

PAYMENTS TO STUDENTS GUIDE

January 2016

INTRODUCTION

- ▶ The College of William and Mary makes various payments to students for tuition and fees, teaching, research, other education-related activities and employment.
- ▶ In awarding and processing such payments, care must be taken to **classify** these payments correctly for tax purposes and the impact of the Affordable Care Act.
- ▶ This document addresses types of payments made to both graduate and undergraduate students, including scholarships, fellowships, stipends, prizes and awards, compensation for services and reimbursements.

STUDENT DEFINED

- ▶ To be considered a WM Student you must:
- ▶ **Be Accepted for Admission and Enrolled in an Approved Degree Program**
 - ▶ Students must be enrolled in an approved degree-seeking program to be eligible for any financial aid from the College. Students studying in an approved study abroad program are eligible to apply for financial aid from the College.
 - ▶ Enrollment can be full- time or part-time

TYPES OF PAYMENTS

Term	Definition
Qualified Scholarship / Fellowships	<i>This category includes payments to the student (those in a degree program) or credits to a student's account used only for "qualified tuition and related expenses," which are limited to tuition and required fees, books, supplies, or equipment.</i>
Non-Qualified Scholarship / Fellowship	<i>A non-qualified scholarship is a scholarship payment used for expenses that are not qualified tuition or related expenses (e.g. amounts used to pay optional fees, room, board, travel and personal expenses) at the discretion of the student. A non-qualified fellowship is payment for a research fellowship. The student will be expected to perform independent research. If the fellow is a student this research would be part of their educational pursuits. It is important to note that the student is performing independently and not under any direct supervision or direction. They may seek advice or assistance from colleagues, or may collaborate with others in their particular discipline; but the final decisions of what to do, how to proceed, and in what direction the research goes is decided by the fellow.</i>
Graduate Assistantship	<i>An academic job held by a graduate student, which involves paying for services rendered. Graduate assistantships can be classified as; Graduate Assistantships (GA's), Teaching Assistantships (TA's) and Research Assistantships (RA's). These types of individuals are performing services in order to receive compensation and are subject to the control of and supervised by an employee of the University making the payment taxable and reportable to the IRS.</i>

TYPES OF PAYMENTS

Term	Definition
Undergraduate Employment	<i>If an undergraduate student is to receive payment for an event that occurred once, then it is a one-time payment. If the student is continuing to work for an extended amount of time it is an hourly job.</i>
Stipend	<i>A stipend is used as a virtual catch-all category for a variety of payments but often takes the form of a subsistence allowance given to students to help defray living expenses during the educational or training experience. Departments must assess the purpose of the payment to determine how it will be treated (i.e. for academic pursuit of the individual or compensation for services rendered).</i>
Research Scholarships / Fellowship	<i>Scholarships/Fellowships given to students, generally in a term of non-enrollment (example: summer), for the pursuit of their studies and research.</i>
Awards	<i>Awards are given to students in recognition of academic achievement. (i.e. Higher GPA.).</i>
Prizes	<i>Prizes are given to students who have submitted entries to a judged competition, for example, the best architectural design, best short story, or music or poster competitions.</i>
Reimbursements	<i>Students who incur costs for approved activities that primarily benefit the College may be entitled to reimbursement. Reimbursements will be always be processed by the Accounts Payable Office. See College Procurement Reimbursement Policy.</i>
Honorarium	<i>A payment in recognition of an individual's services for which fees are not legally or traditionally required for an academic related event. Typically this includes guest speakers and other creative academic related activities. Students do not receive honoraria at William & Mary.</i>

Grants and Scholarship Definition

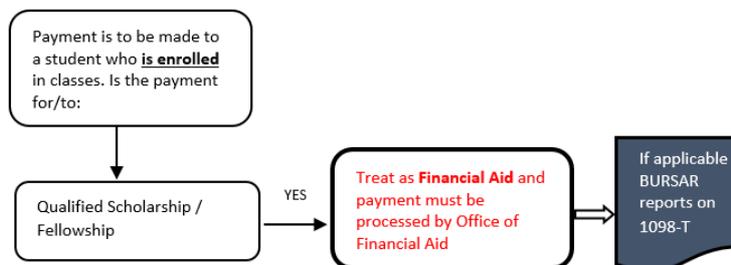
- ▶ Scholarship and grant funds are gift aid provided to cover educational expenses, which are broadly defined as tuition and fees; room and board, or a comparable allowance if the student is living off-campus; books; personal costs; and transportation (Qualified and Non-Qualified).
- ▶ On a case-by-case student basis, additional allowances may be made for such expenses as health insurance, research costs, the purchase of a computer, and child care.
- ▶ While the terms "scholarship" and "grant" are frequently used interchangeably, the former normally includes some measure of merit and the latter some assessment of financial need.
- ▶ Federal Regulations mandate that whenever the student receives additional assistance, a financial aid award may be adjusted or reduced, even if the financial aid has already been disbursed.

