



GUIDANCE ON USE OF FELLOWSHIP JOB CODES (3110 Job Code and 3200 Series)

Introduction

This document provides guidance on how to use the Fellowship job codes (3110 job code and 3200 job code series) in the Human Resources Management System (HRMS). These job codes receive payroll stipends. A payroll stipend is any amount paid to (or for the benefit of) an individual to defray expenses, typically educational or in the pursuit of study or research. Payroll stipends are not subject to withholdings (i.e., FICA and Medicare taxes).

There is no expectation of services (job duties) to the University that the person must perform in exchange for the payment. The University is acting as an educational or training advisor (not a personnel supervisor) providing guidance or educational oversight to an individual performing an activity. In other words, the University acts as a resource to an individual and the individual retains the right to decide how, where and when to perform the activity.

It is important that these job codes are used appropriately to ensure that compensation is paid in compliance with Internal Revenue Service (IRS) regulations. When these job codes are used inappropriately, the department will be held fiscally responsible for any retractive corrections (i.e., FICA, Medicare taxes, and other benefit costs).

Job Code Definition

The following definitions for the Fellowship job codes, which receive payroll stipends, provide guidance on the characteristics of the position and identify accounting treatments.

- Resident (Res) Fellow Stipend (3110) – Job code is used only by Graduate Medical Education at UCDHSC. Represents Medical Resident training grant positions. The appointment is not eligible for employment benefits. The Res Fellow Stipend job code maps to the stipend earnings code and stipend account code, 403020 MDRS Fell Stipends. Further, it should typically be charged to a FOPPS (SpeedType) with an instruction expense purpose code, 1100.
- Post-Doctoral (Post-Doc) Trainee (3201) – Appointee must possess PhD degree or equivalent. The appointment is viewed as transitional or training. The appointment involves research or training exclusively. No service to the University is expected. The appointee is expected to receive recognition credit for the results of research or other activities performed during the course of the appointment. The appointment is eligible for certain employment benefits. See the Benefits Eligibility matrix on the PBS web site at https://www.cusys.edu/pbs/pbs_documents/EligibilityMatrix.xls. The Post-Doc job code maps to the fellowship earnings code and stipend account codes (400840 PoDoc Fell FT Stipends or 402065 PoDoc Fell PT Stipends). Further, it should typically be charged to a FOPPS (SpeedType) with an instruction expense purpose code, 1100.
- Pre-Doctoral (Pre-Doc) Trainee (3204) – Graduate students enrolled in a pre-doctoral program and participating on a training grant. No service to the University is expected. Payment allows for person to continue their education. The appointment is not eligible for employment benefits. The Pre-Doc job code maps to the stipend earnings code and stipend account code, 770301 PreD Fell Stipends. Further, it should typically be charged to a FOPPS (SpeedType) with a financial aid expense purpose code, 1800.

- Student Stipend (3205) – Trainees, who are not graduate students, but enrolled in high school or undergraduate programs and participating on a training grant. No service to the University is expected. Payment allows for person to continue their education. The appointment is not eligible for employment benefits. The Student Stipend job code maps to the stipend earnings code and stipend account code, 770302 Std Fell Stipends. Further, it should typically be charged to a FOPPS (SpeedType) with a financial aid expense purpose code, 1800.
- Participant Stipends (3207) – Participants, who are not employees, related to sponsored projects that are entitled to receive stipends for their participation in the sponsored project protocol. Generally, these stipends are in accordance the NSF Grants Policy Manual definition of Participant Stipends. No service to the University is expected. Payment allows for person to be reimbursed for costs associated with their participation in the sponsored project. The participant is not eligible for employment benefits. The participant Stipend job code maps to the stipend earnings code and stipend account code, 495301, Participant Stipends – HRMS. Further, it should typically be charged to a Sponsored Projects FOPPS (SpeedType) in Fund 30.

Examples Where Fellowship Job Codes Should Be Used

The following are situations that would require the use of a Fellowship job code in order to pay a stipend.

- Trainees paid on Federal Training Grants and Fellowships – Federal agencies award training grants and fellowships that require the payment of a stipend for the trainees participating in the training program.

For the National Institute of Health (NIH), examples would be awards codes T32, T35, F31, F30, F32, T21, T80, F38, F33 or T01.

For the National Science Foundation, examples would be the Graduate Research Fellowship (GRF) awards through their Division of Graduate Education. These awards provide a stipend in the amount of \$27,500 for 12 months which are paid through the payroll system (HRMS). In addition, the awards include a cost-of-education allowance for qualified tuition and fees up to \$10,500. For the tuition and fee payments, for UCB complete and submit the Scholarship Payment Form to UCB's Graduate School for processing the tuition and fees, and for the other campuses contact the appropriate campus Bursar's office.

The Post-Doc (3201) or the Pre-Doc (3204) job codes in HRMS would be used for these trainees.

- Recipient of Training Fellowship from Private Organization – It is not uncommon for the University to be the sponsoring institution for an individual receiving a Fellowship from a private organization (e.g. American Heart Association) with the purpose of providing Post-Docs or Pre-Docs an opportunity to expand their research knowledge and training. The fellowship is given as a training award.

The individual who received the fellowship is responsible for carrying out the research protocol with guidance from a University mentor. The mentor acts as a resource to the individual, but the individual retains the right to decide how, where and when to perform the activity.

The Post-Doc (3201) or the Pre-Doc (3204) job codes in HRMS would be used for these trainees.

- Participant in a Department-Paid Training Program – An example is 1st Year Graduate Students rotating through laboratories to receive training, but not performing any services for the University.

The Pre-Doc (3204) job code in HRMS would be used for these trainees.

