# GRADUATE AID Basics

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The Student Information System at MIT (MITSIS) records information on student status (data maintained by the Registrar), as well as financial data related to graduate student awards and appointments. The following set of basic information pertains to graduate student awards and appointments. Help is available from the following individuals:

Phoebe Minias         Systems/Set up
                      SSIT   3-2057, phoebe@mit.edu

Maria Fernandez      Systems/Training
                      SSIT   3-8485, mariaf@mit.edu

Janet Fischer        Policy/Awards Processing/Training
                      Provost’s Office 3-0386, jfischer@mit.edu

**AID YEAR**
Aid Year is the time frame that MITSIS uses to parcel out financial aid for grad students. Aid Year 2002 is made up of the following time periods:

- **Summer Term 2002**  June 1 – August 31, 2002  2002SU
- **Fall Term 2002**    September 1, 2002 – January 15, 2003  2003FA
- **Academic Year 2002-3**  September 1, 2002 – May 31, 2003

Departments can enter amounts for the elements of tuition, stipend, and medical insurance. The vehicles for processing these elements include fellowships, RA’s, and TA’s (see definitions on pages 3/4).

**TERMS OF APPOINTMENTS**
Appointments can be processed for either a term, academic year, or an entire aid year. Best practice indicates that processing one term at a time is preferable if it is likely that the type of appointment will change during an Academic or Aid year. Otherwise, creating one appointment per Aid Year is the least work.

**ELEMENTS OF FUNDING**
The two primary elements of funding are tuition and stipend (or salary in the case of RA’s and TA’s). Fellowship appointments can also include funding for single student hospital insurance. Single student insurance is roughly $800/year, and is billed for the fall and spring terms in uneven installments. This is because the spring installment includes the summer term.

**REGISTRATION**
Appointments can only be made for students who are registered as full-time graduate students at MIT. Appointments cannot be made for special students, students on non-resident status, or students who are not fully registered. If such an award or appointment is made to an ineligible or unregistered student, it must be relinquished as soon as possible – or before the tenure of the award expires. A reimbursement to the MIT Payroll Office will be necessary if a stipend or salary payment has been made in excess of actual tenure. This is especially important in the case of a fellowship.
TYPES OF APPOINTMENTS

**Fellowship (also known as a Graduate Award)**

A fellowship is an award to a graduate student which covers tuition, partially or fully, and/or provides a stipend to help defray living expenses. Most awards are made on the basis of merit and in some circumstances on financial need. The Institute receives funds from individual donors and corporations for fellowships. In addition, government agencies and foundations offer fellowships which they award either directly to outstanding students for use at institutions of their choice or, in a few cases, to institutions for awarding to students. Individual departments often have internal and/or institutional fellowship support as well.

According to IRS regulations, that portion of such grants which exceeds tuition and direct educational expenses is subject to income tax, but it is not withheld. Stipends received by legal residents of Massachusetts are subject to state income tax. MIT is not required or allowed to withhold Federal income tax on the taxable portion (stipend) of a fellowship for US citizens. Nonresident aliens are subject to federal income tax withholding at the rate of 14%. No Massachusetts income tax can be withheld from any fellowship.

A fellowship is a sum of money provided to an individual in support of his/her education or research; there cannot be any requirement that a certain amount of work be done in exchange for the funding. While there may be some stewardship obligations on fellowships (maintaining a relationship or contact with the sponsor/donor), there is generally no obligation to perform work. Another aspect of fellowships is that a stipend (not a salary) is paid for the term, in advance, to the recipient.

A separate document, entitled *Funding Guidelines: For MIT Academic Departments Processing Fellowship and Training Grant Supplementation*, covers a number of outside fellowships received by MIT graduate students. These fellowships, generally offered by the government or foundations, often do not cover the full cost of MIT tuition and stipend. In these cases, it is necessary to supplement the fellowship, and guidance for this process is provided in the aforementioned document.

Training Grants are multi-year research programs funded by the government, that often provide financial support for graduate students. The portions of tuition and stipend that the government pays is processed as a fellowship, but needs to be supplemented in some manner. Each training grant should have an administrator at MIT who can be consulted.

