

Sponsored Program Stipends in Sponsored Projects Policy

Policy Number: 600-019
Effective Date: June 14, 2025
Last Updated: June 14, 2025
Issuing Authority: Office of the Senior Vice President for Research
Responsible Offices: Sponsored Program Office (SPO)

Purpose:

To ensure consistent, compliant treatment of stipends charged to sponsored awards in accordance with Office of Management and Budget Guidance for Federal Financial Assistance ([Uniform Guidance, 2 CFR §200](#)), federal sponsor policies, and Howard University's (HU) internal policies and procedures. This guidance describes the distinction between stipends and salaries/wages for individuals supported by externally sponsored research and training programs, to ensure compliance with the policies, procedures, and business process for documenting and paying student stipends. Requirements for the treatment of salaries/wages are found in HU policy on Time and Effort Reporting.

This policy applies to all University entities, business units, subsidiaries and affiliated organizations, and all faculty, staff, students, and administrators involved in grant management, budgeting, and post-award compliance at Howard University.

Policy:

It is the policy of HU to allocate and account for student stipend properly. HU may grant student stipends to students assisting with sponsored projects and enrolled at Howard University. Student stipends are granted only to Howard University students, unless the stipend funds for non-Howard University students are required and supported by the sponsor (e.g. student assisting with a Howard University sponsored project enrolled at the University of the District of Columbia).

In cases of stipends for non-Howard University students, the Principal Investigator/Project Director (PI/PD) must confirm compliance with three requirements, and maintain documentation of the verification:

- I. The sponsor provides the funding for the non-Howard University stipends and requires them as part of the award.
- II. Individuals receiving the stipends participate in activities beneficial to the sponsored project.
- III. Individuals meet the eligibility criteria for the stipend established by the sponsored award, Howard University, and the relevant academic department.

Definitions:

1. Stipend

The meaning of "stipend" within this policy is strictly related to a payment intended to help the recipient defray living or other expenses but not intended as compensation for services rendered. A stipend is a fixed sum of money paid to an individual to support educational or training-related activities undertaken by the student. Each agency or sponsor may have its own specific definition of "stipend" and that definition should be applied to awards from the respective sponsors. The *National Institute of Health's (NIH) Grant Policy Statement (GPS)* provides guidance that will be helpful in many cases. According to the NIHGPS, a stipend is "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

Sponsored Program Stipends in Sponsored Projects Policy

training. A stipend is not considered compensation for the services expected of an employee.” Students must be academically associated with the activities of the sponsored project to receive a stipend. Stipend recipients may work on the activities associated with the award, in pursuit of their academic goals, but are not required to perform services for the project in exchange for the stipend.

Stipends do not create an employer-employee relationship. Stipends may be paid in a lump sum or in regular intervals; the frequency of the payments does not change their nature for compliance purposes. Stipends may be paid in various forms, e.g., scholarships, fellowship, financial assistance grant, training grant, or other contribution to support educational or training expenses, including tuition, living costs, and other incidental expenses. These payments are not subject to institutional payroll processing.

Stipends may be allowable on federal awards with the following conditions:

- Permitted by the sponsor's guidelines or program announcements/notice of awards (e.g., NIH National Research Service Awards (NRSA), National Science Foundation (NSF) Graduate Research Fellowship Program (GRFP). The scope of work in the proposal and award documents should also state explicitly that training or research training of specific individuals is the purpose of the award.
- Stipends, along with subsistence allowances, travel allowances, and registration fees paid to or on behalf of **participants or trainees (but not employees or responsible for the implementation of an award) in connection with sponsored conferences or training projects** are classified “participant support costs” in the budget documents. (See HU policy on Participant Support).
- Clearly distinguished from salary in the budget and award documentation.

2. Salary or Wages (Compensation)

Salary or wages refer to payment for **work performed or services rendered** in connection with a sponsored project and create an employment relationship and are governed by human resources employment policies. These payments are subject to institutional payroll processing, including:

- Tax withholding
- Time and effort reporting (per 2 CFR §200.430)
- Payroll certification and internal controls (See HU policy on Time and Effort Reporting)

Stipends cannot be used to pay wages.

The following chart is meant as an aid in determining if financial assistance is a stipend or salary:

Key Distinctions between Stipends and Salaries and Wages

Stipend	Salaries & Wages
Financial assistance or support paid to university students; no work assigned.	Compensation for performance of assigned work.
No scope of work.	Scope of work assigned.
No Workers’ Compensation coverage	Workers' Compensation coverage.
No required fringe benefits or remissions.	Applicable HU employee fringe benefits and Tuition and Fee Remission as appropriate based on eligibility.
Student-mentor relationship; no employer-employee relationship.	Employer-employee relationship.

