Stipends- Decision Tree

Use this tree to determine whether stipends are appropriate, and if so whether fringe should be applied.

**Service**- “for work performed including, but not limited to, research, administration, grading papers, tutoring, lecturing, evaluating, or teaching class.”

**Non-Service**- “payments not related to providing a service as described above, and including, but not limited to tuition, fees, books, supplies, equipment, room, board, travel, attending a class, lab or workshop or for moving expenses.”

**Payment Policy**- For additional information about processing Stipends, see the Payment Policy.

1. Is the payment for services?
   - If Yes, it is for services, then salaries should be used instead of stipends because “for service” payments must be processed as wages, and applicable fringe applies.
   - If No, it is for non-services as described above, then stipends may be used, but proceed to step 2, because fringe may still apply because of previous or current employment.

2. Is Fringe required on non-service stipends?
   - Is, has, or will the participant (students, teachers, etc.) be employed by SJSUF or SJSU on this or any project during the tax year the stipend payment will be made?
     - If Maybe or Yes, then proceed to step 3 because fringe may apply.
     - If Definitely No, then Fringe is not required in the budget.*

3. How many of the participants are or may become employees on this or any SJ SUF project?
   - The OSP Manager will create a fringe line using the formula: “# of participants that are or may become SJ SUF employees* individual stipend amount x the forecasted minimal fringe rate.”
   - If the PI is unsure of how many potential employees there may be, use a 10% sample.
   - See attached sample budgets with fringe.

*Please advise the PI that if the employment status of the recipients change after award so that additional fringe is required, then the fringe will need to be covered by another funding source to be identified by the PI.

Attachments: sample budgets