

GFS COMPLIANCE ISSUES: JUST BECAUSE YOU CAN DOESN'T MEAN YOU SHOULD

Graduate Student Services Forum

November 7, 2012

Topics

- ▣ Summer Enrollment/Employment Guidelines
- ▣ Correct Assignment of Salary vs. Stipend
- ▣ Compensable Time Issues

Summer Employment/Enrollment Guidelines

CAVEATS:

- ▣ Students on externally-funded fellowships are always obligated to adhere to the requirements of their fellowship award.
- ▣ International students are obligated to adhere to the requirements of US immigration regulations regarding enrollment and employment. Students should consult with Bechtel staff when questions arise.

Summer Employment/Enrollment Guidelines

Any graduate student who is continuing their academic program, with the expectation of any of the following:

- regular interactions with faculty
- use of University resources
- submission of academic work
- accomplishment of degree-related milestones

should be enrolled for a minimum of one unit.

Summer Employment/Enrollment Full vs. Part Time Employment

- On-campus employment for any enrolled student may not exceed a total of 36 hours per week. However:
 - During the period of time after the last day of final exams for a quarter and before the first day of classes for the next quarter, students are free to work on a full-time basis.
 - In the Summer Quarter, an assistantship appointment (either research or teaching) can be as short as two months if the student is not going to work in the month of September.

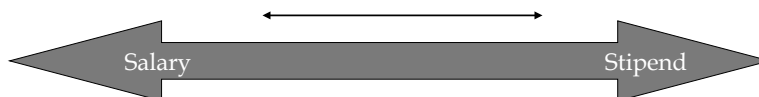
Summer Employment/Enrollment Unit Expectations

Enrollment must be adjusted to correspond with FTE expectations for the assistantship appointment.

| Assistantship FTE | Hours/Week | Units |
|--|--------------------|---|
| 10 - 40% | 4 - 16 hours/week | More than 10 |
| 50% | 20 hours/week | 8 - 10 units (or TGR) |
| 60% - 90% (Summer Quarter only or with permission) | 24 - 36 hours/week | Enrollment must be corresponding reduced based upon FTE (Refer to TAL table for Summer Quarter) |

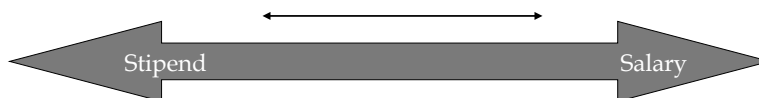
Distinguishing Salary from Stipends

Salary Indicators



- ▣ Salary is compensation for:
 - Work performed (teaching or research)
 - Directed by the University
 - ▣ “Employee - employer” relationship
- ▣ Salary is paid:
 - Semi-monthly through Payroll; taxes withheld
 - Limits on hours worked (Stanford Policy, visa limitations)

Stipend Indicators



- ▣ Fellowships are:
 - Financial aid to provide for living expenses while pursuing studies
 - ▣ No services provided/work performed for the University
- ▣ Fellowships are paid:
 - Generally quarterly through SFS
 - Supplemental employment may be limited

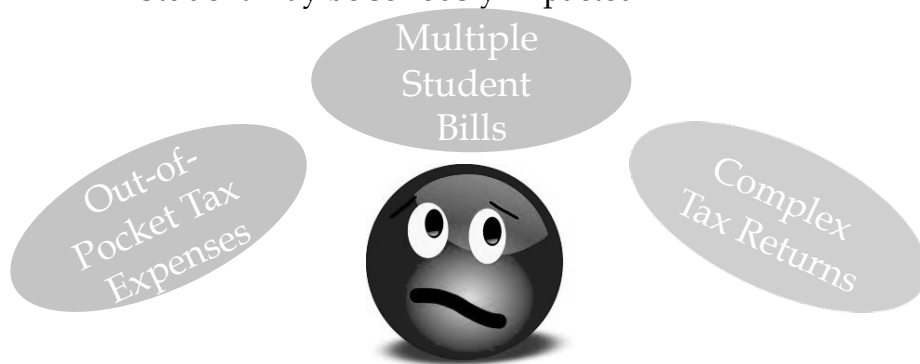
Key Distinctions

| Salary | Stipend |
|---|--|
| Allowable cost on research grants/contracts | Not allowed on research grants/contracts, except Training Grants and Fellowship Grants |
| Subject to employment and tax withholding regulations | Not subject to employment regulations; supplemental employment may be limited |
| Charged fringe benefits rate (5.0% for FY12) | If Stanford-funded, charged stipend surcharge (5.5% for FY12) |

Having to change from salary to stipend, or vice versa, can be complex, time-consuming and confusing to the student. Review funding documents and make every attempt to categorize payments correctly the first time!

Change is Confusing

- ▣ When funding is changed after-the-fact:
 - Administrative costs are significant
 - Multiple resources involved in local unit and central offices
 - Student may be seriously impacted



Other Compensation Issues

Ad Hoc Assignments: Is it Compensable?

- ▣ Is this part of the student academic experience?
- ▣ How are others doing the same task compensated?
- ▣ Is this a one-time contribution?
- ▣ Are there regular hours for this commitment?
- ▣ Is there a “deliverable”?

Scenarios: Salary or Stipend?

- ▣ Weekend workshop with several speakers, including Stanford graduate students
- ▣ Students are asked to help with set up of facilities, AV or technical support for an event
- ▣ A student helps a faculty member grade papers
- ▣ A student performs as part of a music ensemble at a faculty event

Appendix: After-the-Fact Aid Corrections

Retroactive Changes: Salary to Stipend

- ▣ Correct GFS Aid Entries
- ▣ Request a salary repayment calculation from Payroll via HelpSU
- ▣ Await fellowship disbursement to student
 - Postdocs only: Request fellowship check from Payroll
- ▣ Collect salary repayment check from the student and deliver it to Payroll

Retroactive Changes: Stipend to Salary

- ▣ Correct GFS Aid Entries
- ▣ Request a payment of unpaid salary from Payroll by submitting a GFS Off Cycle Check Webform
- ▣ Direct student to repay stipend
 - Graduates: Will receive a student bill
 - Postdocs: Collect stipend repayment check from the student and deliver it to Payroll

Tax Withholding Considerations

- ▣ Salary payments are subject to withholding; stipend payments generally are not
- ▣ When a student is moved from stipend to salary, the net pay received from the salary payment may be less than the stipend amount that must be repaid.
 - Graduates: Subject to federal/state withholding taxes
 - Postdocs: Subject to federal/state withholding taxes, FICA and VDI

Crossing Tax Years

- ▣ W-2 Forms cannot be adjusted to reflect a repayment of salary from a prior tax year
- ▣ When repayments cross tax years:
 - Students have excess reportable income in the year of transition from salary/stipend
 - The additional income is taxable for the student; s/he must make a tax return adjustment to subtract the amount of the repayment