## UNIVERSITY TAX SERVICES

### STANDARD OPERATING PROCEDURE

<table>
<thead>
<tr>
<th>TSOP NO:</th>
<th>5.03</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUBJECT:</td>
<td>Research Experiences for Undergraduates (REU)</td>
</tr>
<tr>
<td>SOURCE:</td>
<td>University Tax Services, FMS Accounts Payable, Office of Research Administration, Travel Management Services, Campus Financial Aid Offices</td>
</tr>
<tr>
<td>ORIGINAL DATE OF ISSUE:</td>
<td>4/26/2017</td>
</tr>
<tr>
<td>DATE OF LAST REVISION:</td>
<td>5/23/2017</td>
</tr>
<tr>
<td>RATIONALE:</td>
<td>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.</td>
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</tbody>
</table>

### BACKGROUND:

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.

### There are two kinds of REU experiences:

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.

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.

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.
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

<table>
<thead>
<tr>
<th>NSF Description</th>
<th>Object Code Description</th>
<th>Object Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participant Stipend - Undergraduate</td>
<td>Undergraduate student scholarship for enrolled students</td>
<td>5880</td>
</tr>
<tr>
<td>Participant Subsistence (Room and Board)</td>
<td>Scholarships- Room and Board</td>
<td>5883</td>
</tr>
<tr>
<td>Participant Travel</td>
<td>Undergraduate student travel and research</td>
<td>5865</td>
</tr>
<tr>
<td>Other</td>
<td>Other Student Assistance</td>
<td>5800</td>
</tr>
</tbody>
</table>

### 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 Kuali 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.

<table>
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<tr>
<th>NSF Description</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Participant Stipend - Undergraduate</td>
<td>Research Scholarship</td>
<td>5860</td>
</tr>
<tr>
<td>Participant Travel</td>
<td>Transportation non-employee</td>
<td>4089</td>
</tr>
<tr>
<td>Participant Subsistence (Room and Board)</td>
<td>Transportation non-employee</td>
<td>4089</td>
</tr>
<tr>
<td>Other: Working meals are generally set up under hospitality (E.g. REU Site Symposium)</td>
<td>Contract &amp; Grant Hospitality</td>
<td>4027</td>
</tr>
<tr>
<td>Other</td>
<td>Project Supplies</td>
<td>4690</td>
</tr>
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</table>

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.
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, fmsdvhp@indiana.edu

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/

TSOP 5.02 - Service Component for Student Awards

Indiana University - Student Payment Guidelines