Objectives

• Define Fellowships

• Instructions for Academic Fellowship form completion

• Review Fellowship Health Insurance

• Procedures on taxing Fellowship payments
Research Foundation Policy For Fellowships

A Fellowship provides non-wage payments in support of a recipient’s academic study or Fellow-initiated research and in recognition of the recipient’s promise as a research or teaching scholar.

* Source:

https://portal.rfsuny.org/pls/portal/docs/PAGE/PAYROLL%20ADMINISTRATION/
Research Foundation Policy For Fellowships

Fellowship awards administered by the RF on behalf of SUNY are for scholarly study or research by faculty members; post doctoral scholars, undergraduate and graduate students at a SUNY campus or at other locations in conjunction with SUNY academic programs.
Most Fellowships require a commitment of 40 hours per week to the Fellowship training. Therefore, Fellows can rarely be paid as both a Fellow AND as an employee. Their Fellowship/training would leave little time for a regular appointment.
RF Policy For Non-Faculty Fellowships (cont.)

Should a Fellow be offered an opportunity to perform extra service employment in addition to his/her Fellowship obligation a justification from the Fellow & Project Director is required stating that this appointment is above and beyond the Fellowship commitment and is not connected to, and will not interfere with the Fellowship obligation.
RF Policy For Non-Faculty Fellowships (cont.)

**Visa**

F1 or J1 is the typical visa status for a Fellow. Fellows may not be in H-1B temporary worker status. H-1B is a non-immigrant status for an employee; someone who is approved to undertake specific responsibilities and will be performing a service for the Research Foundation.

*source: https://portal.rfsuny.org/pls/portal/docs/PAGE/PAYR...
RF Policy For Non-Faculty Fellowships (cont.)

Payment to a Fellow is made in the form of a stipend. The Fellow is not performing a service for compensation.

(Fellows are not employees)
RF Policy For Non-Faculty Fellowships

Various sponsors provide funding in support of Fellows. They include, but are not limited to NSF, NIH, AHA, Guggenheim, etc....
RF Policy For Non-Faculty Fellowships

Although a Fellow is not an employee, payment is generated through the payroll process. A completed Academic Fellowship form is submitted to the RF Payroll Office. The total stipend amount is distributed via biweekly pay periods within the Fellowship Award budget period.

Note: prior to appointing a Fellow to an individual NIH National Research Service Award (NRSA), a Fellowship Activation Notice -Form #PHS 416-5 (Rev. 10/05) should be submitted to the Office of Sponsored Programs.
RF Policy For Non-Faculty Fellowships

Fellows are not employees, therefore RF fringe benefits are not associated. However, some Fellows are eligible for health insurance coverage under the Graduate Student Employee Health Plan. (Details on Page 21)
Fellowships

The Academic Fellowship form can be found on the Research Foundation business forms website:

http://$FILE/HAFRMOnaples.cc.sunysb.edu/Admin/HRSForms.nsf/33dcf6dd74b5d6c285256ad20067b72d/c5cc6a0635954c3085256a7d004fe1d701.pdf
**SECTION 1**

**PROFILE DATA**

<table>
<thead>
<tr>
<th>Last Names</th>
<th>First Name</th>
<th>Middle Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

**Title:**
- Dr. ___________ Mr. ___________ Mrs. ___________ M. ___________ F

**SS #:** (if new to RFS): ___________

**Assign #:** ___________

**Birth Date:** ___________

**Nationality:**
- US Citizen: ___________
- Non-Citizen: ___________
- Non-Citizen Not in US: ___________

**Mail To:** ___________

**Ethnic Origin:**
- American Indian
- African American
- Asian
- Black
- Caucasian
- Hispanic
- Other

**Visa Type:**
- PR
- H-1B
- J-1
- Other

**Check Delivery Drop:**
- *Attach copy of passport, visa, I-94 and I-20 or IAP66*

**SPECIAL INFO**

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Degree Expected</th>
<th>Date Degree Expected</th>
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</thead>
<tbody>
<tr>
<td></td>
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</table>

**Other Special Info:**
- Y
- N

**SPECIFIC:**

**ADDRESS**

<table>
<thead>
<tr>
<th>US Address (Primary Address in United States):</th>
</tr>
</thead>
<tbody>
<tr>
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<table>
<thead>
<tr>
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<table>
<thead>
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<th>Country:</th>
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</table>

