Procedures for Payments of Stipends

PLEASE READ PRIOR TO MAKING AN OFFER OF ANY STIPEND TO ANY INDIVIDUAL!

A stipend is a payment to a faculty or staff member for duties performed that are outside of their normal job requirements. Usually stipends are paid in one or two installments. Both full-time and part-time exempt staff and faculty may be considered for stipends. (The Human Resources staff must approve any stipend intended to be paid to non-exempt employees before they can be offered and paid. If you are not sure whether an employee to whom you wish to pay a stipend is non-exempt or exempt, you must first check with the Human Resources Department.)

Please note that any change in an individual's regular pay, any change that results in a change of hours, or any other change in regular compensation (e.g., a reclassification of the position) should not be handled with a stipend request.

The following guidelines apply to stipends:

1. All stipends are considered taxable compensation and are charged against an identified and appropriate existing salary line in the requesting department.

2. Since stipends are taxable compensation, an additional amount will be charged to the department to cover the cost of compensation-based benefits (FICA, retirement, etc.)

3. Prior to offering a stipend to an exempt employee, supervisors must be reviewed by Human Resources (HR) to insure that these guidelines are followed. For non-exempt employees, HR must also determine if the proposed stipend will comply with the wage and hour laws that cover hourly income and overtime.

4. No stipend shall be paid for the performance of duties within the individual's existing job responsibilities (whether exempt or non-exempt).

5. Stipends can be paid in a lump sum or in increments. However, the final payment should not be made until all agreed-upon duties have been completed satisfactorily.

6. All stipends require the approval of the area Vice President. They will not be paid without this approval and without an adequate funding source for both stipend and benefits.

7. All stipends must include the total weekly hours taken to perform the task and an hourly rate that was used to determine the stipend amount. The stipend request also requires the dates the tasks were performed and a description.

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