

# Stipends

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## Purpose

The Associated Students, Incorporated recognizes that certain student leadership positions demand considerable time and effort to complete effectively their assigned duties and responsibilities. For students occupying these positions, time spent on tasks associated with student leadership is time away from research or study and involves a sacrifice of opportunities to earn income and pursue family and community responsibilities. Consequently, the payment of stipends in significant, albeit modest, amounts is considered appropriate both to attract students into positions of responsibility and to reward them for the responsibilities fulfilled, their accountability, and the sometimes-difficult nature of their duties. The stipend is intended to encourage the participation of the highest caliber of students regardless of financial means.

## Policy Statement

It is the policy of the Associated Students, Incorporated to encourage student participation in ongoing leadership positions by helping to offset the loss of income resulting from participation. Proposed changes to the positions eligible to receive stipends and the level of stipends awarded shall be reviewed annually by the Board of Control. Recommended changes shall be forwarded to the Senate for approval.

It is also the policy of the Associated Students, Incorporated that no stipends shall be paid to student officers for service to student government unless the principle of establishing such payments has been approved by a student referendum.

## Who Should Know This Policy

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input checked="" type="checkbox"/> Elected/Appointed Officers | <input type="checkbox"/> Grant Recipients |
| <input type="checkbox"/> Management Personnel                  | <input checked="" type="checkbox"/> Program Advisors           | <input type="checkbox"/> Staff            |
| <input type="checkbox"/> Supervisors                           | <input type="checkbox"/> Volunteers                            |   |

## Definitions

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Budget Area Administrator	The individual listed as the "Approved by" signatory on the budget area's Delegation of Authority Form
Excused Absence	Any absence resulting from illness or injury, religious observances, death in the family, or academic requirements
Responsibility	Accountability for the performance of duties and the consequences for failure to complete them
Stipend	A regular, periodic payment provided to student leaders as compensation for services rendered to the Associated Students, Incorporated in the capacity of an elected or appointed officer or director
Time	The average number of hours spent per week over the course of an entire academic year in the performance of duties or attendance at meetings directly related to the responsibilities of a student leadership position as documented in the A.S. Bylaws
Unexcused Absence	Any absence that is not excused, including insufficient presence at a meeting or failure to maintain posted office hours

## Regulations

### 1.0 Classification of Payments as Stipends

In order for a payment to be considered a "stipend", the following provisions must apply:

- There must be no requirement that the student participant accept employment with ASI after the stipend period has concluded.

- If the student participant is participating in activities on ASI premises, he/she may not perform functions that would otherwise be performed by paid ASI staff in the absence of the student participant.
- The activity in which the student participates must be directly connected to ASI's academically-related or extracurricular student programs.

## 2.0 Student Eligibility

To be eligible for payment, a student must be registered and enrolled for each academic term of service. Each student has an affirmative obligation to disclose to the Associated Students any withdrawal from the university within 20 working hours of any such action. Failure to report a withdrawal shall result in forfeiture of the award for that semester.

Students shall be entitled to receive stipends only for such time as they meet university eligibility requirements for the position held. In addition, no student shall receive more than one stipend from ASI during any one semester. If a student serving in one position with the ASI receives a stipend for that service, he/she shall not be eligible to receive an additional stipend for serving in another assignment.

## 3.0 Eligible Positions

The key factors involved in determining which positions shall be entitled to stipends and at what level are the degree of responsibility and the time required for participation. Degree of responsibility relates to accountability for the performance of duties and the consequences for failure to complete them. Consideration will be given to supervisory responsibilities, fiscal accountability, etc. required by the position. Time is the average number of hours spent per week over the course of an entire academic year.

### 3.1 Responsibility

Stipends shall only be awarded to those positions which require one or more of the following:

- Supervisory responsibilities – the incumbent directly supervises 1 or more student volunteers. He/She carries out supervisory responsibilities in accordance with Associated Students policies and applicable laws. Responsibilities include interviewing, hiring, and training volunteers; planning, assigning, and directing work; appraising performance; rewarding and disciplining volunteers; addressing complaints and resolving problems; and/or
- Fiscal accountability – the incumbent is responsible for one or more assigned budget area(s), which requires training and certification in ASI's fiscal policies and procedures; and/or
- Fiduciary responsibility – the incumbent is legally responsible for upholding a standard of care, the violation of which would subject the incumbent to legal liability.

### 3.2 Time Required

Stipends shall only be awarded for those positions whose effective fulfillment requires a minimum of sixteen work hours per semester, excluding academic breaks. This includes hours

spent in the performance of duties, as well as attendance at meetings directly related to the responsibilities of the position.

Because academics should take priority over service to the ASI, it is expected that no leadership positions covered under this policy will require a time commitment of more than nine hours per week. This represents the same estimated time commitment required for a three-unit course, including study, preparation, and course attendance.

