

POSTDOCTORAL FELLOWSHIP DECISION MODEL

In some cases, it may be difficult to determine whether funding being provided to support a Postdoctoral Scholar should be treated as a fellowship or as a research grant/contract.

Fellowships are closer to "gift funding," and do not suggest that the recipient must accomplish any particular statement of work. Grant/Contract funding, on the other hand, supports a particular project on which the postdoc will work.

The differences between these two categories of funding will affect how Stanford accounts for the money, whether PI status is necessary, and whether/how indirect costs will be recovered.

| Ask yourself | | If YES | If NO |
|--------------|--|---------------------------|--------------------------------------|
| 1. | Does this funding bring with it an obligation to convey to the donor/sponsor: <ul style="list-style-type: none"> - Intellectual property or any other tangible outcome of the study/research? - Primary records or data? | This is a GRANT/CONTRACT. | Proceed to Question 2. |
| 2. | Does this funding convey any deliverables to the donor/sponsor, such as <u>detailed</u> financial reports, invention reports, or other specified products, OTHER than basic progress reports and/or a summary of how the funds were spent? | This is a GRANT/CONTRACT. | Proceed to Question 3. |
| 3. | Is this award made to Stanford University, with the provision that Stanford will name the individuals to be funded? | This is a GRANT/CONTRACT. | Consider the set of indicators below |

In looking at a particular award of funds, consider the following indicators. None of these is an absolute determinant of "fellowship" or "grant/contract," but, taken together, they provide support for characterizing the award one way or the other.

| FELLOWSHIPS | | GRANTS/CONTRACTS | |
|---|--|---|--|
| The vocabulary of the award speaks of "fellowship," "stipend," "tuition," "mentor." | | The vocabulary of the award speaks of "project," "budget," "salary," "statement of work," "Principal Investigator." | |
| The funding does not include a category identified as "indirect costs," but may include an "institutional allowance" for expenses to support the recipient. | | The project budget includes a category for indirect costs, or an approved waiver. | |
| Continues on next page | | | |

| FELLOWSHIPS | (Continued) | GRANTS/CONTRACTS |
|--|-------------|--|
| The award is made as a "lump sum," does not include a line item budget, and financial reporting is not expected on a detail level. | | There is a line-item budget with detailed financial accountability. Budgets and project period may lead to unexpended funds that must be returned if no approval to carry forward or extend project. |
| The award amount is predetermined, intended to provide a living allowance to the postdoc. | | The amount of the award is based on a project budget, intended to cover the costs of carrying out a particular project. |
| Proposal may be informal e.g., a letter proposal from an individual, a department, office or school. | | Sponsor requires formal, detailed proposal and/or contractual agreement. |

The determination of "fellowship or sponsored project" will have consequences for Stanford, for the donor/sponsor, and for the postdoc. Here are some examples:

| FELLOWSHIPS | GRANTS/CONTRACTS |
|--|--|
| Qualifies for tax treatment as charitable contribution by donor. | May qualify for basic research tax credit for sponsor. |
| The postdoc receives a a monthly stipend processed by Payroll. Unless being made to a non-US citizen, no taxes will be withheld. | The postdoc has an employer-employee relationship with Stanford, and receives a paycheck every two weeks through Payroll. Normal Payroll taxes are withheld. |
| Accountability for compliance with the terms of the award rest primarily on the individual recipient. | The university assumes full responsibility for compliance with terms and conditions of the award, as well as for all applicable regulations. |
| The recipient is a postdoc, and institutional Principal Investigator requirements do not apply. | Stanford will accept the award on behalf of the faculty member Principal Investigator. PI eligibility rules apply. |
| Non-US recipients will hold either an F-1 (student) or a J-1 (scholar) visa. | Payments may be made to F-1, J-1 or H-1/TN visa holders. |
| Non-federal fellowship awards will be subject to the application of Stanford's infrastructure charge. | Awards will be subject to the application of Stanford's negotiated facilities and administrative (F&A, indirect cost) rates, unless a waiver has been approved. The infrastructure charge will apply to non-federal awards waived to 0% F&A. |