

Dear Business Manager,

Over the past year, the Office of Undergraduate Research has received an increased number of requests for approval of fellowships related to undergraduate research. We are extremely happy that more students are receiving fellowships and thank you for guiding faculty efforts. In an effort to help you and all fiscal personnel in your departments, we thought it might be useful to share some basic information about fellowships that might clarify some of the related procedures and requirements. Please share broadly.

Below are excerpts taken from Controller's Office Procedure 23800: Fellowship Payments (https://www.controller.vt.edu/content/dam/controller_vt_edu/procedures/payroll/23800.pdf).

A fellowship payment generally is an amount paid for the benefit of a student to aid in the pursuit of study or research. Students receiving fellowship payments are not required to work in order to receive these payments. **Taxes are not withheld** from these payments unless the recipient is an international student.

Fellowships/stipends provide support for training opportunities pursued outside the normal curriculum whereas scholarships provide support for completion of undergraduate education. If the student is providing work for service, i.e. not involved in training but completing a specific list of tasks (washing glassware, providing animal care, gathering literature for the researcher, etc.) then they should be hired as a student wage (for enrolled VT students) or an emergency hire (non-VT students).

Fellowship payments are typically **charged to sponsored or private funds. They are not allowable charges on educational and general funds (state operating, overhead, continuing education surplus, etc.) or auxiliary operating funds.**

Instructions for setting up fellowships in banner can be found in the HR Banner Enterer Manual: <https://www.hr.vt.edu/hiring-employee-transactions/applications-support.html>

Approval of fellowships are routed through our office, however, we do not receive an alert when there are fellowships pending, so we request that you sent a brief email to kswaby@vt.edu, to let us know they are waiting for our approval. Thanks for your help with this.

Please let us know if you have any questions or if we can help in any way.

Sincerely,

Keri Swaby

Director of the Office of Undergraduate Research

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