

Additional Guidance on Educational Student Stipends

For the purpose of UNCOSA, the term "Stipend" is used to describe a payment to an enrolled student to support a training/learning experience. There are two-type of educational student stipends: **service (work-related) stipends and nonservice stipends.**

- 1. Service (work-related) stipends** -Payment to any enrolled student who is required to perform services in order to receive the payment is a service or "work-related" stipend. An example is assistant teaching, performances, research or other academic work, student government leader, etc.
 - All service type stipends are processed through Payroll during the month-end payment cycle.
 - For this type of stipends, use account code **614510** for undergraduate students and account code **614511** for graduate's students.
 - Use the HR Form 401-Temporary-Flat Rate form to initiate paperwork and payment.
 - Paid via month end payroll.
 - Service Stipends would be the most common stipends used within the schools.

- 2. Nonservice stipends** - Non-service stipends are amounts paid to individuals who do not provide any services, and which are not academic awards. Examples are token payments and other one-time monetary awards for being the subject in a study, completing a survey, providing samples.
 - Non-service stipends are processed through our Accounts Payable Office.
 - Using account code is **769100** for non-service stipends.
 - Use Educational Student Stipend form.
 - Send to Accounts Payable for processing of payment via check.
 - These types of stipends would be infrequent and/or sporadic.

Generally, payments to students for stipends are taxable income to the recipient unless specifically excluded from taxable income by the IRS.

Please also make sure you budget for all educational student stipends (service or non- service) within the correct account codes.

Academic awards/stipends, commonly referred to as scholarships and fellowships, are made to, or on behalf of, degree candidates to pay for educational expenses. There are two types of educational expenses: qualified and nonqualified.

- Payments required by the educational institution and recognized by the IRS, as "qualified tuition and related expenses" are tuition and fees required for enrollment and books, supplies and equipment required for courses taken.
- Payments to students to enable them to attend school that are not qualified educational expenses as defined above. This funding does not require the recipient to perform services such as serving as clerks/interns, or assisting with teaching, research or other academic work.
- All academic awards **must** go through the financial aid office.