal operations, eliminate recurring financial liabilities, and strengthen incentives for timely, high-quality referee reports.

## 2. Referee Compensation Model

Referees whose reports are certified by the Editor as both on-time and high-quality are eligible for a **\$250 honorarium**. Referees must elect one of the following options upon accepting an invitation to review:

- **Option A: Electronic Cash Payment**
  - Referees receive a \$250 electronic payment (via PayPal).
  - Payments are processed in monthly batches to ensure administrative efficiency.
  - Referees must provide and maintain valid payment and tax information through the AFA's secure submission portal.
- **Option B: Philanthropic Donation**
  - Referees may elect to donate the full \$250 value to one of the following AFA-designated funds:
    - **The Journal of Finance Rick Green Prize:** An annual award recognizing the best paper published in the JF where all authors are less than seven years from PhD graduation.
    - **The Journal of Finance: Insights and Perspectives' APC Support Fund:** Subsidizing open-access publishing for early-career and under-resourced scholars.
  - Referees will receive a formal acknowledgment of their contribution.

### *Editorial Determination*

Eligibility for the honorarium is determined solely by the Editor of the Journal of Finance, who certifies that the referee report meets the journal's standards for timeliness and quality.

### **3. Financial Liability & Expiration Policy**

**3.1 Selection Window** Referees must select their preferred option (Payment or Donation) within **60 days** of accepting the invitation to review. The Association's specific financial liability for the individual honorarium is contingent upon this timely selection.

**3.2 Default Allocation (Unclaimed Honoraria)** If no election is made within the 60-day window, or if a referee fails to provide valid payment information, the \$250 honorarium is automatically allocated back to the AFA General Operating Fund. This action constitutes a full release of the Association's liability for the specific report.

### **4. Policy Administration and Amendments**

This policy is administered by the American Finance Association in coordination with the editorial leadership of the *Journal of Finance*. The Association reserves the right to amend, suspend, or discontinue this policy as necessary to ensure compliance with financial, legal, or operational requirements.