**ADDRESS 2:**

<table>
<thead>
<tr>
<th>City:</th>
<th>State:</th>
<th>Zip Code:</th>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>County:</th>
<th>Country:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Health Insurance**

**Grant Payee:**
- Individual
- Institution

**Fellow Payee:**
- Individual
- Institution

**SECTION 2**

**Award Data**

<table>
<thead>
<tr>
<th>Award Amount:</th>
<th>Fellow Type</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Faculty</td>
<td>Grad</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Award Begin Date</th>
<th>Award End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**SECTION 3**

**ASSIGNMENT**

**Organization:**

**Group:** Fellow

**SECTION 4**

**SALARY**

**AWARD DATA**

**If changing enter award amount and date**

* *Positive attachment copy of I20*
## Academic Fellowship Form

### Section 5
**Capital - Labor Distribution**

<table>
<thead>
<tr>
<th>Project</th>
<th>Task</th>
<th>Award</th>
<th>Organization</th>
<th>Expenditure Type</th>
<th>Start Date</th>
<th>End Date</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

### Section 6
**Labor Distribution**

<table>
<thead>
<tr>
<th>Schedule Line Changes</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Project</td>
<td>Task</td>
<td>Award</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Section 7
**Fellow Health Insurance - Labor Schedule**

<table>
<thead>
<tr>
<th>Project</th>
<th>Task</th>
<th>Award</th>
<th>Organization</th>
<th>Expenditure Type</th>
<th>Start Date</th>
<th>End Date</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

### Section 8
**Declaration**

I declare that the information contained is true and correct, and I understand the duties and responsibilities as a fellow. I agree to comply with all rules and regulations of the fellowship. I further request that this fellowship be transferred to another student if I am unable to complete it. The signature of the fellowship director is required.

Fellowship Director:

(Signature)

Date:

### Section 9
**Approvals**

This assignment is permissible under the terms stated by the above sponsors.

Project Director/Co-Project Director:  
Department Contact:  
Phone:

(Signature)  
(Department Manager):

(Signature)  
(Operations Manager):

This affiliation assignment is consistent with the governing policy of the present.

SUNY Academic Officer:

(Signature)  
(Date)

Additional approvals as required:

Signature:  
(Date):

Impathy:  
Labor input by:  
DA Required  
DA In:  

14
I have read the Patent and Invention Policy of the Research Foundation of the State University of New York. I agree to abide by any conditions, terms, and conditions relating to the proposed patent, and any other terms required by any sponsor from whom I accept support through the Research Foundation of the State University of New York.

In full knowledge of the above, I will promptly report to the Research Foundation any discoveries, inventions, or computer software and other materials in any form, or work supported by the sponsor, and will cooperate with the sponsor, the State University of New York, or the Research Foundation in the preparation and prosecution of any patents and copyrights applicable to such inventions, discoveries, or computer software and other materials necessary to such inventions. I further agree to assign all patent rights and copyrights applicable to such discoveries, inventions, or computer software and other materials to the State University of New York, as the State University of New York's designee, or the Research Foundation in those instances where the applicable sponsor policy or the State University of New York's Faculty and Invention Policy or Computer Software Policy otherwise requires such action. The sponsor, the State University of New York, or the Research Foundation has the sole right to assign the same.

The Research Foundation is an equal opportunity employer, and personnel are chosen on the basis of ability without regard to race, color, religion, sex, age, handicapped, or national origin, in accordance with Federal and State laws.

Copyright © 2001 The Research Foundation of State University of New York
Updated 8/1/01 13:43 PM Eastern Time
Proper completion of the Fellowship form is imperative for accurate processing of the Fellow payment as well as the Fellow’s health insurance premium, which can be directly paid from the RF award.

All fields on the form should be completed and have appropriate dated signatures.
Instructions for Completing an Academic Fellowship Form (cont.)

