

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 EDUCATION-RELATED EXPENSES	EMPLOYEE COMPENSATION	PARTICIPANT STIPENDS	Notes for Participant Stipends funded by specific federal programs (funds 500/510)	STUDENT TRAVEL
DEFINITION:	Payments for non-service graduate fellowships and visiting scholars for the purpose of furthering their education, training, or research	Payments to an eligible UI student to support their education, including experiential learning	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.	Payments may involve undergraduate or graduate students.	Reimburse an eligible student for travel expenses
Must the recipient be an enrolled student at the University of Iowa?	It depends	Yes	No	No	No	The student does not need to be a UI student. They generally are not UI students.	No
What's the primary purpose of the payment?	Further the individual's education, research, or training.	Award for educational advancement	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 UI business (if travel is for student enrichment - contact Student Financial Aid)
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	The PI/Faculty controls the activity, it is research related.	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.	May be paid in lump sum or installments	These payments cannot be used to offset any student expenses/bills for UI student.	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	SXXX	must use function 80 and IACT 6340	6365 - For undergraduate students (both UI and non-UI) who are performing a research training (e.g.: NSF - REU) which is paid via a stipend, not an employment relationship (salary/wages). These stipends do not include fellowships (e.g.: NIH - NRSA), or any stipend that the sponsor requires direct appointment to the project. Stipends paid via MAUI. (Only allowed on Funds 500 and 510, with a Function 80).	6025-6064
Is the payment amount included in the individual's financial aid package?	Yes - If enrolled ** (see below)	Yes	Yes - If Enrolled	No	No – Work with Billing Office to ensure proper routing	The student is required to report this to their home institution, who determines how to account for this within the financial package.	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.	1098T	No
	<p align="center">** If paid to student as a scholarship, the amount must be included in financial aid Offer and student should be enrolled</p> <p align="center">** If paid as an employee, then does not have to be on financial aid offer</p>						

Last updated - May 2026