**Research Assistantship (also known as RA or Graduate Appointment)**

The principal duty of a Research Assistant is to contribute to a program of departmental or interdepartmental research. Research Assistants are compensated on the basis of the time devoted to their research activities, and for a full time appointment are paid full tuition. Partial appointments (for effort less than 100%) are also possible, and are frequently used to supplement outside fellowships.

RA’s are paid a salary at the end of each month. The Institute is obliged to withhold Federal and Massachusetts income taxes from Research Assistant salaries. Assistants
must file the necessary Federal and Massachusetts tax withholding forms with the Payroll Office. These forms may be obtained from the Cashier's Office, the Payroll Office, or the student’s departmental Graduate Office. Failure to submit these forms will result in the required maximum tax being withheld.

MIT subsidizes 65% of tuition on research assistantships, and this is covered in the section below on Tuition Subsidies.

**Off-Campus RA**
On occasion, a student can be registered at MIT, while performing research at an off-campus facility or industrial site. It may be desirable to pay this student as a Research Assistant in order to compensate the student for their research work, and to pay the MIT tuition. Since MIT facilities are not being used to the same extent as an on-campus student, there is a mechanism for processing the student as an off-campus RA. In this case, the overhead rate that is applied to the student’s stipend (and therefore borne by the research advisor) is reduced from 63% to 10% (FY03 rates).

In either OLD MITSIS or GARP, administrators should make sure the off-campus indicator is selected to reflect off-campus RA status, as the default is on-campus. A comment should also be placed in the comment field (something like, “OFF-CAMPUS OBJECT CODE/STUDENT IS AT IBM FOR FALL TERM”), alerting Payroll to the off-campus indicator. The MIT Payroll Office must manually enter this transaction, so all efforts to draw their attention to this point are appreciated.

**Teaching Assistantship (also known as TA or Graduate Appointment)**
The duties of a Teaching Assistant include assisting faculty members in grading homework, quizzes, classroom and laboratory instruction, preparing apparatus or material for demonstrations, and conducting tutorials and discussion sections. Academic departments are provided with funding for teaching assistantships from the Institute budget in accordance with their respective teaching load and needs. Decisions on teaching assistant allocations and assignments are made at the departmental level, and best practice indicates that students assigned as TA’s be notified of this assignment well in advance of the term.

A full time appointment as a TA pays full tuition and salary. Students who receive partial financial support from other sources (fellowships, research assistantships, etc.) may serve as partial Teaching Assistants only in accordance with Institute and department guidelines, and must have the approval of their primary source of support.

TA’s are paid a salary at the end of each month. The Institute is obliged to withhold Federal and Massachusetts income taxes from the stipends of Teaching Assistants. Assistants must file the necessary Federal and Massachusetts tax withholding forms with the Payroll Office. These forms may be obtained from the Cashier's Office, the Payroll Office, or the student’s departmental Graduate Office. Failure to submit these forms will result in the required maximum tax being withheld.

**Instructor-G**
Registered graduate students with considerable teaching experience may receive Instructor-G appointments, which are essentially higher-level teaching assistantships. These appointments are given only to more advanced students with proven teaching ability. Instructor G’s are allowed to receive a higher stipend at the discretion of the
REASONABLE COMPENSATION
In order to be compliant with IRS regulations, Research and Teaching Assistant appointments cannot be provided if they contain only a tuition award. MIT’s policy also requires that where a partial (or reduced) Research or Teaching Assistant appointment is provided, and there is to be a tuition award included, there must be at least a reasonable allocation of dollars between salary and the tuition award. This reasonable allocation must be consistent with the proportional allocation of a standard full time appointment.

This principle is illustrated in the example below, which shows a 100% and 50% RA:

100% RA for Fall 2002
Tuition    $14015    62% of TOTAL    Full tuition
Stipend    $  8505    38% of TOTAL    Full salary
TOTAL    $22,520

50% RA for Fall 2002
Tuition    $  7008    62% of TOTAL    Half tuition
Stipend    $  4252    38% of TOTAL    Half salary
TOTAL    $11260

It is allowable to allocate more dollars to salary and less to tuition than the standard proportional allocation because this would exceed the Internal Revenue Service’s requirement.

Occasionally in a Fall or Spring term (and almost exclusively in the Summer), a student is in need of only the salary portion of the Research or Teaching Assistant appointment. Providing a student with an RA or TA appointment with salary only (and no tuition award) is allowable because, once again, this exceeds the IRS’s requirement.

