

Tuition, Stipends and Other Student Payments

The University of North Alabama will follow federal regulations under OMB Circular A-21 Section J.45 for the payment of student support (scholarships, fellowships, tuition, health insurance benefit and other student financial aid).

Scholarships and student aid costs.

a. Costs of scholarships, fellowships, and other programs of student aid are allowable only when the purpose of the sponsored agreement is to provide training to selected participants and the charge is approved by the sponsoring agency. However, tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that --

- (1) The individual is conducting activities necessary to the sponsored agreement;*
- (2) Tuition remission and other support are provided in accordance with established educational institutional policy and consistently provided in a like manner to students in return for similar activities conducted in nonsponsored as well as sponsored activities; and*
- (3) During the academic period, the student is enrolled in an advanced degree program at the institution or affiliated institution and the activities of the student in relation to the Federally sponsored research project are related to the degree program;*
- (4) the tuition or other payments are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work; and*
- (5) it is the institution's practice to similarly compensate students in nonsponsored as well as sponsored activities.*

(b) Charges for tuition remission and other forms of compensation paid to students as, or in lieu of, salaries and wages shall be subject to the reporting requirements stipulated in OMB Circular A-21 Section J.10, and shall be treated as direct or F&A cost in accordance with the actual work being performed.

Tuition Remission:

Tuition remission and other forms of compensation paid as, or in lieu of, wages to students performing necessary work are allowable provided that the payment is:

1. for activities necessary to the sponsored agreement
2. provided in accordance with established institutional policy
3. for a student enrolled in an advanced degree program at the institution and the grant compensated activities of the student are related to that degree program
4. reasonable compensation for the work performed and conditioned upon performance of that work
5. part of a consistent institutional practice to similarly compensate students in non-sponsored as well as sponsored activities

Tuition remission costs do not have to be treated as employee salaries and wages for Internal Revenue Service purposes in order to be allowable as described above (OMB Clarification memorandum M-01-06).

Stipends:

A **stipend** is defined in the NIH Grants Policy Statement as “A payment made to an individual under a fellowship or training grant in accordance with pre-established levels to provide for the individual’s living expenses during the period of training. A stipend is not considered compensation for the services expected of an employee.” There are University departments that may apply the term “stipend” to other types of student payments. The substance and purpose of the payment, rather than the form or the name for it, are the factors that must be considered when determining allowabilty.