**STIPEND PAYMENTS ON FEDERAL RESEARCH GRANTS**

**GRANTS POLICY STATEMENT**

**Stipends:** Allowable as cost-of-living allowances for trainees and fellows only under NIH training grants and fellowships (T32, F31, F32). These payments are made according to a pre-established schedule based on the individual's experience and level of training. A stipend is not a fee-for-service payment and is not subject to the cost accounting requirements of the cost principles. Additional information, including NIH policy on stipend supplementation, is included in "[National Research Service Awards](http://grants.nih.gov/grants/policy/nihgps/part_iii_2.htm#nrsa) " in Part III. **Stipends are not allowable under research grants even when they appear to benefit the research project.**

No individual trainee may receive more than 5 years of aggregate Kirschstein-NRSA support at the predoctoral level and 3 years of aggregate Kirschstein-NRSA support at the postdoctoral level, including any combination of support from Kirschstein-NRSA institutional research training grants and individual fellowships.

Also stated:

NIH recognizes that trainees as students may seek part-time employment coincidental to their training program to further offset their expenses. Funds characterized as compensation may be paid to trainees only when there is an **employer-employee relationship**, the payments are for services rendered, and the situation otherwise meets the conditions of the compensation of students as detailed in “[Cost Considerations—Allowability of Costs/Activities—Selected Items of Cost—Salaries and Wages—Compensation of Students](http://grants.nih.gov/grants/policy/nihgps_2003/NIHGPS_Part6.htm#Compensation_of_Students).” In addition, compensation must be in accordance with organizational policies consistently applied to both federally and non-federally supported activities and must be supported by acceptable accounting records that reflect the employer-employee relationship. Under these conditions, the funds provided as compensation (salary, fringe benefits, and/or tuition remission) for services rendered, such as teaching or laboratory assistance, are not considered stipend supplementation; they are allowable charges to Federal grants, including PHS research grants. However, **it is expected that compensation from research grants will be for limited part-time employment apart from the normal full-time training activities.**

**UTHSC-H Stipend Payment Mechanism**

There are **two mechanisms** for paying stipends. Both are via HRMS (payroll system), which requires a Personnel Action (PA).

* Expense account **69161:** P/R Stipends/No Benefits-Students (AKA “true” stipend); Earnings code **MUST** be **STI**.
* Expense accounts **69155 or 69156**: Stipend/Fellowship Faculty/Students (AKA employee stipend). These exp accts have benefits associated with them. Earnings code = **REG**.
	+ 69155 faculty stipend
	+ 69156 classified stipend

**IMPORTANT:** Since benefits are associated with 69155 & 69156, for federal training grants or fellowships, it is **imperative a** **benefit override** is completed because per NIHGPS, “since Kirschstein-NRSA fellowships or institutional research training grants are not provided as a condition of employment with either the Federal government or the grantee, it is inappropriate and unallowable for organizations to seek funds, or to charge Kirschstein-NRSA fellowships or institutional research training grants, for costs that normally would be associated with employee benefits (for example, FICA, workers compensation, and unemployment insurance).” At award set up the department must provide to PAF an unrestricted chartfield string (CFS) for fringes to be charged. PAF will then follow the Benefit Override procedures to complete the override in HRMS.

**UTHSC-H PROCESS**

**Set up:** When setting up a training grant or fellowship, funds for stipends should be budgeted into pool 61004. If first year of set up, ask dept what mechanism of stipend payment they will be using. If using 69155/69156, they will need to provide an unrestricted chartfield string (CFS) to which benefits will be overridden. Complete benefit override.

**Statements of Appointment (SOA):**

**Upon receipt of SOA**, check the following items:

* Trainee is within maximum number of trainees allowed for current budget period
* Start date is within current budget period
* Period of appt is at least 9 months with maximum of 12 months
* Stipend amount is consistent with current stipend levels found in Federal Register (**department is responsible for determining and verifying years of experience**)
* If Post Doc, Payback Agreement has been completed

If not otherwise stated in award document or FMS, mail SOA to agency (Grants Specialist). Image SOA and cover letter in Institutional/Agency Approval document in current year. Include name of trainee, period of appt, and stipend amt in FMS-Miscellaneous Notes.

**Upon receipt of PA,** review for the following items:

* SOA on file or in “High Priority” imaging folder
* Dates and stipend amount match SOA
* Expense account should be 69161, 69155, or 69156
* If 69155 or 69156, verify project has a benefit override (should be located in FMS-Misc. Notes. If not there, check HRMS.)

**Termination:** The Termination Notice is the basis for validating the total period of Kirschstein-NRSA support and establishing the amount of payback obligation, if any, for each Kirschstein-NRSA trainee. The PI is responsible for submitting a Termination Notice for each trainee within 30 days of the end of the total period of support. The lack of timely and accurate information on this form could adversely affect the payback process.

**STIPENDS ON NON-FEDERAL AWARDS**

Appointment forms may/may not be required, as non-federal grants have varying requirements based upon the specific agency’s guidelines/requirements. If you have questions regarding the stipend requirements on a new award, please contact PAF for guidance.

**SUMMER STIPENDS**

Summer student research programs often incorporate stipend payments for participants. It is important that such stipends be paid using the special expense coding created for this purpose. They should be paid using expense account **69162** - ***Student Training Compensation*** (under pool 61004) and Personnel Actions should reflect the job family **STC**. These stipends are for a short, defined time period, generally during the summer months, and should not be used for true stipend awards as previously discussed.