

Standard Practice Guide Policies

Payments/Reimbursements to Students for Non-Employment Purposes

601.30

Applies to: All payments to students when the payments are for non-employment purposes

I. PURPOSE

This Standard Practice Guide outlines the policy for payments to students from academic or other units when the payments are for non-employment purposes.

To comply with US Department of Education regulations, student payments, awards, prizes, and gifts for academic pursuits or achievements must be reported to the Office of Financial Aid when paid for non-employment purposes. This includes all forms of financial resources provided by the University of Michigan to a student to aid their education, study, training, or research.

This Standard Practice Guide does **not** include information about payments to students when the payments relate to a student's employment at the University of Michigan.

II. OVERVIEW

Payments to students who are receiving other forms of financial aid for any purpose are a form of financial assistance and may require one of the following actions to be taken, regardless of the University system used to make the payment:

1. An adjustment to the financial aid award that the student has already received in the current semester or may receive in a subsequent semester, and /or
2. An adjustment to the student's overall cost of attendance budget.

The Office of Financial Aid (OFA) has the responsibility to determine whether adjustments are necessary.

Unit representatives have the responsibility to inform OFA about the student's financial assistance and to inform OFA of the term for which the payment is effective.

III. EXAMPLES OF PAYMENTS

Examples of payments to students that must be reported of OFA are:

- A. **Conference registration fees and travel** when the payment or expense is not incurred on behalf of the University, but rather incurred for furtherance of the student's own education experience such as: 1. Student merely listens and learns to further his/her education. 2. Student receives travel award for conducting research associated with their degree. (See Student Payment Form for additional examples)
- B. **Reimbursement of supplies**, course supplies for thesis, course related supplies, or other items purchased by the unit to complete educational work.

IV. PROCESSING THE PAYMENTS & REPORTING PAYMENTS TO OFFICE OF FINANCIAL AID (OFA)

Payments are made using the financial aid module in PeopleSoft or other payment systems at the University (e.g. Concur).

A. Payments made using the financial aid module:

1. Lump sum travel awards

The departmental representative (via the designated individual within OFA) must notify OFA by sending an email to sfps@umich.edu (mailto:sfps@umich.edu) or submitting a ticket in TeamDynamix including the following documentation: the student's name and student id number, the purpose of the payment, the cost of travel, and whether the lump sum payment will equal or exceed the travel cost, and copies of receipts.

2. Cash Awards and Prizes

The departmental representative (via the designated individual within OFA) must process a financial aid payment, using a refundable item type.

B. Payments processed outside of the financial aid module and paid to benefit the student's academic pursuit must be reported to OFA. Students complete the Travel Business Hosting Expense Report (TBHER) on the Shared Services Center website.

1. Expenses that are pre-paid by the unit using:

a. P-Card: When processing (reconciling) the P-Card expense in Concur, include the student's name and UMID in the business purpose for each transaction related to a student educational expense. The documentation attached to the Concur Expense Report should include the original receipts and the Student Payment Request Form, if available. Email a PDF copy of the approved Concur expense report to sfps@umich.edu (mailto:sfps@umich.edu) or submit a ticket in TeamDynamix noting that student reimbursements for educational expenses are included in the attached Concur Expense report.

b. Purchase Order (PO or ePro requisition): When processing purchase orders that include expense lines supporting student's educational expense (i.e., housing/accommodations, conference registrations, site tours, vehicle rentals), note the student(s) name and UMID(s) in the line item expense description. After purchase is consummated, email a PDF copy of the invoice to sfps@umich.edu (mailto:sfps@umich.edu) or submit a ticket in TeamDynamix noting that student reimbursements for educational expenses are included in the attached report.

2. Expenses that are reimbursed to the student (who is also an employee) using Concur: Process the Concur reimbursement request based on the unit's standard business process. In the business purpose, include the student's name and UMID. The documentation attached to the Concur Expense Report should include the original receipts and the Travel Business Hosting Expense Report (TBHER). Send a PDF copy of the approved Concur expense report to sfps@umich.edu (mailto:sfps@umich.edu) or submit a ticket in TeamDynamix noting that reimbursement is for educational expenses and is included in the attached Concur Expense report.

3. Journal entries or recharges associated with a student's educational pursuit (i.e. supplies from unit inventory, recharges for copies, inter-unit journal entries to share student expenses): Include the student name and UMID in the long description of the journal line and send a PDF copy of the journal entry and supporting documentation to OFA-reimburse@umich.edu (mailto:OFA-reimburse@umich.edu) noting that the attached journal is for the student's educational expenses.

4. Gift cards given as an award/prize must be reported to OFA via an email to SFPS@umich.edu (mailto:SFPS@umich.edu) or submission of a ticket in TeamDynamix. See SPG 501.12 for tax implications.

V. CONTACTS FOR INFORMATION

A. New item types can be requested by contacting the OFA User Liaison/Coordinator at 763-4303.

B. Information about types of awards and prizes not listed in Section V is available by Contacting the OFA User Liaison/Coordinator at 763-4303.

C. Questions regarding the impact on the student's overall financial aid package should be directed to OFA at 763-6600 or to financial.aid@umich.edu (<mailto:financial.aid@umich.edu>).

VI. RELATED TOPICS/MATERIALS

A. Federal citation/guidance: Section 480(j) of the Higher Education Act of 1965, as Amended; 34 CFR 668.16(b); 34 CFR 673.5 (b) (2); Federal Student Aid Handbook 2009-10, page 3-138.

B. Training documentation and materials available on the SPG Student Payments C-Tools site — Informational Resources for all Administrators. The documentation includes a template for the student payment form, list of OFA departmental liaisons and FAQ.

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Related Policies:

Awards, Gifts, and Prizes (</policy/501.12>)

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