The Academic Fellowship Form is used to certify, acknowledge, or accept various terms and conditions of the sponsored award. The certification, acknowledgment, or acceptance is accomplished when the responsible parties sign and date the form.
# Instructions for Completing an Academic Fellowship Form

<table>
<thead>
<tr>
<th>Person Responsible</th>
<th>Required to...</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>project director or co-project director</em></td>
<td>Certify that the Fellowship award is permissible within the terms stated by the sponsor.</td>
</tr>
</tbody>
</table>
| Office of Grants Management (OGM) | - Certify that the Fellowship award is permissible within the terms stated by the sponsor and is consistent with RF and SUNY policies.  
- Certify that services are *not* required of the Fellow and that funds are available in the applicable account for the Fellowship award. |
| Fellow | - Acknowledge that no service is required in consideration of the stipend provided by the Fellowship award and that the fellow is subject to the University's academic policies applying to fellowship recipients.  
- Accept the [Patent Waiver and Release Agreement](#) as a condition of the academic fellowship award. |
Field Completion For Fellowship Form

Section 1: Indicate if **New** (new Fellowship) **Change** (change in period) **Addition** (increase to existing fellowship).

**People Data:** Personal information that should be completed to avoid delay in processing.

Section 2: **Health Insurance:** indicate if premium will be a direct charge to the RF award or if the Fellow will be paying the premium. The Fellow must submit Health Insurance Enrollment Form to the Student Health Services Office (zip=3191). Fellow should indicate whether premium is for individual, individual +1, or individual +2 (dependent).

Section 3: **Assignment:** Organization (campus department associated with award).

Section 4: **Salary/Award Data:**
- Award $ amount: total stipend amount Fellow will receive for budget period
- Fellow type: If Post doc a copy of PhD is required
- Award Begin Date
- Award End Date

Section 5: **Current Labor Distribution:** This section is completed if the Fellow currently exists in the payroll system. Enter first and last name. Enter current labor distribution if one exists. A labor distribution is the RF project, task, and award numbers assigned to the Fellowship Award in the RF’s Oracle Business System.

Section 6: **New Labor Distribution (charging instructions):**
This section is completed for a new or current Fellow with a change to current labor schedule.
1. Enter:
   a. Project #
   b. Task #
   c. Award #
   d. Organization (Campus Dept.)
   e. Expenditure Type (will be identified by Payroll Office)
   f. Start and End Date (Start and end date identified by Sponsor on award notice)
   g. % of Fellowship charged to each RF award (may be one or more awards) MUST equal 100%

Section 7: **Labor Schedule for Health Insurance (charging instr.)**
- Project #
- Task #
- Award #
- Organization (Campus Department)
- Expenditure Type (FPS Fellow Health Insurance)
- Start and End dates
- % = 100% of premium charged to this award

Section 8: **Declaration:** Signature of Fellow

Section 9: **Approvals:** Requires signatures of Project Director, Payroll Office, Grants Management Specialist in Office of Grants Management
Supplemental Funding

• Not compensation for services, but simply additional funds supplementing the Fellowship and paid via separate Labor Schedule on the Fellowship form.

• A Fellowship can be supplemented by non-federal funds or Indirect Costs (IDC) funds. A Fellowship funded with Federal funds generally cannot be supplemented with other Federal funds. This is *NOT* a separate “job” but additional support to the Fellowship.

• Completion of Fellowship form with two Labor Distribution lines. First line: project/task/award funding the stipend. Second line: project/task/award funding the supplement.
Graduate and Post Doc Fellow Health Insurance

• The Research Foundation of SUNY offers a comprehensive, reasonably priced, health insurance plan to all eligible Graduate Fellows.

• The Fellow must be paid a stipend of at least $4,122.00 for the award period. (One year constitutes a period)

• The stipend must be paid through the Research Foundation Payroll System.

• Graduate student employees and Graduate and Post Doc Fellows holding a J Visa are not eligible to enroll in the Student Enrollment Health Plan. They must enroll for coverage under the State University of New York Medical Insurance Program for International Students and Scholars subject to the coverage requirements of federal regulations.

* Source: http://ws.cc.stonybrook.edu/hr/benefits/rf/student_fellowship.shtml
Fellow Health Insurance

To obtain Health Insurance the following forms are required.

- Academic Fellowship Form
- Health Insurance Enrollment Form

- The Fellow must submit a Health Insurance Enrollment Form to Student Health Services in order for their Health Insurance Premiums to be processed. (The Payroll Office will provide a copy of the Academic Fellowship form to the Student Employee Health Insurance Office) The Health Insurance Enrollment Form can be obtained at the site below.

