

# Regulatory Issues in Graduate Student Support

GFS User Forum  
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## The Regulatory Environment

Federal law  
OMB Circulars  
Sponsor Regulations

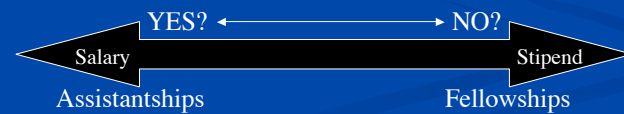
The education of students  
The conduct of science  
The management of funds

## Compliance concerns

- Allowability of charges on grants/contracts
  - Salary vs. stipend, Tuition Allowance, health insurance
- Student employment issues
  - I-9, taxes, work limits, non-financial issues
- RAs working at SLAC
- Sponsor "salary caps"
- Fellowship issues, especially for international postdocs

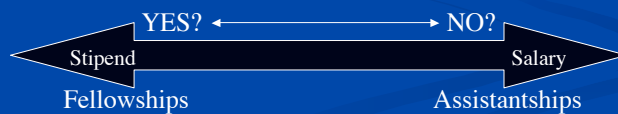
## Salary Indicators

- Compensation for work performed (teaching or research)
- "Employer-employee" relationship
- Paid through Payroll, taxes withheld
- Limits on hours worked (Stanford policy, visa limitations)



## Stipend Indicators

- Financial aid to provide an allowance for living expenses
- No services/work required
- Paid through SFS, no tax withheld
- May limit supplemental employment



## KEY DISTINCTIONS

### SALARY

- **ALLOWABLE** cost on research grants/ contracts
- Subject to rules about employment, tax withholding
- Charged fringe benefits (4.0% in 07-08 for RAs, TAs)

### STIPEND

- **NOT ALLOWED** on research grants/ contracts, except Training Grants, Fellowships
- Not employment (tax-reportable income, may limit supplemental employment)
- If Stanford-funded, charged stipend surcharge (5.25%)

Having to change from one to the other can be very painful.  
Always try to get it right the first time.

## More on Allowability

To be allowable, costs must be consistent with University policies.

**Visiting Researchers** may not be paid as RAs (may be paid as hourly employees, no associated TAL)

**Health insurance** subsidy maximum is 50% of premium, paid from fringe benefit pool (no additional insurance may be charged to sponsor)

## How TAL is charged

- Allowable only if student is paid a SALARY (i.e., NOT allowable unless the student has an assistantship appointment)
- TAL may not be charged until it is earned, i.e., at the END of the quarter.
  - Student's tuition is paid at start of quarter
  - Shows as a "prepaid expense" at the beginning of the quarter (not burdened - no IFC)
  - Converted to project charge at the end of the quarter (burdened at this point, if applicable)

## Tax and other payroll issues

### SALARY

- Student must have I-9 and SSN on file
- Paid twice monthly
- Federal and state tax withheld
- Student employees not subject to Social Security deductions
- W-2s provided

### STIPEND

- No I-9 needed
- Paid quarterly
- No taxes withheld, but is "tax-reportable"
- May not be paid to someone on an H-1 visa
- No W-2 issued

Both payments can make use of "direct deposit"

## Students and Social Security

- Student employees are exempted from Social Security (FICA) and Voluntary Disability Insurance (VDI) deductions as long as:
  - they are matriculated and enrolled in units
  - they are employed for less than a 40-hour per week schedule during the quarter
  - Reason for 2002 change to Summer Quarter Assistantships (now capped at 90%)

## Work Limitations during the School Year

- For all students with assistantships during Autumn, Winter, Spring quarters
  - Maximum appt is 50% with full enrollment
  - May work up to full time during breaks between quarters
    - Break = period between last day of finals and first day of the next quarter (see Academic Calendar)
- US students may work an additional 8 hours/week (hourly employment) during the quarter

## For international students

- Normally admitted on F-1 or J-1 visas (see Bechtel for process)
- Status reported automatically through SEVIS (uploaded from PeopleSoft), e.g., enrollment, change of address
- May not work more than 20 hours per week during the school year (50% assistantship)
  - MAY work up to 40 hours per week, on campus, during breaks between quarters.

## More on citizenship

- Participation in Stanford programs is not restricted on the basis of citizenship.
- Dept of Energy screening required for citizens of, or individuals born in:

### **Cuba, Iran, North Korea, Sudan and Syria**

If you are going to pay a student from one of these countries at SLAC, contact SLAC at least 6 months (two academic quarters) BEFORE you expect the student to start work there.

Contact: Daphne Mitchell:  
(650) 926-5377  
dmitchell@slac.stanford.edu

## Student Employment: Non-Financial Issues

- Student internships and other funding relationships can raise questions about:
  - Conflict of commitment and interest
  - Ownership of intellectual property
  - Openness in research (publishability of results)
- See "Relationships Between Students and Outside Entities"

<http://www.stanford.edu/dept/DoR/rph/2-11.html>

## Compensation “Caps”

NIH limit on grad student compensation

- NIH will not provide more funding for a grad student than for a first-year NIH postdoc
- Department may charge up to what a first-year postdoc in your discipline receives
  - Compensation = salary + tuition + benefits
  - Chargeable amount is based on your departmental norm for a new postdoc
  - NIH permits rebudgetting, but they won't provide added funds

## Sample: Student/Postdoc Comparison

Grad Student

Postdoc

- 12-month salary	\$26,300	- 12 month salary	\$39,216
- 4 quarters tuition	\$19,684 *	- 4 quarters registration	\$500
- 4 insurance subsidies	\$1368	- Benefits @ 20.8%	\$8157
<b>TOTAL ~ \$47,352</b>		<b>TOTAL ~ \$47,873</b>	

NIH will provide up to **\$36,996** (current NRSA stipend for a first-year postdoc)

\* 65% of regular Grad Tuition, current rate



## Postdocs and Visas

- Policy excerpt (RPH 9.4)  
Stanford University expects that international Postdoctoral Scholars will be appointed with a **J-1 (Research Scholar) visa**. J-1 Scholars who are transferring from another appointment must maintain continuous active status (breaks in J-1 program eligibility are not permitted).
- Postdocs on H-1B visas may NOT be paid with fellowship stipends.

## Fellowship considerations

- Don't use in the place of employment
- If an external award, be aware of donor requirements:
  - Do they permit added employment?
  - What student expenses do they permit?
- Coming Attractions:  
An NIH Training Grant limit on allowable grad student tuition, similar to NSF "Cost-of-Education" allowance

Thank you.

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