

UNIVERSITY TAX SERVICES

STANDARD OPERATING PROCEDURE

TSOP NO:	5.03
SUBJECT:	Research Experiences for Undergraduates (REU)
SOURCE:	University Tax Services, FMS Accounts Payable, Office of Research Administration, Travel Management Services, Campus Financial Aid Offices
ORIGINAL DATE OF ISSUE:	4/26/2017
DATE OF LAST REVISION:	7/10/18
RATIONALE:	To provide guidance to units and departments at Indiana University on how to appropriately process payments related to sponsored research programs for undergraduate students. This includes information on how to process stipend payments in the most efficient and compliant manner and where to direct questions related to the program.
PROCEDURES:	<p>BACKGROUND:</p> <p>The Research Experiences for Undergraduates (REU) program supports active research participation by undergraduate students in any of the areas of research funded by the National Science Foundation. REU projects involve students in meaningful ways in ongoing research programs or in research projects specifically designed for the REU program.</p> <p>There are two kinds of REU experiences:</p> <ol style="list-style-type: none">1. Supplements to grants that support 1 or 2 students.2. REU Sites which are based on an independent proposal to conduct projects that engage a number of students in research. REU Sites may be based in a single discipline or academic department or may offer interdisciplinary or multi-departmental research opportunities with a coherent, intellectual theme. The areas of study typically include mathematics, physics, chemistry, geology, biology, psychology, and informatics. <p>For NSF funded grants, undergraduate student participants in either REU Sites or REU Supplements must be U.S. citizens, U.S. nationals, or permanent residents of the United States.</p> <p>The stipend that is paid to REU student participants is not a salary or wage for work performed. It is a traineeship, a form of student aid (like a scholarship or fellowship) provided to support a student's education/training in a STEM field. In this case, the student's training consists of closely mentored independent research.</p>

REUs are specifically funded by the National Science Foundation (NSF) but there are other funding sources that exist. For purposes of this document, the general term “REU” will be used to discuss all summer research programs for undergraduates, regardless of funding source.

At IU, the REU sites include both non-IU and IU enrolled students. This document will address treatment for both categories of participants for the IU sites.

INSTRUCTIONS:

1. Contact the Office of Research Administration (ORA) for guidance on proposal submission for grant funding. Participant support cannot be used for purposes other than what was proposed, and awarded, from NSF without prior written approval from NSF.
2. Collect the following information:
 - Offer and Acceptance letter (or email) for each participant
 - Roster of participants with identification of their home institution (REU Sites)
 - Payee certification form for recipients paid on DV (non-IU students ONLY)
3. **For IU students** participating in these programs, payments should be processed through the Student Information System (SIS), through the student's financial aid account. [See IU Student Participant – SIS below.](#)
4. **For non-IU students** participating in these programs, payments should be processed through the IU KFS Financial Processing System on a Disbursement Voucher (DV). See [Non-IU Student Participant – KFS below.](#)

IU STUDENT PARTICIPANT – PROCESS IN SIS:

1. For IU students, all applicable payments to be made on behalf of the student should be processed/reported through the SIS. See list of approved object codes below.
2. Payments not disbursed through the SIS must be reported to your campus Financial Aid office. Examples of these types of payments include travel paid on behalf of the student, processed through IU Travel Management Services. Other examples of reportable amounts include meal cards provided to the participants and direct housing paid to RPS on behalf of the participant.
3. Payment questions for IU students – contact your Campus Financial Aid Office

NSF Description	Object Code Description	Object Code
Participant Stipend - Undergraduate	Undergraduate student scholarship for enrolled students	5880
Participant Subsistence (Room and Board)	Scholarships- Room and Board	5883
Participant Travel	Undergraduate student travel and research	5865
Other	Other Student Assistance	5800

NON-IU STUDENT PARTICIPANT – PROCESS IN KFS:

1. For non-IU students, all applicable payments (travel & non-travel) to be made on behalf of the student should be processed through the IU KFS Financial Processing System on a Disbursement Voucher (DV). See below for general guidance on how to process a DV through the KFS Financial Processing System.

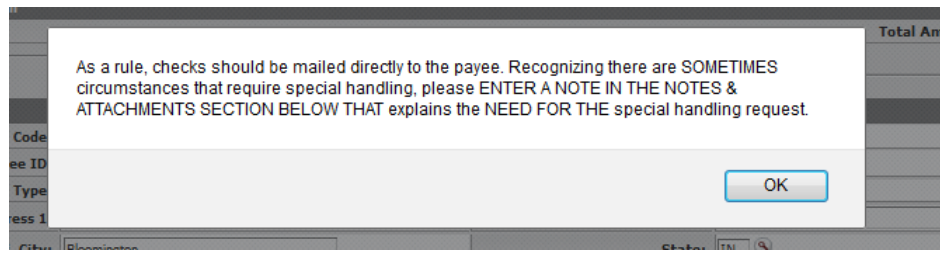
2. The following is a list of approved object codes for use with the REU payments. For questions about object code usage, contact the Office of Research Administration.

