



MEMORANDUM

Date: October 19, 2015

To: CUNY Provosts
CUNY Grants Officers

From: Jerry F. Steele, Chief Operating Officer

cc: Vita Rabinowitz, Executive Vice Chancellor for Academic Affairs
and University Provost
Gillian Small, Vice Chancellor for Research

Subject: Guidance Concerning Charging Stipends to Federally Sponsored Awards

On May 28, 2015 the Research Foundation issued “**Guidance on Payments for CUNY Full-Time Faculty, Adjunct Faculty and Full-Time Non-Faculty Employees**”. We are providing additional guidance relating to the charging of **stipends** to federally sponsored awards.

Federal Requirements

Under the new **Uniform Guidance** (§200.466), scholarships and student aid costs (stipends) are allowable “...only when the purpose of the Federal award is to provide training to selected participants and the charge is approved by the Federal awarding agency.”

The **National Institutes of Health Grants Policy Statement** explicitly states that stipends are not allowed on research grants. This definitive statement appears twice in Part II Terms and Conditions of NIH Grant Awards Subpart A: General; Selected Items of Costs (Section 7.9.1). Under Salaries and Wages/Compensation of Students, it states: “Payments made for educational assistance (e.g., scholarships, fellowships, and student aid costs) may not be paid from NIH research grant funds even when they would appear to benefit the research project.” Further, in the same section under Stipends, “Stipends are not allowable under research grants even when they appear to benefit the research project.”

The **National Science Foundation Grant Proposal Guide** (Section II.C.2.v.) allows for stipends only in support of “participants or trainees at conferences, meetings, symposia, training activities and workshops.” In these cases, the scope of work should include a description of the training activity and the agency must agree to the funding of participant support costs.

RF Guidance

Given the guidance provided by Federal sponsors it is clear that stipends are only allowed on federal research awards where the sponsor has specifically included training activities in the original scope of work. Therefore, outgoing federal proposals that include stipends in the budget should include a description of the training and its purpose in the award documentation.

Student support that is not identified explicitly as a “stipend” will be considered compensation and should carry indirect costs. Grants Officers will review proposals to ensure proper submission of stipends on research awards.

For cases in which it is not readily clear whether stipends are allowable, Project Administrators will review the program announcement, the award document, the budget, and the budget justification to determine eligibility. If it is determined that stipends are not allowable, PAs will adjust for any expenditures improperly charged to stipends on the project.

Stipends are allowable on certain non-federal research awards, but they should be anticipated in the proposal budget and approved by the sponsor. Many non-federal sponsors are willing to fund stipends, however, it is important to distinguish individuals who are providing services to the College from individuals being paid without any expectation of work. Human Resource policies prevail over sponsor expectations. An individual who is being paid for the services he or she provides to the University should be considered either an employee or independent contractor.

PI Procedure on Sponsored Awards

It is the policy of CUNY and the RF to support students in the furtherance of their education and to encourage the development of future research scientists. When research training grants are awarded, it is the responsibility of the principal investigator and his or her department to properly select and appoint stipend recipients in accordance with sponsor requirements.

To appoint a trainee to receive a stipend, the principal investigator must not only submit the required documentation defined in the applicable sponsored award but also verify the following:

- **Student Status** - to qualify for a stipend, an individual must be a candidate for a degree, either at the university or elsewhere, or must have received a doctoral degree from an accredited domestic or foreign institution. For Post Docs, stipends on “T” and “F” awards (not research “R” or “P”) should follow the latest NIH NRSA stipend levels which can be found on the NIH website:
<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-15-048.html>
- **Payroll Status** – verify that the student has not been paid off of The City of the University of New York (CUNY) payroll while working for the current award PI or any of the PIs departmental peers within the past 2 years. If students are found to be on the aforesaid payroll within the past 2 years, contact the RF’s Human Resource department to process 1099 payments.
- **Service Requirement** – if the awarding of the stipend is contingent upon completion of a service requirement, the stipend is subject to federal tax reporting to the IRS.

If you have any further questions, please feel free to contact me at (212) 417-8370.