Examples Where Fellowship Job Codes Should NOT Be Used

Because the fellowship job codes pay stipends, these job codes should not be used for someone who is performing a service for the University and being supervised by a University employee (supervisor). A supervisor has the right to instruct the individual how, where and when to perform the activity and provides a performance evaluation, at a minimum annually to the employee. This supervisory relationship is not negated when you provide the employee the freedom of action. The key factor is the University's *right* to control the details of the activity performed. Examples include:

- Post-Doc Performing Work on a Research Grant – A Post-Doc who is performing a service on a research grant and being supervised by a University employee (i.e., Principal Investigator). The individual's work on the research grant constitutes an employer-employee relationship. The individual should have an appointment in HRMS with a salary job code to pay for these services. It is typical for the job code to be Regular Fellow (1438 job code).
- Employee Participating in a Training Program – It is common for the University to provide education or training to its employees. Common examples are:
 - Phased development program – includes a designated period of didactic training and supervised research experience (e.g., Faculty Development grants)
 - Mentor training – supported mentored training of junior faculty within their early years of their University appointment (e.g. Junior Faculty awards from American Diabetes Association).

The existence of these training initiatives does not change the employee designation of the individual. The key to this relationship is that the University has an independent relationship with the individual with the expectation of some benefit from the associated activities and the right to control the individual's activities. The training is provided to enhance the employee's ability to provide current or future services to the University or its benefit.

- Individual Providing Direct Patient Care as Part of a Training Program – An individual with a post-doctoral degree in a clinical department may be participating in a training program that requires the person to provide direct patient care. The individual will be supervised by an appropriate UCDHSD Faculty member and as part of that supervision will receive training on various aspects of patient care.

For more specific information on sponsored project funding requirements, contact your campus Grants and Contracts office.

Retroactive Job Code Changes

It is extremely important that the individual has the correct fellowship job code assigned at the start of the training program/fellowship to ensure he/she is paid correctly. If an individual was incorrectly paid a stipend for a period of time rather than salary, retroactive taxes (FICA and Medicare) are owed.

Typically, the employee and the employer both pay a portion (as set by the IRS) of FICA and Medicare. However, if retroactive FICA and Medicare taxes are owed due to using the incorrect job code, the department will be responsible for **both** the employee's and employer's portion. The employee's portion must be paid from departmental funds and **cannot** be charged to federally sponsored project funds. Any other incremental benefit costs must also be paid from departmental (non-sponsored project) funds.

If the retroactive job code change is needed, the department must:

- Enter the retroactive job code changes in HRMS. This may require correction access in the system, depending on the current effective dated row. If correction access is needed, the department should contact PBS to request the retroactive changes.
- Request the payroll liaison work with PBS to correct the account codes to reflect the stipend payment. At UCDHSC, contact the Post-Award Administrator responsible for Training Grants/Fellowships. For the other campuses, contact your campus Controller's office.
- PBS will then process the appropriate tax adjustments.

Additional Appointments/Positions

Although an uncommon situation, an individual may have a part-time appointment as a trainee, while simultaneously providing a service to the University and receiving salary. The key to this situation is that the individual's time can be easily divided between two distinct categories:

1. A portion of time where the University has the expectations of some benefit from the associated activities and the University is the supervisor of the individual.
2. Another portion of time where the individual is pursuing an education that primarily benefits the individual and not the University, and the University is only serving as an advisor to the individual.

If the funding for the training is from a federal agency, there may be specific requirements that need to be met in order to receive the stipend. For example, NIH requires the trainee spend a minimum of 40 hours per week in training. The salary for the work performed as the employee on a part-time basis cannot be paid from federal research grant funds that support the same research that is part of the fellowship's planned training experience.

In order to pay both salary and stipend, the individual must be set up in HRMS with two appointments/positions. One appointment would have the appropriate fellowship job code (3200 series) and the second appointment would have a salary job code.

For example, the University may have an individual that is a Post-Doc participating on a federal training grant for 95% of their time and also performing services for 5% of their time on a research grant that is not part of the fellow's planned training experience. In HRMS, the individual would have the following two appointments/positions:

- 3201 Post-Doc Trainee job code at 95% time pad from federal training grant
- 1438 Regular Fellow job code at 5% time paid from research grant

Frequently Asked Questions

Can I rely on an external contract to help determine the type of payment?

Federally sponsored projects are generally safe to rely on for classification of payments as stipend versus salary. However, private sponsored projects tend to use inappropriate terminology and the University should not rely on these awards to determine classification of the individual. The classification of the individual should be based on the characteristics of the individual's relationship with the University as described in this guide.

Should we change the employment (appointment) status of a full-time regular employee due to the receipt of "stipend award"?

No, the existence of a change from 100% full-time appointment as an employee (e.g. faculty appointment, professor) to a 100% appointment as a trainee is not very common (and very risky). The department received a funding contract (e.g. Faculty Development Grant) for 100% of the individual's existing salary as a "stipend."

The receipt of a grant, in itself, would not have change the University's relationship with the individual as an employee. Therefore, the payments to the individual should remain classified as salary, unless there is an active decision by both the University and the individual to end or modify the employment relationship (i.e. break service or reduction in appointment).

If the sponsored project budget requires the classification as "stipend" and disallows any benefit costs and since the individual's employment status has not changed, then the department will have to perform two additional steps:

1. For reporting purposes to the grantor, reflect the salary charges as stipends. (This results in a classification difference between the University's financial records and the filed sponsor reports).
2. Establish a benefit override exception for the project as discussed in the Basis for Allocating Benefits policy: http://www.du.edu/System_Controller/documents/Basis_for_Allocating_Benefits-07-07-03.doc.

For additional guidance please contact your campus office found on the Campus Employment Group Contacts located on the PBS web site at <https://www.cu.edu/pbs/hrms/resources/downloads/HRMS-FIN-CampEmplContacts.pdf>.