NSF Description	Object Code Description	Object Code
Participant Stipend - Undergraduate	Research Scholarship	5860
Participant Travel	Transportation non-employee	4089
Participant Subsistence (Room and Board)	Transportation non-employee	4089
Other: Working meals are generally set up under hospitality (E.g. REU Site Symposium)	Hospitality Expense	4025
Other	Project Supplies	4690

3. For reoccurring monthly payments, DV initiators can copy existing DVs and edit the new DV's detail to include the new payee and payment information.
4. The payee record for the non-IU students must be either a KFS DV vendor record or a KFS PO vendor record.
5. The DV payment reason for **non-travel payment** (stipend) is *A - Prize and Award*.
6. The DV payment reason for **travel-related payments** is *N - Travel Payment for Nonemployee*.
7. DV supporting documentation for all (travel and non-travel) payments is comprised of a PDF file that contains:
- A completed payee certification form,
 - An offer and acceptance letter,
 - A participant roster (see Step 2 above under Instructions),
 - Any associated receipts.
8. NOTE: If a payment will not be mailed to the remit address listed on the DV, complete the special handling section for "campus – name and phone number to call for check pickup." See the example below for guidance in completing the special handling section of the DV. For questions on special handling, please contact fmsdvhlp@indiana.edu.

The screenshot shows a 'Payment Information' form with the following details:

- Payment Reason Code:** E - Compensation for Services
- Payee ID:** 54227-0
- Payee Type:** Vendor
- Payee Name:** FOX, HARRY
- Address 1:** 102 E. Kirkwood
- Address 2:** (empty)
- City:** Bloomington
- State:** IN
- Country:** United States
- Postal Code:** 47401
- Check Amount:** 100.00
- Due Date:** 05/17/2017
- Payment Type:**
 - Is this a foreign payee: Yes
 - Is this payee an employee: No
 - Is this an employee paid outside of payroll: No
- Other Considerations:**
 - Check Enclosure
 - Special Handling
 - W-9/W-8BEN Completed
 - Exception Attached
 - Immediate Payment Indicator: No
- Payment Method:** (empty)
- Documentation Location Code:** F - FMS - Bloomington



Special Handling ▼ hide

Send Check To	
Special Handling Name:	BL – Call Jane Doe 812-555-1212
Special Handling Address 1:	for check pickup
Special Handling Address 2:	
Special Handling City:	
Special Handling State:	
Special Handling Postal Code:	
Special Handling Country:	

- When processing a DV for scenarios addressed in this document, add the following attestation as a note on the DV document: **“This REU transaction complies with TSOP 5.03 stipulations. Payment via DV is authorized accordingly.”**

DISBURSEMENT VOUCHER REFERENCES AND REMINDERS:

- See FMS AP webpage for contact information and DV guidance:
 - [Accounts Payable Contact Page](#)
 - [KFS DV Payment Guide](#)
 - [Accounts Payable Webpage - DV Procedures & Guides](#)

QUESTIONS:

- Questions related to payments made in SIS for IU students, contact the campus Financial Aid Office
- Tax related questions – University Tax Services, taxpayer@iu.edu
- Funding/grant related questions – Office of Research Administration, resdev@indiana.edu
- Payment questions for non-IU students (travel) – Travel Management Services, travelbl@iu.edu
- Payment questions for non-IU students (non-travel) - FMS Accounts Payable DV Team, fmsdvhlp@indiana.edu

DEFINITIONS:

REU: Research Experiences for Undergraduates, is a program funded by the National Science Foundation. More information is available at: <https://www.nsf.gov/funding/pgm-summ.jsp?pims-id:5517>

NSF: The National Science Foundation is a US independent federal agency that supports all fields of fundamental science and engineering, except for medical sciences.

ORA: Indiana University Office of Research Administration

DV: Disbursement voucher, type of Kuali Financial System document to disburse funds to an individual

SIS: Student Information System, system used to process, display, and store registrar, bursar, admissions and financial aid data

FMS: Financial Management Services <https://fms.iu.edu/>

CROSS REFERENCES:

[TSOP 5.02 - Service Component for Student Awards](#)

[Indiana University - Student Payment Guidelines](#)

Campus Financial Aid Contacts:

- IUB – Amy Hull - <amyhull@indiana.edu>
- IUPUI/CO – Megan Watson - <mmj6@iupui.edu>
- East – Sarah Soper - (saeaton@iue.edu)
- Kokomo – Dara Johnson - <darnjohn@iuk.edu>
- Northwest – Gina Pirtle - <gpirtle@iu.edu>
- South Bend – Cathy Buckman - <cmbuckma@iusb.edu>
- Southeast – Traci Armes - <trarmes@ius.edu>