Stipend Policy

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DESCRIPTION

This document describes SF State's policy regarding student stipend payments on sponsored projects, and outlines when to issue stipend payments to individuals and the basic procedure for payment.

POLICY

Stipends are allowable under Code of Federal Regulations §200.331 if the purpose of the Federal award is to provide training to participants and the charge is approved by the Federal awarding agency.

SF State's Office of Research and Sponsored Programs (ORSP) processes payments to qualified students when they have been identified as a stipend recipient by the Principal Investigator (PI) in charge of an ORSP project. The associated award/contract from the sponsor must include stipends in the approved budget. ORSP follows the Internal Revenue Service's definition to determine when a payment made to an individual qualifies as a stipend.

➢ A stipend payment can *only* be used for training and educational purposes related to a sponsored project, and

➢ A stipend *cannot* be used to pay an individual for work or services performed (i.e. administrative work, presentations, website development, cleaning laboratory equipment) or as incentive pay

The amount awarded by the stipend, either in total or incrementally, is not performance-based and generally cannot be adjusted or suspended by the PI as a result of performance. However, stipends may have accompanying terms and conditions and the stipend may be adjusted or suspended by the PI if those terms and conditions are not met. Terms and conditions may include enrollment in a particular degree program, participation in program activities, or maintaining a minimum Grade Point Average. Any such terms and conditions will generally be stipulated in the award agreement issued by the sponsor; it is the PI's responsibility to convey such stipend terms and conditions/stipulations to the student/stipend recipient. If the PI puts in writing terms and conditions for the student to receive or continue to receive the stipend, a copy of the proposed language should be forwarded to ORSP GA for review prior to initiating the stipend process. The PI is responsible for maintaining appropriate records (i.e. copies of forms as required by the agency that have been signed by the student).

There may be tax implications for the payee when a stipend is issued to them, depending upon the nature of the stipend. SF State's Accounts Payable department assesses each stipend to determine whether it should be classified as reportable income. A stipend is *only* tax free when:

1. The recipient is a currently-enrolled SF State student **AND**

2. The stipend is used for:

   o Tuition and fees paid to enroll in or to attend SF State

      OR

- Fees, books, supplies and equipment that are required for coursework

Note:

- Determination of whether a stipend will impact a student's financial aid package is determined by the Office of Student Financial Aid, not ORSP. Office of Student Financial Aid will work with the student (if necessary with also the PI and ORSP) to adjust the student's financial aid and/or stipend so the student's total aid from all sources is within the cost of attendance (COA). ORSP is neither able to make this determination, nor coordinate a reply from the Office of Student Financial Aid on the student's behalf. Any questions regarding impacts on financial aid must be directed to the Office of Student Financial Aid by the payee.
- Any amount paid for "services rendered" is considered a "wage" under IRS regulations and must be paid as salaries and wages.
- When applicable, ORSP may require stipend payees to obtain training in Responsible Conduct of Research (RCR) following the sponsoring agency's requirements.

PROCESS

The PI on the project initiates the stipend payment process by identifying the student "Payee" and preparing a *Stipend Appointment Form,* taking care to fully complete the "Statement of Project Director" section and detail the stipend amount and payment timeline. The proposed Payee must also provide all requested information on the form and submit an accompanying *SFSU Vendor 204 Form*. Both the PI and the Payee must provide all required signatures (signature of participant & signature of project director) before it can be accepted as complete by ORSP. After the form has been submitted, ORSP coordinates with several other units to issue payments to qualified individuals.

SFSU Students:
For current SFSU students, this form will be routed to Office of Student Financial Aid for review and approval before being processed in Accounts Payable. Office of Student Financial Aid will review the student's financial aid package before approving any stipend payment. Office of Student Financial Aid will work with the student (if necessary with also the PI and ORSP) to adjust the student's financial aid and/or stipend so the student's total aid from all sources is within the cost of attendance (COA).

Non-SFSU Students:
Students currently enrolled at other institutions must submit proof of enrollment with their Stipend Appointment Form.

Stipend forms to use:
- Current SF State students will use the *SFSU Student Stipend Appointment Form*
- Non-SF State students enrolled in a degree program at another institution or who are taking a class with no units attached will use the *Non-SFSU Student Stipend Appointment Form*
- All non-SF State students should also submit a *SFSU Vendor 204 Form*

Nonresident Aliens must make an appointment with SF State's Tax Specialist to determine whether there is any additional required documentation before submitting to ORSP for processing. For more information about stipend payments to Nonresident Aliens, please visit:
http://fiscaff.sfsu.edu/content/payments-nonresident-aliens-nra-stipend