

Student Payment Policy

This policy applies to the following payments:

- I. Scholarships, fellowships, and other academic awards
- II. Payments to defray and/or reimburse a student's travel, research, or institutionally authorized personal expense
- III. Reimbursement for departmental operating supplies and business entertainment

The purpose of this policy is to ensure The University of Alabama is in compliance with federal financial aid regulations, IRS regulations, and federal student privacy regulations. This policy applies to all students, undergraduate and graduate.

I. Scholarships, Fellowships, and Other Academic Awards

A scholarship, fellowship or academic award made to a student must be recorded through the Scholarship Tracking/Financial Aid System, and should not be submitted on a Miscellaneous Disbursement Voucher (MDV).

- For undergraduate student awards, contact the scholarship coordinator for your school or division.
- For graduate and law student awards, contact Michelle Boteler in Financial Aid; michelle.boteler@ua.edu, 106 Student Services Center, Box 870162.

The award will be applied to the student account. For presentation purposes, departments may use a letter or certificate of their choosing.

For international students, special tax rules apply – refer to “Payments to International Students” below.

II. Payments to Defray and/or Reimburse Student Travel, Research, or Personal Expense

A. Expenses Incurred for Benefit of Student

Payments provided to defray and/or reimburse a student's travel, research, or other department approved personal expenses (actual or estimated), not expressly related to University business, include the following examples:

- Payment of funds solicited by the student for research or travel (funding awarded by graduate school, SGA, department matching funds, etc.)
- Payment of expenses for travel or research initiated and conducted by the student (the student's own research project, thesis, dissertation, etc.)

- Payment of funds from a grant specifically for the purpose of enriching the student's education and training
- Payment of funds to defray/reimburse authorized personal student expenses for participation in a University of Alabama function (dry cleaning expenses associated with participation in the Million Dollar Band and Capstone Men and Women, etc.)

These types of payments should be processed through Student Receivables. Send an MDV or e-mail to Geneva Dove in Student Receivables; gdove@fa.ua.edu, 105 Student Services Center, Box 870120. If the student was not enrolled at the time the expense was incurred, an MDV should be sent to Accounts Payable. MDV's submitted to either Student Receivables or Accounts Payable for this type of payment should include the following information:

- Student Name
- Student ID Number
- Graduate/Undergraduate/Law Student Classification
- Enrolled or Non-Enrolled for the period the expense was incurred
- International Student, Yes or No (See Payments to International Students Below)
- Award Amount
- Account number to be charged
- Groups of awards directed through Student Receivables may be processed by sending the information specified above in a spreadsheet

When processed through Student Receivables, the payment will be credited to the student's account. A check will be mailed to the local address of record in the University of Alabama's student system. The student's permanent address will be used when the student is not registered at the time the request is made. When the student account is in a delinquent status, Student Receivables reserves the right to apply the payment to the student account and not refund the amount to the student.

To ensure timely and accurate reporting of all expenses incurred for the benefit of the student, reimbursements should be substantiated, documented, and reported by the student on an approved MDV as soon as possible after the date on which the expense was incurred.

B. Expenses Incurred for Benefit of University

Undergraduate and graduate students (whether or not they are employees) may be reimbursed for expenses incurred on behalf of the University when there is a direct connection between the expense and the business purposes of the University. Such reimbursements are not reportable to the IRS by the University as income to the student, provided the required documentation is submitted. Business related expenses reimbursable to students include:

- Expenses incurred by a student, necessary to further a department member's research project, or to fulfill the University's obligations under a contract or grant.
- Expenses to attend a conference/event at which the student is officially representing The University of Alabama at the request of a department member.

Such reimbursements should be submitted to Accounts Payable on a Travel Voucher or MDV with expense documentation attached. In addition, attach the *Certification Statement for Business Related Student Expense Reimbursement* (Exhibit B) signed by the department member who authorized/requested the student incur expenses for the benefit of the University.

To ensure the timely and accurate reporting of all University expenses, reimbursements should be substantiated, documented, and reported by the student on an approved Travel Voucher or MDV no later than sixty (60) days after completion of a trip or the date on which the business related expense was incurred. Any expense turned in for reimbursement more than 60 days after the expense was incurred is treated as taxable income subject to withholding per IRS regulations.