PAYMENT PROCESSING

- ▶ Guidance on how to process a student payment.
- ▶ The most important rules to remember when determining how to pay a student are:
 - (1) Define what type of payment the students are receiving
 - (2) Verify if the student is enrolled in the semester for which the money is being awarded and
 - (3) Recipient tax status (US Citizen vs NRA).
- ▶ Once you have determined the answer to the 3 outlined questions, you may use the information below to identify the department that will be processing the payment.

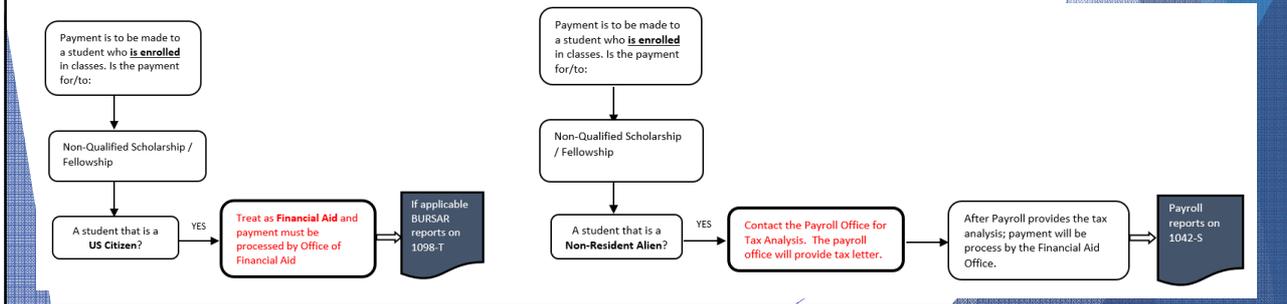
QUALIFIED SCHOLARSHIPS / FELLOWSHIPS

- ▶ Qualified expenses are limited to tuition and required fees, books, supplies or equipment.
- ▶ Only WM Students can receive qualified Scholarships/Fellowships.
- ▶ Students will receive a 1098-T - Tuition Statement if applicable.
- ▶ The student will be enrolled for classes during the semester(s) for which this money has been awarded. The disbursement will first be applied against any outstanding balance the student may have with Student Accounts. This may result in the student not receiving a refund when this award is applied to his or her account. It also could affect other financial aid which the student has been provided.
- ▶ Rule application is the same for US Citizens and NRA students.



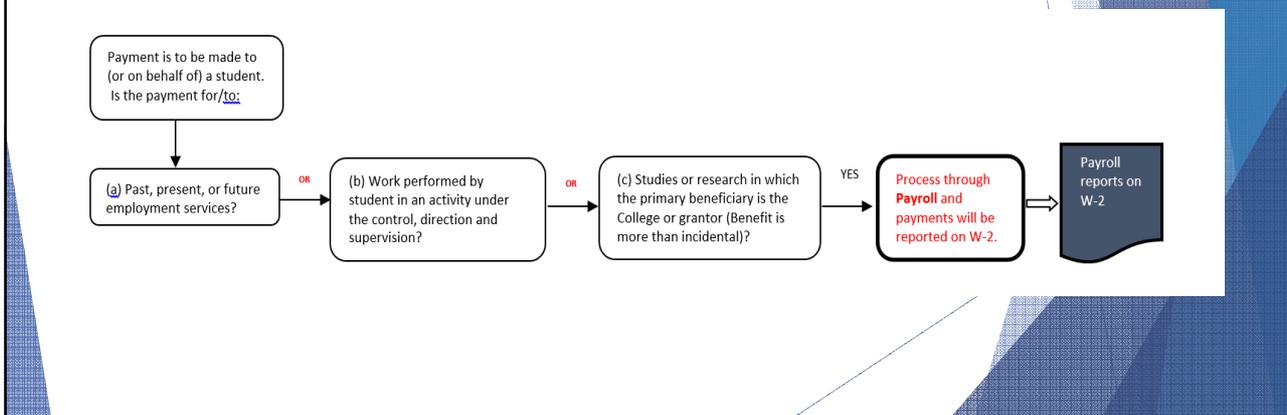
NON-QUALIFIED SCHOLARSHIP / FELLOWSHIP

- ▶ Only WM Students may receive Non-Qualified Scholarships/Fellowships
- ▶ The student will be enrolled for classes during the semester(s) for which this money has been awarded. The disbursement will first be applied against any outstanding balance the student may have with Student Accounts. This may result in the student not receiving a refund when this award is applied to his or her account. It also could affect other financial aid which the student has been provided.
- ▶ Student Refunds can be used at the discretion of the student. Student is performing tasks independently and not under supervision and/or Student may use the money for other expenses such as room fees, travel, and computers. (Example: Recruitment Scholarship)
- ▶ Students must be enrolled to receive a Non-Qualified Scholarships/Fellowships
- ▶ Rule application is **NOT** the same for US Citizens and NRA students.



