



# Fellowship Award Management

When developing sponsored project budgets and processing expenditures, careful considerations must be taken to properly categorize student appointments. Virginia Tech receives funding from a variety of sponsors with distinct terms and conditions, so a clear distinction must be made between a fellowship and graduate assistantship. Properly categorizing and coding students with fellowships and assistantships impact fringe benefits, tax implications, allowable costs, and institutional benefits. Refer to the chart below to distinguish between fellowships and graduate assistantships. For more information and assistance, contact your grant management associate.

Virginia Tech Fellowships	Virginia Tech Graduate Assistantships
<b>Descriptions</b>	
<ul style="list-style-type: none"> <li>• An individual with a fellowship is NOT an employee of Virginia Tech. Students receiving a fellowship are not required to work to receive stipends.</li> <li>• A fellowship payment generally is an amount paid for the benefit of a student to aid in the pursuit of study or research.</li> <li>• Fellowships are paid in the form of stipends.</li> <li>• A stipend is a form of support paid to an individual as a subsistence allowance to help defray living expenses.</li> <li>• The sponsor of the fellowship funds determines how the fellowship will be administered.</li> </ul>	<ul style="list-style-type: none"> <li>• Graduate assistantships allowed on sponsored projects may be in one of two forms: graduate assistant or graduate research assistant.</li> <li>• Graduate assistants are considered employees of Virginia Tech.</li> <li>• Graduate assistants may receive a monthly salary, tuition remission, an institutional contribution toward mandatory fees, out-of-state tuition waiver if applicable, and health insurance subsidy if eligible.</li> <li>• Refer to <a href="#">University Policy 6210 Management of Graduate Assistantships and Tuition Remission</a> for more information.</li> </ul>
<b>Tax Implications</b>	
<ul style="list-style-type: none"> <li>• Taxes are not applied to fellowship payments unless the recipient is an international student (taxes for a foreign national student are applied through the student account).</li> <li>• According to the IRS, a portion of fellowship payments may be subject to income tax. The IRS does not allow the University to withhold income tax on fellowships. Students who receive fellowships may owe taxes when a tax return is filed.</li> <li>• Students may exclude from taxable income the part of the fellowship applied to tuition and fees required for enrollment or attendance or for the purchase of books, supplies, and equipment required for courses.</li> <li>• The portion of the fellowship used for room and board or personal items must be reported as taxable income.</li> </ul>	<ul style="list-style-type: none"> <li>• Taxation of assistantship compensation and benefits is required by the U.S. Internal Revenue Service as determined by enrollment, tax residency, and various tax treaties.</li> <li>• Contact <a href="#">Payroll</a> for tax treaty eligibility.</li> </ul>

Virginia Tech Fellowships	Virginia Tech Graduate Assistantships
<b>Health Insurance</b>	
Refer to an award's terms and conditions and reach out to post-award associate for clarification of sponsor-specific health insurance guidelines.	Graduate assistants are eligible for the health insurance subsidy if they are on a 50% or greater assistantship appointment from 8/10- 5/9 and opt into the university sponsored health insurance plan.
<b>Appointment Setup</b>	
<ul style="list-style-type: none"> <li>• Departments must have a fellowship position (STPxxx) set up to perform payment. See <a href="#">Controller's Office Procedure 23800</a>.</li> <li>• If the fellowship payment will be funded from the Virginia Tech Foundation (VTF) (fund number that begins with an 8), a university local fund must be established for these charges.</li> <li>• Payments may be issued as a one-time payment, multiple payments (beginning, middle, end), or continuous payments across a designated time period.</li> <li>• A fellowship cannot be set up as a wage job or assistantship and then reclassified once the funds are available. The fellowship must either be set up using alternate funding or awarded retroactively.</li> </ul>	<ul style="list-style-type: none"> <li>• Graduate assistants must accept a graduate assistantship contract issued by the hiring department in the University's Graduate Contract System.</li> <li>• Hiring departments enter the assistantship appointment in Banner following HR procedures and deadlines for appointment entry and management.</li> <li>• Graduate assistants are paid a semi-monthly stipend.</li> <li>• Whenever possible, assistantship appointments should span a full semester (9 pay periods) or academic year (18 pay periods) and be no less than 0.25 full-time equivalent (FTE).</li> <li>• Virginia Tech counts hours for all jobs worked toward FTE determination. Any student with a GA/GRA/GTA and a wage job will be reviewed for work authorization, visa restrictions, overtime, and benefits requirements.</li> </ul>
<b>Tuition</b>	
<ul style="list-style-type: none"> <li>• Refer to an award's terms and conditions and reach out to post-award associate for clarification of tuition stipends.</li> <li>• If a sponsor allows tuition as an allowable charge, contact the award's post-award associate. The post-award associate will then add the TRASST, N (no assistantship required) and TRPF, N (payroll funding not required) attributes to FRAGRNT.</li> <li>• University tuition remission allocations cannot be used for fellowship appointments.</li> </ul>	<ul style="list-style-type: none"> <li>• Tuition remission provides a mechanism for the payment of in-state tuition and mandatory Education and General Programs (E&amp;G) fees as part of the assistantship benefits package.</li> <li>• As a benefit associated with university service, the remission of in-state tuition and mandatory E&amp;G fees for a graduate student on assistantship is based upon the continued employment of the student for the complete academic semester of the remission.</li> <li>• Tuition and mandatory E&amp;G fees are provided in proportion to the assistantship FTE.</li> </ul>
<b>Service Requirements</b>	
<ul style="list-style-type: none"> <li>• Fellowships have no service requirements in terms of hours or work carried out, but deliverables may be required per sponsor.</li> <li>• Fellows who teach or conduct research are doing so in furtherance of degree objectives, and not in service to the institution.</li> </ul>	<ul style="list-style-type: none"> <li>• A full assistantship (1 FTE) equals 20 hours of work per week on average for the duration of a semester or academic year.</li> <li>• Graduate assistants must meet employment requirements to work in the United States.</li> </ul>