- The Benefits Office sends an email to OGM when a fellow enrolls in the health insurance. A copy of the Academic Fellowship Form will be attached to each email that goes to OGM.

http://naples.cc.sunysb.edu/Admin/HRSForms.nsf/webrf?OpenPage
Fellow Health Insurance
Other Required Documents:

A copy of the following should be attached to the Fellow’s health insurance enrollment application:

– 1. Fellow’s birth certificate or passport
– 2. Fellow’s social security card
– 3. Social security card and birth certificate for each dependent
– 4. Marriage Certificate (if applicable)

If enrolling a spouse or child other documents may be required. Please contact Student Benefits @ 632-6213 for further information.
Fellow Health Insurance

• To charge the RF award directly for Fellow Health Insurance complete Section 7 on the RF Academic Fellowship form

• The Fellowship form is accessible at the following site.

http://naples.cc.sunysb.edu/Admin/HRSForms.nsf/webrf?OpenPage
Taxation of Fellows – (for tax inquiries contact RF Payroll Office @ 632-6162)

• Taxes for US Citizens, Permanent Residents and Resident Alien Fellows
  – The Tax Reform Act of 1986 relieves the RF from the obligation of tax withholding or reporting for fellowship payments to U.S. Citizens, permanent residents, and resident aliens
  – Fellowship payments are typically divided into two separate groups to define the payments’ taxability to the individual within the IRS laws. These groupings are Qualified (nontaxable) or Non-qualified (taxable) fellowship payments. Qualified payments are typically payments for tuition, books and fees required to attend classes. Non-qualified payments are typically any other payments such as for room and board.

*Source: https://portal.rfsuny.org/pls/portal/docs/PAGE/PAYROLL%20ADMINISTRATION/TAXATION/NONRESIDENT_ALIENS/PAPRO031.HTM
Taxation of Fellows

- RF issues a payment reporting letter to Fellowship recipients who are U.S. citizens, permanent residents, or resident aliens. This letter is distributed after calendar year end, on or about the time that W-2 and 1099 MISC forms are distributed. The Fellowship Payment Reporting letter notifies the Fellow that the regulations “do not relieve you, the recipient, of the obligation to determine the extent to which these payments represent taxable income and properly report such income on your personal income tax return.”

- The recipient Fellow is responsible for determining if the payments are taxable (non-qualified) or non-taxable (qualified) income when filing his/her individual income tax return. It is suggested that the Fellow should seek professional advice from the Internal Revenue Service or income tax advisors in this matter.
Taxation of Fellows

• Taxes for Nonresident Alien Fellows
  – Nonresident alien payments require tax withholdings unless an exemption from income taxation applies.
  – Payments to nonresident aliens are subject to very different tax withholding, income reporting and liability requirements than that of U.S. citizens, permanent residents, and resident aliens.
  – The most significant difference is that nonresident alien payments, by definition of the IRS tax laws, require tax withholdings unless an exemption from income taxation applies. Various factors determine if payments are reportable and taxed, depending on the specific circumstances of each nonresident alien’s payment and their country of residence.
  – The residency status of the alien needs to be determined for tax reporting purposes.
  – Non citizen aliens must complete the “Request For Alien Information” form to gather pertinent information and should use the “Substantial Presence Test (Test 3 located on the back of the “Request For Alien Information” form) to determine residency for tax purposes.
Taxation of Fellows

- **Tax Withholding Rules for Nonresident Alien Fellowships**

  Nonresident aliens are only subject to taxation on income deemed “U.S. source” income. As set forth in Internal Revenue section 1441 the RF is required to withhold tax at a standard rate of 30% for “U.S. Source” payments that constitute taxable income to a nonresident alien. There are several exceptions to the general 30% tax withholding requirement. Exceptions to the 30% rule are described below.

  **Foreign-source Funding**: Full tax and reporting exemption if the funds for the payment are determined to be a foreign source (location of study or research and/or origination of funds are outside the United States). The sourcing rule for fellow payments is based on a combination of the residence of the payer and the location of the education activity. A fellow payment to or on behalf of a NRA is only considered U.S. Source if both the payer and the location of the educational activity is in the U.S.

  If funds are determined to be foreign source, OGM will note on the Academic Fellowship Form “FOREIGN SOURCE FUNDING” and submit a copy to RF Payroll.

  **Income Tax Treaty**: Full or partial exemption if the person’s country of residence has an income tax treaty exemption agreement with the U.S. and he or she claims the exemption by completing an IRS form W-8BEN. Form W-8BEN must be complete and on file to allow the tax exemption.

