

Guidelines on how to process Payments to students at Dartmouth College

Dartmouth College faculty and staff should use this document to determine which method of student payment is appropriate for student employees, interns, fellows, performers and others. The offices of Student Employment, the Controller, General Counsel, Accounts Payable and Human Resources have prepared this document after review of the Federal Fair Labor Standards Act.

When the payment to a student is for work performed (student employment):

All payments for work performed are processed by Dartmouth College Payroll. As a general rule, all students employed by Dartmouth College are expected to be paid hourly using the biweekly pay schedule. This is always true when either of the following criteria is met:

- The amount of time working can be tracked
- The amount of time working can be verified

In cases where independent work (work that is done in an unsupervised manner or location) is being performed, it is critical that the student employee track their time spent doing the work and record it with accuracy (e.g. research conducted off-site).

There are very few generally accepted exceptions to hourly pay for student employment. They include:

- The position is a creative endeavor or artistic in purpose/nature (e.g., DJ, performer/entertainer, writer, graphic artist)
- The position's primary duties are considered 'on-call', unpredictable, or ad-hoc (e.g. Undergraduate Advisor, Camp Counselor, DOSC, Peer Advisor, Dartmouth EMS, Campus-Events Listserv manager)

For more information, or to discuss specific cases, please call or contact the [Student Employment Office](#).

When the payment to a student is not for work performed:

These payments are processed by a Finance Center through Accounts Payable. The most common examples are listed here:

- Structured, merit- and academic-based research scholarships, grants, and fellowship programs are considered educational learning opportunities rather than employment. Examples include programs such as the Sophomore Science Scholars, Junior Research Scholars, Presidential Scholars, and Mellon Mays Undergraduate Fellows.
- A student has been awarded Dartmouth funds for career exploration purposes, where the activity is for the benefit of the student's experience. Examples include off-term funding offered by the Rockefeller Center, Institute for Security, Technology & Society (ISTS) Dickey, Tucker Foundation and Career Services to support a student in pursuing off-campus career exploration experiences.
- A student receives an award or prize to honor his/her achievement.

For cash advances or reimbursements to students, please complete the corresponding [Payment Request eForm](#).

The following pages provides the definitions for terms commonly used when determining appropriate payments and a chart providing examples and details of steps to take when processing payments to students.

Definition of terms for purposes of Payment for students

Stipend: A **stipend** is a fixed sum of money paid periodically for services, to defray expenses, or provide an allowance.

Lump-sum: A **lump sum** is a single payment of money, as opposed to a series of payments made over time.

Honorarium: An **honorarium** is an *ex gratia* payment (i.e., a payment made without the giver recognizing themselves as having any liability or legal obligation) made to a non-Dartmouth employee for their services in a volunteer capacity or for services for which fees are not traditionally required.

Fellowship: A **fellowship** is an opportunity to pursue study or research typically outside of the enrollment in an academic program. Funds received to support participation in fellowships are typically paid with a stipend. In some cases, academic credit is awarded for successful completion of the fellowship, for example, the Senior Fellows.

Scholarship: A **scholarship** is an amount of money given to defray costs typically associated with enrollment in an academic program. This may be awarded to either an undergraduate or a graduate student.

Internship: An **internship** is a structured opportunity of fixed duration that provides training and experience to benefit the educational efforts of the student. Internships may take place at the student's educational institution, or at an outside organization. Internships may be full or part-time, and may be paid or unpaid positions.

Volunteer: A **volunteer** contributes time, effort and talent without any expectation of present or future salary, wages or benefits, and without any coercion or intimidation.

Students may provide service as volunteer to Dartmouth College because it is a nonprofit organization. Typically, student volunteers should be involved with scholarly activities with faculty, such as research, involved with co-curricular centers and organizations, such as, the Rockefeller Center and the Dickey Center, and with extra-curricular activities, such as the Collis Center for Student Involvement, the Tucker Foundation, and the Dartmouth Outing Club. The volunteer's principle contribution should blend the student's interests with the needs of the faculty member or organization with which the student is volunteering.

Work: **Work** is providing a service for which one earns compensation. There is an employee-employer relationship where the employer controls the time, place, scope of what's done and how it's done, and the activity is for the benefit of the employer.

Prizes and Awards: The College makes available a wide range of prizes and awards to its students in recognition of academic excellence or achievement. Historically, the terms "prize" and "award" have been used by departments for payments distributed to students during the academic year, most notably at Commencement. The recipient may receive a monetary and/or a tangible prize.

Student recognition by College departments for academic achievement is considered a prize by the IRS, e.g. best design, highest score, academic achievement, best thesis, etc. or winnings from a raffle or drawing.

