

STIPENDS

Instructions on payments of stipends & other types of participant support, including:

- when stipend payments can and cannot be paid;
- to whom they can and cannot be paid
- the types of fund sources on which they can and cannot be paid;
- The proper procedures for paying them (BYA vs. Form 5, and correct subs & object code combinations). If BYA is used, what is the approval process?

What is a Stipend?

When should IDC be charged?

What is a Salary Payment to student?

What are the characteristics of a Stipend?

What are the characteristics of a salary payment?

Are there restrictions on use of some object codes with some subs when paying out stipends?

Are there tax implications on receiving a stipend?

Can students be set up for stipends in PPS? What title would be used? What would the rest of the PPS entry look like?

Can BYA be used to set up a stipend for students?

Can a PI pay a stipend to a graduate student to compensate for their research on their project?

My question(s) pertain(s) to preparation of budgets for grant proposals. Do we have an option to budget a postdoc or a student as a stipend payment rather than a salaried position, provided the funding agency doesn't specify one or the other?

In what circumstances would a stipend be preferable to salary?

Stipends for Director/Associate Directors of Organizational Units: It was previously established that such stipends did not have a benefit assessment on them, but a department recently indicated that these stipends do have an associated benefit rate? Is this true, and if so, how is the distinction made between stipends that have benefits assessed vs. those that don't?

MASTER LIST OF STIPEND PANEL QUESTIONS:

12/1/08

I have been issuing stipends to undergrads (uc and non-uc students), grad fellows (uc only), grad students from other universities, and to visiting scholars. The undergrad students are interns for the summer only and they are mentored by our grad fellows. This is how I submit the stipends and I wonder if this is correct:

- Undergrads students for both UC and non-UC: Form 5 (payment for 8 wk training).
- Grad Fellows: Use grad div's form 1 & 2 (for their fellowship which includes a stipend for the year + an extra amount in the summer for mentoring interns)
- Grad Students for both UC and non-UC: Form 5
- Domestic visiting scholars: Form 5 (used when a PI promises them a stipend with a certain amount for their engagement & visiting our PIs & students. When foreigners visit, we normally offer them an honorarium and pay them with a form 5).

Discuss appropriate use of stipends vs. honorarium. What's the difference, how are they handled, what's appropriate and when?

Discuss how stipends paid to students relate to Financial Aid? Are there implications which should be considered by the University?

Discuss payment of stipends to non-UCSB students and also non-UCSB-non-students. Allowable? How does it work? What's appropriate?

Are stipends paid from contracts and grants limited to fellowships and scholarships only? What are alternatives to stipends on C&Gs?

Are stipends to collaborators or contributors on a project appropriate?

It's our understanding of the NSF Award & Administration Guidelines Ch. V, B. 8, that a person or participant being paid a stipend from a NSF grant for Participant Support cannot be employed by UC either with or without salary. Is this correct?

Is it necessary for a participant to sign the Oath-Patent Agreement?

Is it necessary for the participant to sign any of Business Service's liability waivers?

Can we pay a postdoc or researcher a "prize" for winning a poster session? I have processed these payments per instructions in past year (\$250 prize for best poster), and this year it was not allowed.

Participant Support/Stipend Questions:

As a general question: under what circumstances are stipends an appropriate form of payment to individuals working or otherwise receiving support under an extramurally-funded project? Who is responsible for each type of stipend?

How should stipends be represented in a proposal budget, when they are not for a fellowship or participant support (assuming there are other circumstances where budgeted stipends are appropriate)?

Can a PI/Department decide that they are going to create a fellowship under a sponsored project where the sponsor doesn't otherwise specify that the/a purpose of the project is to fund a fellowship? If so, are there any channels through which such a decision should be vetted through (such as the Graduate Division)?

How are stipends paid out to individuals (we have indirectly heard that they are paid out either through a BYA (if appointed in PPS) or via a Form 5 (not in PPS))? If the individual is paid via BYA, how should their benefits be accounted for in the proposal budget? Currently, they are assessed at a minimal level (~1.3%). Is there any problem with paying stipends out through either mechanism, or certain situations where only one mechanism should be used?

Are there any criteria under which a proposed stipend should be reviewed to determine the appropriateness of the amount budgeted?

If the individual is a participant in the program but already receiving extramural support (i.e. already appointed in PPS,) can we pay their stipend via Form-5?

Are Postdoctoral Scholars able to receive stipends for their participation on a project if their current appointment is 100%? If so, would their stipend be paid as a BYA or Form-5?