Sponsored Program Stipends in Sponsored Projects Policy

No grant and contract support unless the purpose of the award is to provide fellowship or scholarship.	Can be paid from sponsored projects funds, and other internal funding sources.
Pay at the beginning of the semester or regular intervals during the semester. No obligation to perform any assigned tasks or specific projects.	Pay based upon hours or percentage of time worked performing assigned job specific duties.
Selection based upon University policies that determine student's financial need or merit through competition.	Selection by the individual Principal Investigator or Lead Researcher based on competency, skills, knowledge, and ability and coordinated with Human Resources.
Disbursed by Office of Procurement and Contracting (OPC). When supported by extramural awards made to HU, administered jointly by OPC and the responsible unit or department.	Disbursed by Payroll. When supported by extramural awards made to HU, administered jointly Payroll and the responsible unit or department.
Amounts based upon reasonable need or stipend limits are set by the sponsor of the training or fellowship grant.	Amounts restricted by University salary scales.

Business Process Description:

1. The PI/PD determines whether the sponsored project includes funds for student stipends and identifies eligible student recipients. If the PI/PD has questions concerning the terms and conditions of the award, the Office of Sponsored Program/Research Administration (OSP/RA) is contacted.
Complete documentation related to this process should be retained by the PI/PD.
2. Once confirmation of eligibility is complete, the PI/PD encumbers the sponsored award, forwards the original forms to Accounts Payable (AP) and maintains a copy with all supporting documentation. (See the Roles and Responsibilities section for approval authorities based on the amount of the stipend.) This includes:
 - a. Payment Request Form with a list of student stipend recipients including:
 - i. Names
 - ii. Amounts
 - iii. Payment terms - The payment terms should address how the stipend will be issued and for what periods. (For example: The PI/PD may decide to have the stipend paid in a lump sum or paid a week at a time for a specific number of weeks.)
 - b. An indication of the sponsored award and the associated account to which the stipends should be charged
 - c. A complete set of W-9 Forms for each stipend recipient on the list. The W-9 Form can be downloaded from the IRS website. (The form requires the individual's name, address and SSN and must be signed and dated for AP to process the stipend request. Students should be advised to check the box for individual.)
 - d. As necessary, international students should coordinate with International Student Services to obtain requisite approval in order to proceed.
 - e. All recipients must have verified banking information prior to disbursement.

Sponsored Program Stipends in Sponsored Projects Policy

3. AP pays the stipend according to the payment schedule. (Student stipends are typically paid every two weeks.)
4. The sponsored award's account is charged.

Roles and Responsibilities:

Principal Investigator/Project Director (PI/PD):

The PI/PD is responsible for completing the required documentation package for student stipends and submitting it with the payment request to Workday for automated data checks processing. The PI/PD is also responsible for certifying the student's eligibility for both HU students and justifies stipends for non-Howard University students. The PI/PD is responsible for maintaining complete documentation related to participants, eligibility decisions, and any other term or condition of the award.

Student:

The student is responsible for maintaining his/her eligibility for stipends by being enrolled at Howard University or, for non-Howard University students, at an applicable institution. The student is responsible for completing and submitting the required documentation and forms to the appropriate department.

Office of Research/Sponsored Programs Office:

The Sponsored Programs Office reviews and approves the payment request to ensure compliance with the terms and conditions of the award, appropriate worktags, spend categories, and reporting codes and approves the request.

Finance:

Requests for over \$50,000 require Controller review and approval.

Accounts Payable:

Verifies associated information; if accurate and complete a payment is issued.

Internal Controls and Audit Readiness:

To ensure compliance with federal and institutional policy:

Post Award and PI Teams must clearly distinguish stipend vs. salary (compensated) in proposal budgets and ensure the costs are assigned to the correct budget categories.

Payroll records and effort certifications must be maintained for all compensated personnel.

- **Subrecipient agreements** must specify whether support is compensatory or training based.
- **Documentation must align** with the terms of the award and the role of the individual.

Misclassification Risks:

Misclassifying salary as a stipend can lead to:

- Audit findings and disallowed costs

Sponsored Program Stipends in Sponsored Projects Policy

- Payroll tax compliance issues
- Improper effort reporting
- Inconsistent treatment of project personnel

Questions and Contact Information

For questions about stipend vs. salary classification, please contact the Office of Research at: [Home Page - Office of Research Ticketing System](#)

Related Federal, Sponsor, and Howard University Policies and Procedures

- Office of Management and Budget Guidance for Federal Financial Assistance ([Uniform Guidance, 2 CFR §200](#))
- NIH Grants Policy Statement | Grants & Funding
- Proposal & Award Policies & Procedures Guide (PAPPG) (NSF 24-1) | NSF - National Science Foundation
- Howard University Guidance on Participant Support
- Howard University Guidance on Tuition Remission
- Howard University Guidance on Time and Effort Reporting