#### 4.0 Determination of Stipends

The allowable stipend amount permitted under this policy shall be calculated using the following formula:

*Average number of hours required per week (determined by the Board of Control in consultation with the Associated Students Bylaws and other governing documents) X the number of weeks in the academic term (16 for fall and spring, 12 for summer session) X the current minimum wage payable in the State of California.*

The total budget for stipends to be awarded during the upcoming fiscal year shall be recommended during the annual budget preparation process and forwarded to the AS Senate for approval. Each budget area requesting funds for stipends shall disclose as part of their budget proposal the title of each position receiving a stipend.

Once the annual operating budget is approved, individual stipend amounts may be changed only with the prior approval of the AS Senate.

#### 5.0 Disbursement of Stipends

Stipends are awarded on an academic-term basis. Disbursement of the stipend shall be made during the last week of the academic session in which it is earned. In no instance shall a stipend be awarded at the beginning of a term of service.

Students who are elected or appointed after the beginning of an academic term shall only be entitled to a pro rata share of that term's stipend determined by the date the student assumes office.

#### 6.0 Obligations of Stipend Recipients

##### 6.1 Office Hours

Maintenance of office hours and participation by student officers covered by this policy are deemed crucial to the effectiveness of the Associated Students. Regular attendance and fulfillment of duties shall be considered in the determination of stipend amounts. Attendance shall be documented and will be forwarded to the Budget Area Administrator responsible for approving stipend payments.

##### 6.2 Other Criteria

In addition to the above criteria, each department or program awarding stipends may develop other criteria to be used in determining the amount of stipend to award. All such criteria shall

be documented in writing and communicated to the student prior to his/her commencing the term of service.

### 6.3 Failure to Fulfill Obligations

The appropriate Budget Area Administrator shall be responsible for monitoring the attendance and performance of the respective student leaders under his or her jurisdiction. The Budget Area Administrator shall provide coaching and counseling to any student leader who is failing to fulfill the obligations of his/her position.

If, in the opinion of the Budget Area Administrator, a student leader has failed to fulfill the obligations of his/her position, that student's stipend may be reduced by up to 50%.

## 7.0 Taxation

Stipends are considered taxable income to the recipient. Payments shall be processed through payroll and taxes withheld accordingly.

### 7.1 US Citizens and Resident Aliens

Students who are considered Resident-Aliens and US citizens for tax purposes must complete an IRS Form W-4. Students may claim exemption from Federal and State taxes as desired. At the end of the calendar year, ASI shall issue an IRS Form W-2 to report the stipends that were processed for that individual.

### 7.2 Non-Resident Aliens

It is important to note that the IRS policies impose more stringent withholding requirements for students classified as Nonresident Aliens. The tax treatment for Nonresident alien students is different than that for students who are Resident aliens and U.S. citizens. The stipends that are paid to Nonresident Aliens with "F," "J" or "M" visas are subject to restricted tax withholding. The recipient is restricted to claiming single regardless of marital status, and may claim either zero or one allowance for federal tax withholding. The stipend will also be subject to state income tax. (Note that there may be an applicable tax treaty that would reduce or eliminate payments otherwise subject to federal withholdings.) At the end of the calendar year, ASI shall issue an IRS Form W-2 to report stipends that were processed for that individual. In the event a tax treaty benefit is taken, an IRS Form 1042-S shall be issued to report the stipend portion that was exempt from federal income tax.

## 8.0 Financial Aid Reporting

All stipends awarded by ASI under this policy shall be reported to the Office of Financial Aid in accordance with Title 5, Section 42500(d) of California Code of Regulations.

## 9.0 Internal Controls

The Human Resources Office is responsible for maintaining the timeliness and accuracy of stipend payments and ensuring that federal and state tax regulations are followed by the Associated Students, Incorporated.

All stipends must follow the procedures outlined in ASI's Stipend Policy. Transactions that do not meet requirements will be returned to the submitting party for correction.

The Human Resources Manager will take proper steps to ensure that the Associated Students complies with all federal and State tax laws. Accordingly, the ASI Executive Director or designee will review selected stipend awards to ensure compliance with appropriate regulations.

## Forms

The following forms are to be used in the execution of this policy.

Form Name	Purpose	Responsible Office	Approved By	Timeline for Submission
Personnel Action Form	To record standing data and stipend information for a newly elected or appointed student leader	Human Resources Office	Immediate supervisor and appropriate Division director	Submit within 72 hours of the student's appointment or election along with an IRS Form W-4
Stipend Reporting Form	To request the payment of a stipend to one or more students in lump sum	Human Resources Office	Authorized budget area signatory	Submit at least seven business days before desired date of disbursement