

The University of Iowa

Payment Determination Guidelines to US Citizens

* Guidelines include payments to US Citizens (consult with Payroll Services for payments to non US Citizens)

	TRAINEES/FELLOWSHIP STIPENDS	SCHOLARSHIPS	REIMBURSEMENT OF EDUCATIONAL RELATED EXPENSES	EMPLOYEE COMPENSATION	PARTICIPANT STIPENDS	STUDENT TRAVEL
DEFINITION:	Payments to an individual for the purpose of furthering their education, training, or research	Payments to an eligible U of I student for the purpose of furthering their education.	Payments to an eligible student for reimbursement of fees or other related expenses.	Payments made to an employee for services performed.	Payments to an eligible student for the purpose of furthering their education, training, or research.	Reimburse an eligible student for travel expenses
Must the recipient be an enrolled student at the University of Iowa?	No	Yes	No	No	No	No
What's the primary purpose of the payment?	Further the individual's education, research, or training.	Further the individual's education, research, or training.	Further the student's degree completion.	Compensate the employee for services rendered to benefit the University.	Further the student's education, research, or training.	Support University business
Are services required in exchange for payment?	No – an employee/employer relationship cannot exist	No	No	Yes	No – an employee/employer relationship cannot exist	No
Who primarily controls the activity for which payment is made?	Fellowship recipient	Student recipient	Faculty/PI	Supervisor/PI	Faculty/PI	Faculty/PI
Through which system is the payment processed?	HR Transaction System	MAUI Scholarship Workflow	Accounts Payable (as non-services eVoucher)	HR Transaction System	MAUI Scholarship Workflow – Must work with Billing Office in advance	Accounts Payable Travel Expense Voucher
What is the payment frequency?	Typically paid in equal installments throughout the award period.	Paid during the semester it was awarded to offset tuition balance, with remaining amount paid through UI Billing Office.	Typically paid in lump sum.	Paid in accordance with the regular payroll cycle.	Maybe paid in lump sum or installments	Lump sum for approved reimbursement.
Is fringe assessed on the payment?	Yes	No	No	Yes	No	No
Which IACT's should be utilized?	5610, 5615, or 5620	6340	6241	5XXX	must use function 80 and lact 6340	6025-6064
Is the payment amount included in the individual's financial aid package?	No	Yes	No	No	No – Work with Billing Office to ensure proper routing	No
Is the University required to submit tax reporting to IRS?	No, recipient is responsible for determining tax liability.	Yes, reported on IRS Form 1098T.	No	Yes, reported on IRS Form W-2.	No, recipient is responsible for determining tax liability.	No

Updated 2/22