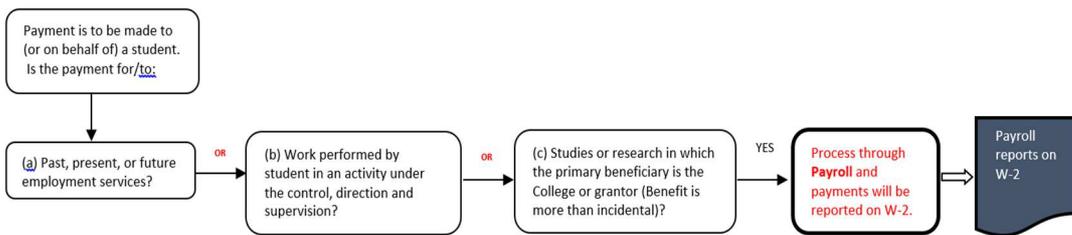
GRADUATE ASSISTANSHIPS

- ▶ Graduate Student employment is managed by Human Resources
- ▶ Employment- past, present or future expectation of services.
- ▶ Rule application is the **same** for US Citizens and NRA students



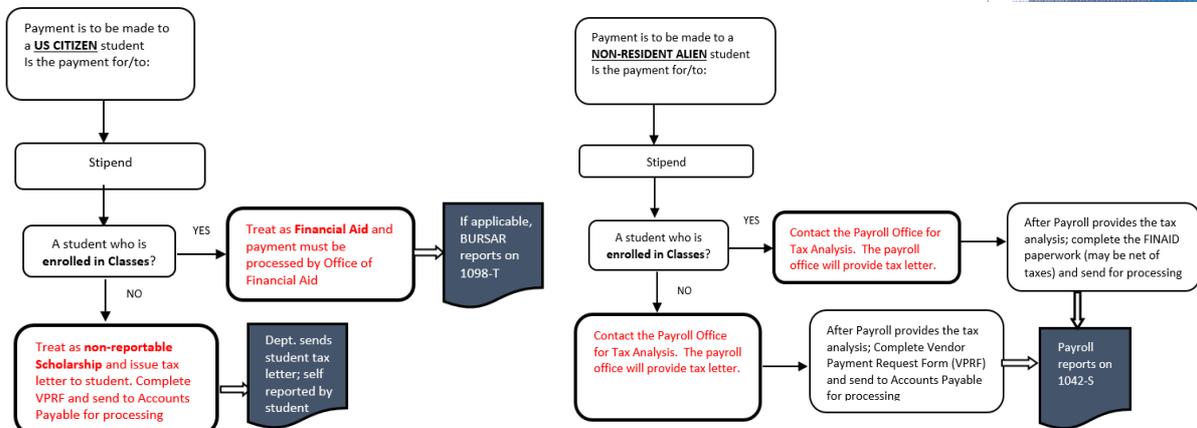
UNDERGRADUATE EMPLOYMENT

- ▶ Undergraduate Student employment is managed by the Financial Aid Office
 - ▶ Hourly Position
 - ▶ One-Time Payment
- ▶ Employment- past, present or future expectation of services.
- ▶ Rule application is the same for US Citizens and NRA students



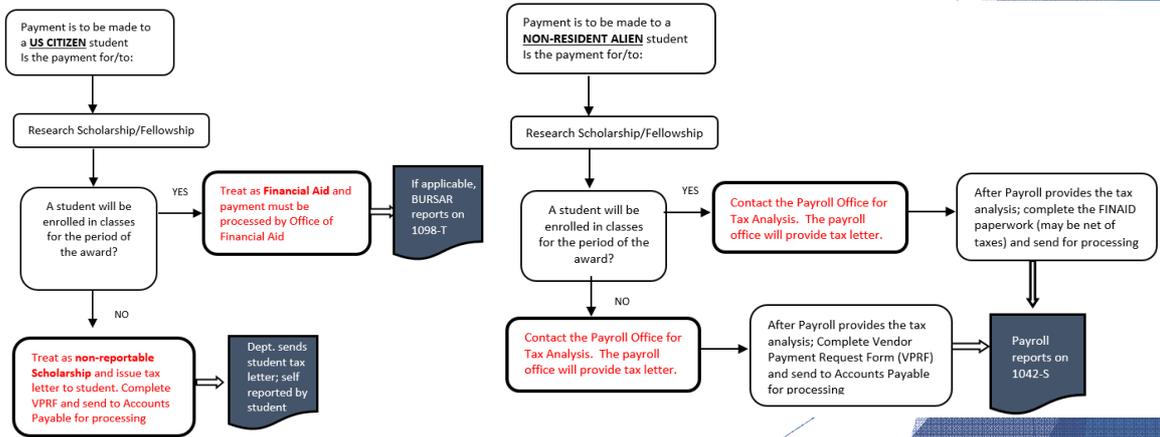
STIPENDS

- ▶ Usually a form of subsistence allowance given to students to help defray expenses
- ▶ If service component is required - See Graduate Assistantship/Wages
- ▶ If no service component - then follow flowchart below
- ▶ Rule application is NOT the same for US Citizens and NRA students.



