More on Postdoctoral Scholar Funding Nuances

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Salary vs. Stipend: Why does it matter?

• Implications:
  – Social security history and how benefits are charged
  – Tax liabilities for the postdocs: withholdings rather than quarterly filing; claiming benefits as income
• Compliance with the sponsor, with Stanford policy and with labor law
• Supplements are common and often get mixed up in the salary vs. stipend determination
Checklist for Determining Whether Funding is a Postdoctoral Fellowship or a Sponsored Project

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<th>Source of Funding</th>
<th>Fellowship</th>
<th>Grants and Contracts</th>
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<tr>
<td>Grants and Contracts</td>
<td>Salary (this includes non-sponsored research agreements to do work for X time and Y $$)</td>
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<tr>
<td>Fellowship</td>
<td>Stipends</td>
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**Funding Source**
- Language. Award Letter.
- Does the grant/fellowship cover supplies and include other people's salaries?

You must use the Checklist to Determine Whether Funding is a Postdoctoral Fellowship or a Sponsored Project (aka the Decision Tree).

1. Be Thorough
2. Consult (with your grant manager, with dean's office or your OSR/RMG liaison)
3. Sign it
4. File it

Instructions for Completing the Checklist:
To use this form, review all the documentation associated with the funding for indications as to whether funding is a postdoctoral scholar should be handled as a sponsored grant/contract or as a Fellowship. Documentation may include some or all the items listed below.

1. Statement of Work on Project Description
2. Award Letter
3. Proposal or Letter of Intent, or request for funding including budget
4. All correspondence

**Checklist:**

1. Is the award made to Stanford University, with the provision that Stanford will name the individuals to be funded?
   - YES
   - NO
   - UNCERTAIN

2. Is the award open to Instructors, Research Associates, etc., as well as Postdoctoral Fellows?
   - YES
   - NO
   - UNCERTAIN

3. Does the award require the recipient to devote a specified percentage of effort to a specific project, with an associated charging of that percentage of salary to the award?
   - YES
   - NO
   - UNCERTAIN

4. Does the award provide funding primarily to accomplish a postdoc's individual research training experience? For example:
   - Does the award provide a budget line item for indirect costs?
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   - Comments:

Check the appropriate box below, and process accordingly:

- **GRANT/CONTRACT:** Keep the completed checklist in your departmental project file, complete PDRF and contact your Institutional Official.
- **FELLOWSHIP:** Keep the completed checklist in your departmental project file, complete PDRF and contact your Institutional Official for fellowships.

How to determine?

- Fellowships = stipends
- Grants and Contracts = salary (this includes non-sponsored research agreements to do work for X time and Y $$)
No No’s

- **Do Not pay a stipend for additional hourly work** on the side, no matter how long (few hours or few months) – Examples, teaching a course above the normal postdoc duties OR for moonlighting or on-call duty (in SoM)
  - In such cases, depending on the situation, an adjustment in the GFS line or a one-time payment may be processed
  - Almost every case is unique, so check with Payroll or with OPA

- Stipend is not appropriate when the activity performed is work that is indistinguishable from what others in the same research group are receiving wages for – Example,
  - faculty’s discretionary or unrestricted fund is paying 2 individuals to be on the same project doing similar activities towards the same goal: one is receiving an RAship and the other is receiving a stipend. That is NOT OK.
  - If the student is receiving an RAship then the Postdocs receives RAship

Questions?

On a different topic...

**Postdoc Family Healthcare Fund (FHF)**

- FHF Subsidies are now entered in GFS by OPA
- Aid applies directly to offset the charge on the University Bill for postdoc insurance (+children or +family only)
- This subsidy is financial aid, not a bonus or additional pay
- Do not increase the salary or stipend in order to offset the insurance charges that the postdoc is responsible for paying via University Bill

- **Work in Progress**—
  - Department may be able to aid their postdocs by using GFS in the same way
  - Consistency is key. Have an internal review process in your unit (department). It is financial aid (need based), not a bonus or salary supplement (not merit based). In other words, additional departmental subsidy should not be given to the ‘star’ postdocs and not the ‘regular’ postdocs in the same group if both have the same need.
  - Stay Tuned for more about this from OPA.