Which method of pay to use when compensating, awarding or reimbursing students

If your student...	Examples	This is what you do:	Natural Class to Use	Tax Forms: (all sent directly to the student)
<ul style="list-style-type: none"> • Is an hourly student employee • Has a temporary or ongoing position within a campus department or program • Is hired to perform a specific service to the College 	Library Assistant Research Assistant Tutor A/V Tech Assistant Office Assistant Programming Assistant Student Director Building Manager Dining Associate	Student will record their hours bi-weekly, using the appropriate time-keeping method in their department.	6262 – Undergraduate students 6261 – Graduate students (Payroll automatically re-assigns the natural class, if needed, when processing timesheets.)	<ul style="list-style-type: none"> • Students who have received paychecks will be sent IRS Form W-2 by January 31 for the preceding calendar year. • <u>Non-resident students</u> will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year.
Is hired in a position where there is an accepted exception to hourly paid employment (creative endeavor or artistic in purpose/nature)	DJ or entertainer hired to perform at a specific event Writer Graphic artist	Pay the student through Payroll. Work with your Finance Center to request a lump-sum payment for student. You will be required to complete the Lump-Sum Payment questionnaire, found on the Payroll Forms webpage . These are almost always a one-time payment.	6262 – Undergraduate students 6261 – Graduate students (Payroll automatically re-assigns the natural class, if needed, when processing timesheets.)	<ul style="list-style-type: none"> • Students who have received paychecks will be sent IRS Form W-2 by January 31 for the preceding calendar year. • <u>Non-resident students</u> will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year.
Is hired in a position where there is an accepted exception to hourly paid employment (primary purpose is advising, mentoring, 'on-call')	EMT Undergraduate Advisors Orientation Assistants Camp Counselors	Pay the student through Payroll. Work with your Finance Center to request a lump-sum payment for student. You will be required to complete the Lump-Sum Payment questionnaire, found on the Payroll Forms webpage . These payments can be 'one-time' or more frequently, as determined by manager.	6262 – Undergraduate students 6261 – Graduate students (Payroll automatically re-assigns the natural class, if needed, when processing timesheets.)	<ul style="list-style-type: none"> • Students who have received paychecks will be sent IRS Form W-2 by January 31 for the preceding calendar year. • <u>Non-resident students</u> will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year.

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If your student...	Examples	This is what you do:	Natural Class to Use	Tax Forms: (all sent directly to the student)
Is a Graduate student with a position that qualifies for a stipend payment	Teaching Assistant Graduate Fellowship Geisel Summer Graduate Research Assistants	Work with your Finance Center to request an on-going monthly graduate student payment that will be paid through Payroll.	6261 – Graduate Student Enrolled 6254 – Graduate Student Federal Work- Study Enrolled (<i>Geisel only</i>) 7006 – General Fellowships	<ul style="list-style-type: none"> Students who have received paychecks will be sent IRS Form W-2 by January 31 for the preceding calendar year. <u>Non-resident students</u> will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year.
Has been awarded funds to conduct a project for his or her personal educational benefit. (These structured, merit- and/or academic-based research scholarships, grants, and/or fellowship programs are not considered employment.)	Sophomore Science Scholars Junior Research Scholars Presidential Scholars Mellon Mays Undergraduate Fellows Undergraduate Research Grants	Use the Payment Request eForm , select Dartmouth Student and Other Payment. The payment will be processed through Accounts Payable..	See Definition of Terms to determine what type of payment this is, then use the corresponding Natural Class. 7002 – Internships 7004 – Scholarships 7005 – Pre-doctoral Fellowships 7006 - General Fellowships Contact your Finance Center with questions	<ul style="list-style-type: none"> An award may or may not be considered taxable income. Please refer students to IRS Publication 970 for detailed information on the taxability of awards (available on the IRS website). Students may also consult with a tax professional or call the IRS help line at 1-800-829-1040 (tell student to explain that the question pertains to a stipend or grant payment issued to them by their college so that the IRS can direct the student to the appropriate person.) Dartmouth College cannot determine whether an individual's award is subject to tax. Non-resident students will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year. Any cash awards paid to non-residents may be subject to federal income tax withholding at the time the payment is processed
Has been awarded Dartmouth funds for career exploration and/or co-curricular purposes. (S/he may coincidentally be providing a service to an outside organization, but the funding is paid to the student.)	Rockefeller Public Affairs and Public Policy Fellowships Institute for Security ISTS-Neukom Institute Grant Dickey International Internships Tucker Fellowships Career Services Internships Kinsey Grants Global Health Fellowship Little Devices Lab Internship	Use the Payment Request eForm , select Dartmouth Student and Other Payment. The payment will be processed through Accounts Payable. These payments are generally paid in advance.	See Definition of Terms to determine what type of payment this is, then use the corresponding Natural Class. 7002 – Internships 7004 – Scholarships 7005 – Pre-doctoral Fellowships 7006 - General Fellowships Contact your Finance Center with questions	<ul style="list-style-type: none"> An award may or may not be considered taxable income. Please refer students to IRS Publication 970 for detailed information on the taxability of awards (available on the IRS website). Students may also consult with a tax professional or call the IRS help line at 1-800-829-1040 (tell student to explain that the question pertains to a stipend or grant payment issued to them by their college so that the IRS can direct the student to the appropriate person.) Dartmouth College cannot determine whether an individual's award is subject to tax. Non-resident students will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year. Any cash awards paid to non-residents may be subject to federal income tax withholding at the time the payment is processed.