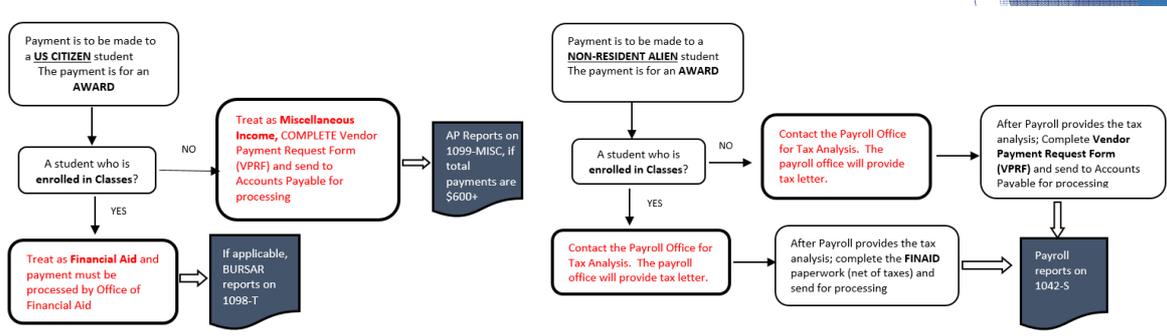
RESEARCH SCHOLARSHIP / FELLOWSHIP

- ▶ Scholarships given to students for the pursuit of their research.
- ▶ Generally given for periods of non-enrollment.
- ▶ Rule application is **NOT** the same for US Citizens and NRA students.



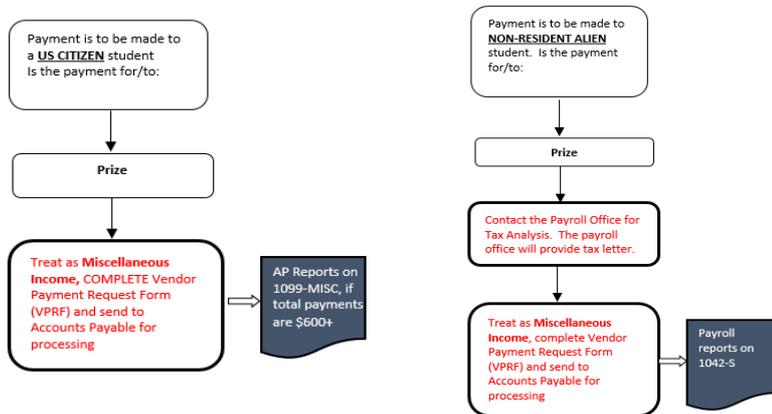
AWARDS

- ▶ Given in recognition of academic achievement
- ▶ Rule application is **NOT** the same for US Citizens and NRA students.



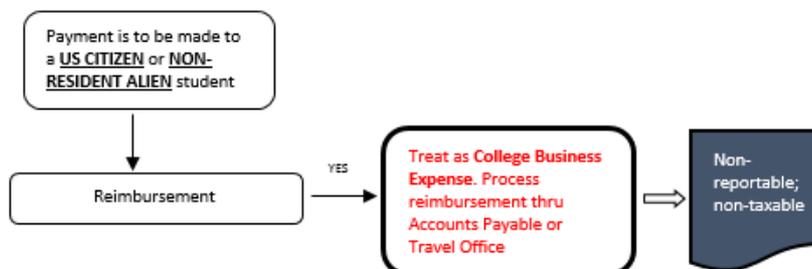
PRIZES

- ▶ Generally, a prize won by a student who has submitted entries to be judged in competition, for example, the best architectural design, best short story, or music or poster competitions.
- ▶ Rule application is **NOT** the same for US Citizens and NRA students.



REIMBURSEMENTS

- ▶ Repayment of expenses incurred on behalf of the College
- ▶ For a student to receive a reimbursement, a College business purpose must exist.



NON WM STUDENT

- ▶ A Student somewhere else
- ▶ Is the Student a US Citizen or NRA?
- ▶ Define what type of payment the students are receiving
 - ▶ Employment
 - ▶ Non-Student Position. Must go through People Adm in HR
 - ▶ Non-Employment
 - ▶ Most payments will go through the AP office
 - ▶ Proper documentation is required
 - ▶ W-9s or W-8

QUESTIONS