III. Reimbursement for Departmental Operating Supplies and Business Entertainment

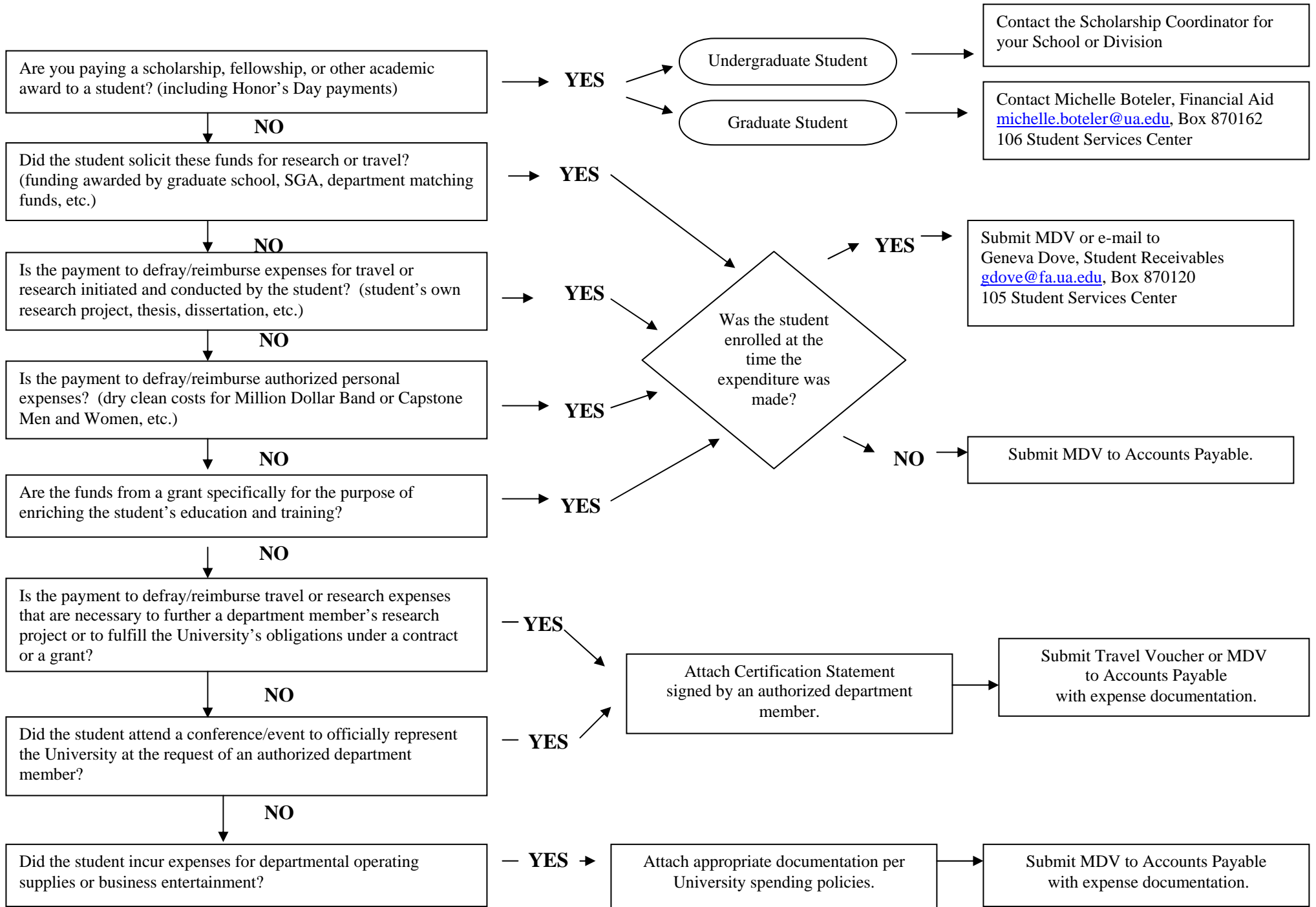
Reimbursement for departmental operating supplies and business entertainment should be processed through Accounts Payable. These types of reimbursements must be processed on a separate MDV from any other student expense reimbursement. Appropriate documentation per The University of Alabama's spending policies is required. The 60-day rule above also applies to these reimbursements.

IV. Payments to International Students

The Nonresident Alien Tax Accountant must review all requests submitted by international students for reimbursement of travel, research or other expenses prior to payment to ensure that such expenses are reimbursable under IRS guidelines and/or INS regulations, and that the reimbursement is not subject to tax withholding. The University of Alabama is required to report nonresident alien scholarship/fellowship payments to the IRS and withhold taxes as required. The method of payment (i.e. reimbursement of out-of-pocket expenses, or direct payment to the vendor) does not impact whether the University is required to report.

International students should be notified prior to making travel or research arrangements that federal tax withholding may be required. Departments desiring to make a payment to an international student must contact Sommer Hatfield-Nelson, Nonresident Alien Tax Accountant; shatfield@fa.ua.edu, 348-8865, 301 Rose Administration, Box 870136, to determine the student's tax status. Students may be eligible for reduced tax withholding under a tax treaty or a daily prorated personal exemption. International students are required to schedule an annual tax analysis to determine their eligibility for such benefits.

STUDENT PAYMENT PROCEDURES



**Certification Statement
for Business Related
Student Expense Reimbursement**

Student's Name: _____

Student ID Number: _____

Date(s) Expenses Incurred: _____

Description of Expense: _____

The attached student expense reimbursement is submitted as a business expense of the University due to the following reason(s) – check all that apply:

- The expenses were necessary to further a research project of the department under my direction.
- The expenses were necessary to fulfill the University's contract/grant obligations under my direction.
- The student attended a conference/event to officially represent the University at my request.
- Other (explain): _____

I certify that the foregoing is an accurate description of the primary reason that the attached expenses were incurred, to the best of my knowledge and belief.

Authorized Signature*

Date

Print Name & Title

****This certification statement is to be signed by the project director, manager, department head, dean or authorized faculty member who requested the student to incur the attached expenses on behalf of the University.***