

## *Definition of Fellowship and GRA*

Q- What is the difference between a Graduate Research Assistant (GRA), Graduate Teaching Assistant (GTA) or a Graduate Assistant (GA) and a Fellowship student?

A- There is a critical difference between graduate assistantships and graduate fellowship awards. Failure to observe this difference may significantly impact the tax status of recipients of the awards.

### ***Graduate Research Assistantship, Graduate Teaching Assistantship and Graduate Assistantship***

A GRA, GTA and GA assistantship is an award tied to a requirement of service to the University. This service obligation is usually instructional or research related. For these purposes, a GRA, GTA or GA is assigned to one or more faculty. Some GRA, GTA or GA's are required to submit time sheets to document the rendering of service; others (particularly those paid from college departmental accounts) receive a fixed sum paid in equal installments through the semester of appointment. Because an employment relationship is created, the amounts paid are considered wages and are subject to applicable payroll taxes. At the end of the calendar year, students with a GRA, GTA and GA will receive a W-2 from the University.

Information about Graduate Assistantships can be found in the Graduate Catalog at:

[http://catalog.utk.edu/content.php?catoid=19&navoid=2113#poli\\_admi\\_grad\\_assi](http://catalog.utk.edu/content.php?catoid=19&navoid=2113#poli_admi_grad_assi)

Information on minimum stipends can be found on the Office of Budget and Finance website:

<http://budget.utk.edu/student-information/graduate-stipends/>

GRA – usually supported by external grant funding:

- May be 9 or 12 month appointment
- Usually one-fourth to one half time basis of full time equivalent (FTE)
- A 25% appointment of FTE, requires no more than 10 hours of work per week
- A 50% appointment of FTE, requires no more than 20 hours of work per week
- For work in excess of 20 hours per week: Appointments exceeding 50% must have prior approval of the Dean of the Graduate School, excluding summer term. This also excludes international students (students on visas) of which there are no exceptions to the 20-hour work week.
- Entitled to a waiver (student does not pay) of maintenance and tuition if appointment is 25% time or greater
- Entitled to paid health insurance (if GRA, GTA, or GA and a minimum 25% appointment)
- The student is responsible for payment of fees. Example: Program and Services, Technology, Facilities and Transportation
- Receives an annual performance evaluation
- Budget salary under GL code 413, tuition under GL code 444
- Full Facilities and Administrative costs (indirect costs) are included on grants, (tuition is excluded from F&A)

GTA and GA – usually supported by internal funds

- May be 9 or 12 month appointment

- Usually one-fourth to one-half time basis of full time equivalent (FTE)
- A 25% appointment of FTE, requires no more than 10 hours of work per week
- A 50% appointment of FTE, requires no more than 20 hours of work per week
- For work in excess of 20 hours per week: Appointments exceeding 50% must have prior approval of the Dean of the Graduate School, excluding summer term. This also excludes international students (students on visas) of which there are no exceptions to the 20-hour work week.
- Entitled to a waiver (student does not pay) of maintenance and tuition if appointment is 25% time or greater
- Entitled to paid health insurance (if GRA, GTA, or GA and a minimum 25% appointment)
- The student is responsible for payment of fees. Example: Program and Services, Technology, Facilities and Transportation
- Receives an annual performance evaluation
- Budget salary under GL code 413, tuition under GL code 444

### ***Graduate Fellowship***

A graduate fellowship is an award to which no requirement of service to the University may be tied. The usual function of a graduate fellowship is to provide funds to support the recipient's pursuit of studies or research. Awarding of a non-service fellowship does not create an employer/employee relationship between the University and the fellow. Fellowships paid to U.S. citizens and resident aliens are not required to be reported by the University on any Internal Revenue Service (IRS) tax form. Each individual is responsible for accounting for those payments on his/her annual tax return and submitting any estimated tax remittances, where appropriate, to the IRS or other taxing authority. The recipient may wish to consult with the IRS at 1-800-829-1040 or with their tax advisor. Fellowships are not subject to Social Security and/or Medicare Tax.

However, if the University will receive more than incidental benefit (i.e. the recipient must work in order to receive the fellowship), the payments are compensation for services performed that are subject to applicable employment taxes and will be reported on Form W-2 at the end of the calendar year.

Fellowships awarded to the University- for those supported by external funding (ex. NIH F series, NRC, DOE, NSF):

- Generally, require no rendering of service to the University. However, the individual may be required to work on a research project if the fellowship was in result of a research proposal.
- Most awards are based on academic merit and/or high quality research proposals.
- Student is not considered an employee of UT or the Sponsor
- University is not permitted to withhold taxes; the student is responsible for paying income tax on the stipend in excess of qualified tuition and related expenses (US citizen and resident alien)
- The sponsor may fund any or all of the tuition depending on the sponsor requirements. This needs to be clear in the proposal that the request is for all fees including out of state fees if applicable.
- Most are awarded through Financial Aid or the Graduate School
- If externally funded, budget stipend under GL code 419 (non-wage payment)

- Payments of other fees depends on sponsor instructions
- Fellowships are typically excluded from Facilities and Administrative costs (no indirect costs)
- A fellow cannot work for the fellowship award; however, they can work for other awards such as a GRA, if they have a dual appointment.
- Stipends can be supplemented from non-Federal funds as long as work is not required
- Proposals must be routed through Cayuse and be reviewed and submitted by the Office of Sponsored Programs
- Recipients are not automatically entitled to insurance

Fellowships awarded directly to the student (ex. EPA STAR, Gift funds)

- Are not reviewed or submitted by the Office Sponsored Programs. Therefore, proposals are not routed through Cayuse.
- Sponsored Projects Accounting will set up an account for any funds coming to the University, for example, Institutional Allowance.
- Criteria for the award are provided in the Memorandums of Agreement for Gift Funds and must be adhered to.