

STUDENT PAYMENTS AND STIPENDS POLICY

Category: Human Resources / Sponsored Programs

Policy Number: [To be assigned]

Policy Manager: Office of Sponsored Research and Programs

Current Revision Approval Date: [To be entered by OIIC]

Next Review Date: [To be entered by OIIC]

PURPOSE

The purpose of this policy is to establish consistent institutional guidelines for paying students through wages, stipends, or participant support funds. This policy ensures student payments comply with federal regulations, sponsor requirements, and institutional financial and employment policies.

TARGET AUDIENCE

This policy applies to faculty, staff, principal investigators (PIs), grant administrators, program directors, and others involved in compensating students using institutional or external funds.

AUTHORITY

This policy is established under the authority of the Chief Research Officer and the Office of Institutional Integrity and Compliance and is informed by federal regulations in Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 and guidance from federal awarding agencies such as NSF and NIH.

DEFINITIONS

- **Participant Support Costs (PSC):** Direct costs such as stipends, travel, subsistence, and registration fees provided to or on behalf of participants (not employees) in connection with federally sponsored training or outreach activities.
- **Stipend:** A fixed amount of financial support provided to a student for educational or training participation. Stipends are not payment for services rendered and are generally not subject to payroll tax or timekeeping requirements.
- **Wage:** Hourly compensation paid to students for work performed. Wages are subject to timekeeping, employment eligibility verification, and payroll tax withholdings.

POLICY STATEMENT

Student payments must be aligned with the role and funding source. The following principles apply:

- Students performing work or services (e.g., research, administrative support, tutoring) must be paid wages through student employment or institutional payroll systems and comply with applicable labor regulations.
- Students receiving financial support for participation in training, internships, workshops, or education-focused programs (including research traineeships) may receive stipends or participant support payments, provided these are not tied to work effort and conform to sponsor requirements.
- Student payments should not be classified as stipends or participant support to avoid fringe, taxes, or indirect costs.
- Federal sponsored funds may not be used for stipends or participant support unless explicitly allowed in the award terms. Rebudgeting into or out of participant support categories typically requires prior written sponsor approval.

- All student payments, regardless of type, must be documented, supported by appropriate approvals, and processed through institutional financial or HR systems to ensure transparency, compliance, and auditability.

RELATED PROCEDURES

To review procedures that correspond with this policy, please see ...

RELATED MATERIALS/REFERENCES

- Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200
- NSF Proposal & Award Policies and Procedures Guide (PAPPG)