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If your student...	Examples	This is what you do:	Natural Class to Use	Tax Forms: (all sent directly to the student)
Needs a Cash Advance for business expenses incurred while doing college business	Needs payment for hotel room at approved conference, expected travel expenses, purchase food or supplies for event, etc.	Use the Payment Request eForm , select Dartmouth Student and Cash Advance. Student must also settle/clear the advance by submitting the Payment Request eForm , select Dartmouth Student and <i>Travel/Business Expense</i> with appropriate receipts.	Provide Entity and Org followed by 909000.910000.0000 and Natural Class 1465. Contact your Finance Center with questions.	N/A
Needs a Reimbursement for travel or entertainment expenses incurred for college business	Student used personal funds for department purchase	Use the Payment Request eForm , select Dartmouth Student and <i>Travel/Business Expense</i> .	For Non-Employee Travel there are two natural classes: 8148 – Domestic Travel 8118 – Foreign Travel Contact your Finance Center with questions	N/A
Subjects Fees	Payments to research study participant monetary award for donating blood	Refer to your Finance Center for procedures.	Contact your Finance Center with questions	<ul style="list-style-type: none"> • <u>Non-resident students</u> will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year. Any cash awards paid to non-residents may be subject to federal income tax withholding at the time the payment is processed. • An IRS Form 1099MISC tax form will be sent to a student by January 31 if the student accumulated \$600 or more in cash payments and/or non-cash value of prizes/awards in the previous calendar year from Dartmouth College funding sources.
Receives a one-time award or prize to honor his/her achievement	The Albert I. Dickerson 1930 Freshman Essay Prize English Department Creative Writing Prizes for Undergraduates The Chase Peace Prize The Kemeny Prize Prizes and Awards to Graduating Students	Use the Payment Request eForm , select Dartmouth Student and Student Prize and Award (for prizes/awards needing to be printed in the Commencement Program) that will be paid by Accounts Payable. These are almost always a one-time payment.	7003 – Prizes & Awards Contact your Finance Center with questions	<ul style="list-style-type: none"> • <u>Non-resident students</u> will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year. Any cash awards paid to non-residents may be subject to federal income tax withholding at the time the payment is processed. • An IRS Form 1099MISC tax form will be sent to a student by January 31 if the student accumulated \$600 or more in cash payments and/or non-cash value of prizes/awards in the previous calendar year from Dartmouth College funding sources.

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If your student...	Examples	This is what you do:	Natural Class to Use	Tax Forms: (all sent directly to the student)
Gifts/Raffle Prizes	winner of raffle drawing in student-focused event gift for graduating student	<p>Use the Payment Request eForm, select Dartmouth Student and Student Prize and Award. Note: The name, social security number and permanent address for each student who receives either of the following must be reported to your Finance Center.</p> <p>If reimbursing for the purchase of Gifts/Raffle Prizes complete the Payment Request eForm, select Dartmouth Student and <i>Travel/Business Expense</i> and appropriate receipts. This must include the value or total amount of the prize/gift/award for each student. (This is for IRS tax reporting purposes.)</p> <ul style="list-style-type: none"> any amount (\$1 or more) in cash, cash equivalent gifts/prizes (i.e. gift cards or gift certificates), or any tangible gift/prize (i.e. sweatshirt, clock, plaque) valued at \$50 or more 	Contact your Finance Center with questions	<ul style="list-style-type: none"> Non-resident students will receive an IRS Form 1042-S by March 15 showing payments and withholdings for the previous calendar year. Any cash awards paid to non-residents may be subject to federal income tax withholding at the time the payment is processed. An IRS Form 1099MISC tax form will be sent to a student by January 31 if the student accumulated \$600 or more in cash payments and/or non-cash value of prizes/awards in the previous calendar year from Dartmouth College funding sources.

Please direct questions to these campus resources:

Controller's Office:	(603) 646-3011	www.dartmouth.edu/~control/
Cashier's Office:	(603) 646-2433	www.dartmouth.edu/~control/departments/cashiers
Payroll Office:	(603) 646-2697	www.dartmouth.edu/~control/payroll
Student Employment Office:	(603) 646-2697	www.dartmouth.edu/~seo
Finance Centers:	Various, see webpage for details	www.dartmouth.edu/~fincenter