  **Prerequisite**: The fellow MUST have or obtain a U.S. Taxpayer Identification Number to claim income tax treaty exemption.
Taxation of Fellows

- **Reduced Tax Rate of 14%**
  
  Internal Revenue Code Section 1441 (b) provides that for payments made to certain nonresident alien recipients, the standard 30% tax withholding rate is reduced to 14%. To qualify for the lesser rate, the nonresident alien must be temporarily present in the U.S. under an F, J, M or Q visa, a candidate for a degree, or the recipient of a grant for study, training, or research at an educational organization in the United States.
Taxation of Fellows

• If paid from USAID Training Programs Grants

The RF processes some United States Agency for International Development (USAID) Fellowship stipend payments via the RF Business system. Under IRC Section 1441 © (6), the recipient is exempt from taxation if the payments are a “per diem for subsistence” made in connection with a USAID training program grant. Per Diem for subsistence generally means “food and lodging.”

*Source: https://portal.rfsuny.org/pls/portal/docs/PAGE/PAYROLL%20ADMINISTRATION/TAXATION/NONRESIDENT_ALIENS/PAPRO031.HTM
Fellowship Termination

• NIH NRSA requires a “Termination Notice” (Form number OMB No. 0925-0002). A completed termination notice signed by the Fellow and Principal Investigator is submitted to the Office of Grants Management at the end of the multi-year training period. Upon stipend verification from the Payroll Office, OGM will submit to NIH.
Faculty members should give advanced notification to their department Chair and Dean at the time they apply for a Fellowship.

Early notification will allow for University support to be planned in a timely fashion and will enable departments to provide guidance on procedures to be followed if the fellowship is awarded.

When a tenured or tenure-track Stony Brook faculty member is awarded an externally funded fellowship, the faculty member may request, with approval by appropriate administration officials (Department Chair, Dean, Provost and President), one of the following options:

1. Release time with a reduction in FTE and salary equivalent to the value of the fellowship (less any travel or incidental expenses included in the fellowship). If an individual’s effort and State salary are reduced, there may be benefits implications and TIAA/CREF contributions will be reduced in accordance with the reduced effort.

2. Remain on full salary and reimburse the University for the percent of release time equivalent to the value of the fellowship (less any travel or incidental expenses included in the fellowship). The University Accounting Department will invoice individuals for any salary reimbursement and reimbursements would be deposited into an income fund reimbursable (IFR) account designated by the Dean.

3. Release from all University obligations and leave without pay. The individual would be responsible for continuance of benefits and no University contributions would be made to TIAA/CREF contracts for the leave period.

4. Sabbatical leave, if eligible, at half pay for a full academic year or at full pay for a semester and keep the full value of the fellowship during the sabbatical period. This is subject to the Policies of the Board of Trustees on sabbatical leaves.

In all instances, Fellows would deposit their Fellowship award checks into their personal bank account. Any payments to the University for reimbursement of salary would be by personal check. Fellows are advised to seek advice from a tax consultant regarding any income tax implications.

*Source: http://ws.cc.stonybrook.edu/provost/policy/fellowship.shtml*
References and Web Sites

Research Foundation of SUNY

http://ws.cc.stonybrook.edu/provost/policy/fellowship.shtml

http://naples.cc.stonybrook.edu/Admin/HRS.nsf/pages/Benefits_RF_Fellowship

https://portal.rfsuny.org/pls/portal/docs/PAGE/PERS_ADMIN/STAFFING_AND_APPOINTMENTS/HAPRO065.HTM

https://portal.rfsuny.org/pls/portal/docs/PAGE/PAYROLL%20ADMINISTRATION/TAXATION/NONRESIDENT_ALIENS/PAPRO031.HTM
References and Web Sites

- https://portal.rfsuny.org/pls/portal/docs/PAGE/PAYROLL%20ADMINISTRATION/TAXATION/RESIDENT_ALIEN/PAPRO030.HTM

NIH Grants Policy Statement, Part II
Questions?

• **Health Insurance ?** - Contact Student Employee Benefits Office 632-6213

• **Taxation ?** - Contact RF Payroll Office 632-6162

• **Expenditure ?** - Contact Office of Grants Mgmt. 632-9038
FELLOWSHIPS

Prepared By:

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Doreen Nicholas – dnicholas@notes.cc.sunysb.edu

Office of Grants Management