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Departments have been notified to stop setting up 78xxxx accounts for student stipends. They have been informed to expense the money from 44xxxx accounts instead, but have not been provided with an object code that is appropriate.

- 1) Why has this process changed?
- 2) Has Grad Division been consulted?
- 3) If so, what is the appropriate object code that the departments should be using?

Are stipends to non-UCSB (or UC) affiliated individuals handled differently than to those affiliated with UCSB (or UC)? If so, how?

Please discuss the nuances between when a collaborator/contributor on a project should be paid via stipend or PSA through Business Services.

With regard to stipends paid out under NSF awards as participant support, the NSF AAG states that “participant support allowances may not be paid to trainees who are receiving compensation, either directly or indirectly, from other Federal Government sources while participating in the project.” How is this verified, and who is responsible for obtaining the verification?

BYAs

Under what circumstances can a stipend be paid out through a BYA (or “by-agreement”)?

Previous discussion covered that BYAs are not permitted in contracts and grants, since BYA codes are not picked up on the Personnel Activity Report that is used for effort reporting and the individual receiving compensation from the award must receive an effort report.

What is the proper procedure for paying a stipend through a BYA (correct subs & object code combinations), and what is the approval process?

Mentor Payments

***Background:** A mentor is generally a graduate student or postdoc that volunteers to guide and provide training to an intern (generally undergraduate) as part of a sponsored program. These Mentors are otherwise employed on research projects, but this service as "mentor" is not necessarily related to their employment, but is above and beyond (although the intern's training may involve work on the sponsored research project).*

We generally pay the grad student mentors a stipend (via Form 5), and provide the Postdoc (or other full time researchers) a supplies or travel allowance. Is this correct? Why or why not?

Previous discussion covered that Form 5 payment is not appropriate and that mentors should be treated as employees (i.e. paid a salary)

Can the compensation to the Mentor be categorized a participant support?

Previous discussion covered that such an individual (a Graduate Student Mentor) does not qualify as a "participant" under participant support, and the individual should be treated as an employee (since the nature of their work on the project was deemed to be that of an employee). It was ultimately determined while it was acceptable to pay the individual a stipend, that such should be done through a BYA (by-agreement) under the title code of a Graduate Student Researcher (and not through a Form 5).

If a Graduate Student Mentor is to be treated as an employee, how should their compensation be characterized and what payroll title should be utilized, if any?

Previous discussion covered that Graduate Student was to be classified as a GSR.

One of our difficult/gray areas is "Participant vs. Employee". Many of the "participants" for whom we receive funding could fall into either category. For example, an undergraduate intern may also be an employee in another department. A grad student trainee in an NSF IGERT or other training program may also be a GSR or TA. Can one be both? Which object code should be used for Mentor?

A sub problem of this is a category that we use, "Mentor". This is how we have been instructed to do this. Is this correct? Why or why not?

Regarding Graduate Student Mentors: How should they be paid (as a stipend via a BYA or as a payroll employee under the Graduate Student Research title)? Some Graduate Student Mentors serve in such

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positions for an extended duration (for more than a few months), while others only work for a few days (such as for weekend workshop); does this affect the manner in which the Mentor should be paid?

FELLOWSHIPS:

The definition for Fellowships is: "awards made as a mark of honor, based primarily on scholarship and promise of outstanding academic or professional contribution. They are awarded to doctoral candidates, postdoctoral scholars or professionals and in some cases to undergraduates. The fundamental purpose of fellowships is to enable recipients to devote their full time to study and research at the University. Most awards are made on the campuses by graduate division fellowship committees in conjunction with departmental fellowship committees, but some awards, like the NSF and NIH Fellowships, require the applicants to contact the agencies sponsoring the awards directly." The fellows do not receive a 1099, however, are required to include as additional income in their taxes.

Mentor stipends can be a combination of individuals and will depending on the situation depend how to handle the stipends. Now stating the above will depend on the award and who are the mentors, etc...

I wanted to start addressing the mentor stipend concern I have on the current XXXX contract. As you can see from the attached document, we did receive agency approval to provide mentors fellowship stipends. Looking over NSF guidelines it shows this under participant support: Participant support allowances may not be paid to trainees who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project. These mentors were not trainees. Originally, we were considering their pay as fellowships, but in 2006 a verbal conversation with extramural funding led to us transferring these costs from the 78 account to the 44 account and calling them mentor stipends. Should these in fact still be considered fellowships? The feedback I have received is that mentor stipends are not allowed on this contract and are afraid we defined this incorrectly and they should in fact be considered fellowships?