

Office of the Provost and Vice President  
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**TO:** College and School Deans; Department Chairs; Members of the Graduate Faculty Council; Graduate Program Directors

**COPY:** Graduate Program Assistants; Chelsea Nikula, President, Graduate Student Government; Julie Seppala, Executive Director, Sponsored Programs Office; Lisa Jukkala, Assistant Director, Sponsored Programs Office; Kim Codere, Manager, Sponsored Programs Office; Pushpalatha Murthy, Associate Dean, Graduate School; Heather Suokas, Finance Coordinator, Graduate School; Lorraine Thoun, Manager, Payroll Services

**FROM:** Jacqueline E. Huntoon *Jacqueline E Huntoon*  
Provost and Vice President for Academic Affairs

**DATE:** February 3, 2016

**SUBJECT:** 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (a.k.a. Uniform Guidance), Subpart E Cost Principles, 200.466 *Scholarships and Student Aid Costs*.

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This memo is intended to provide guidance that will help to ensure that Michigan Technological University complies with the guidelines issued by the White House Office of Management and Budget in 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (a.k.a. Uniform Guidance), Subpart E Cost Principles, 200.466 *Scholarships and Student Aid Costs*.

Based on the guidance given in 2 CFR 200, funds provided by a federal sponsor for student support (stipend and/or tuition) must be used to provide training to selected students. Stipends paid to students and tuition that is paid on a student's behalf in lieu of wages are allowable expenses only if:

- 1) The student is conducting activities necessitated by the sponsored agreement that is providing funding for the student's support;
- 2) Payment of a stipend to a student and payment of tuition on behalf of a student are in accordance with established policy at Michigan Tech and are consistently provided in a like manner to students in return for similar activities conducted as both non-sponsored as well as sponsored activities;
- 3) The stipend and tuition are reasonable compensation for the work performed and are conditioned explicitly upon the performance of necessary work (the review and evaluation of the student's work must be undertaken by the project's principal investigator who can recommend to the dean of the Graduate School that support be terminated at any time for reasons of non-performance);
- 4) The student is enrolled in an advanced degree program at Michigan Tech and the activities of the student must be related to the degree program.

The following additional guidance is provided to assist Michigan Tech researchers in completing a sponsored project while at the same time remaining in compliance with 2 CFR 200.

- 1) If the last criterion listed above (#4) is not met, the student cannot be paid a stipend or have their tuition paid on their behalf from a sponsored project. Graduate students conducting activities for a sponsored agreement that are not related to the student's degree program may be paid as hourly student employees. Undergraduate students may also be paid as hourly student employees if they are conducting activities for a sponsored agreement.
- 2) Tuition can only be paid on a student's behalf from a sponsored agreement if that student is also being paid a stipend from funds awarded to Michigan Tech through the same sponsored agreement.
- 3) Students who receive a full stipend from a sponsored agreement and who also have their tuition paid on their behalf from the sponsored agreement are considered to be on "full-time" support, meaning that they are expected to spend 20 hours per week on average on activities related to the sponsored project. The 20 hours per week is in addition to the amount of time the students spend on activities related to their coursework or research activities. Students who are supported must be enrolled full-time (9 credits during fall and spring semesters, 1 credit during summer session plus associated fees).
- 4) Students who are paid on an hourly basis from a sponsored agreement cannot have tuition paid on their behalf by the same sponsored agreement. This is because tuition can only be paid on behalf of a student when the activities conducted by the student in support of the sponsored agreement are related to the student's degree program, in which case the student should receive a stipend rather than be paid on an hourly basis.
- 5) In order to comply with the requirement that Michigan Tech compensates students involved with non-sponsored as well as sponsored activities in the same way, the University requires that students receiving stipends or stipends as well as tuition be enrolled full-time as degree-seeking students and that their stipends meet or exceed University approved minima<sup>1</sup>.
- 6) Students who are involved with the same types and levels of activities must be compensated similarly whether they are paid from sponsored agreements or from Michigan Tech internal funds.
- 7) At the proposal stage, prospective investigators should budget student support as either hourly or stipend and tuition. Budgets for stipends and tuition should be prepared in accordance with the estimating tables available at: <http://www.mtu.edu/research/references/facts-figures/pdf/gratable.pdf>. Stipend and tuition can be included in budgets in 25% increments (meaning quarter-time, half-time, three-quarter time, or full-time).

Additional information about support for graduate students is available at <http://www.mtu.edu/gradschool/administration/academics/policies-procedures/financial/assistantships/>.

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<sup>1</sup> <http://www.mtu.edu/gradschool/admissions/financial/assistantships/stipends/>