

Training Grants/Fellowships and Their Implication on Employment for Current Employees

A training grant, in the form of a fellowship, obtained by a current faculty member will affect the way he/she is paid for the duration of the grant. A fellowship is seen as an award for the faculty member and is usually awarded to the individual and not the institution. In these cases, the faculty member is placed on “no-pay” for his current position and is paid a stipend through accounts payable. This stipend is not considered a payroll item.

In these cases, the following will happen:

- Recipient is set up on a re-occurring payment via a disbursement form for the duration of the grant/fellowship. This is processed through the accounts payable office and a payment schedule is set up. Usually pays out at the end of each month.
- Recipient is placed on “no-pay” in his/her home base/unit for the duration of the award.
- While on “no-pay” the recipient is responsible for any benefit deductions provided he/she is enrolled in any of the BU health/dental benefit plans. At the individual’s request via the HR Benefits Office, General Accounting will set up an invoice for the employee for any qualifying deductions and he/she will be billed on a monthly basis by the University.
- Retirement Plan contributions are stopped while the employee is on “no pay” status.
- There are no deductions for federal and state taxes associated with this stipend payment. It is the responsibility of the award recipient to claim his/her stipend earnings when filing income tax returns. The University will mail the recipient a 1099 form sometime in January stating total earnings for the previous calendar year.
- The University is not responsible for any tax liability incurred by the award recipient.
- When the award term date is reached, the faculty member will be removed from no-pay and all benefits will be restored. Compensation may change based on the PI’s recommendations and the length of time of the fellowship/training grant.