On occasion a student who is being provided a Research Assistant or Teaching Assistant appointment may only be in need of the Tuition Award portion because his/her salary is being provided from an outside source (usually the student’s employer including the military). MIT requires, in this case, that an RA appointment be provided to the student with both salary and tuition elements. In such a case the student should be provided with a reduced salary and a commensurately reduced tuition award. The intent is that the net pay from the monthly salary checks will be sufficient to pay off the shortfall on the reduced tuition award. This case is covered in the shortfall worksheets that accompany the previously mentioned Funding Guidelines. The definitive guidelines on Reasonable Compensation were written in 2000 by Fred Crowley of the MIT Payroll Office.

Note: Reasonable compensation applies only to Research and Teaching Assistantships. Fellowship awards are more flexible, and a tuition only fellowship is allowable.

STIPEND/SALARY RATES
The compensation for Research and Teaching Assistants is adjusted to make the appointments equally attractive, taking into account the availability of tuition.
scholarships, the opportunities for thesis research, and other benefits connected with each. Stipends are established each year by individual departments within broad guidelines formulated by the Dean’s Group of the Academic Council.

A department may not assign a stipend or salary greater than 10% above these guidelines without obtaining special approval by the Dean for Graduate Students. Graduate student staff members should recognize that their stipends and salaries are not necessarily intended to cover cost of living.

TUITION SUBSIDIES
Since 1999, MIT has been subsidizing the cost of tuition associated with research assistantships during the academic year (Fall and Spring terms), and subsidizing all graduate students registered for thesis or pre-thesis only during the Summer term. The subsidy plan was developed to reduce the cost of a graduate student to a research grant.

During the academic year, 65% of RA tuition is charged to a departmental tuition cost collector, which is monitored by the Provost’s Office.

During the summer, all students registered for thesis or pre-thesis research credit are eligible for the tuition subsidy from Institute general funds. Since the tuition subsidy is applied to eligible students behind the scenes, summer fellowships and research assistantships only include the stipend/salary component.

SATISFACTORY PROGRESS
Reappointment to the graduate student staff depends on academic progress, as well as on performance as an assistant. A student's appointment to an assistantship may be cancelled at any time if progress in a graduate program is unsatisfactory or if the student is not carrying out the duties assigned.

Assistants are subject to the policies and procedures of their departments and of the Institute and must respect and conform to the rules and procedures of the division or laboratory to which they are assigned.

OTHER COMPENSATION
Students who hold full-time graduate student staff appointments cannot engage in additional employment for which they receive compensation from MIT administered sources. One exception is made for students who are citizens of the United States. Such students may be eligible to work on campus up to ten additional hours per week on the MIT student hourly (timesheet) payroll. The MIT Payroll Office will not recognize additional work beyond this 10 hour limit, and will refer such cases to the Office of the Dean for Graduate Students.

PROCESSING GRADUATE AID - A SHORT HISTORY
Prior to 1996, graduate awards and appointments were typed onto multi-copy forms, which were then mailed to a multitude of offices (Payroll, Accounting, Bursar, OSP, Graduate Deans, etc.) that then performed their specific transaction. This process was labor intensive and inefficient. In Fall 1996, a new interface was rolled out that allowed departments to view and enter graduate awards and appointments electronically through MITSIS. The interface allowed users to enter one appointment at a time for one student at a time, and relied upon a series of keystrokes to maneuver through the screens. Students and advisors received email notification of the award or appointment, and
tuition was credited directly into MITSIS. Although Payroll was not directly connected to this system, it did receive information on the stipend or salary elements associated with each processed award or appointment.

In Fall 2001, a new interface (called GARP) became available to users, which allows administrators to design packages of appointments tailored to their departmental needs, and to then apply the package to one or more students. With GARP, processing time for the appointment process should be greatly reduced, especially for large departments with fairly standard awards and appointments. Still, users must use the (now) OLD MITSIS, to view a student’s record, and to terminate or cancel an appointment (see page 9), although there are plans for GARP to incorporate these functions.

Looking toward the future, it is likely that the graduate appointment process will eventually move into the realm of SAP, as the HR/Payroll Project goes forward. In roughly 2004, all MIT employees (including graduate students) may be paid via SAP. There are extensive efforts being made across the Institute to adapt the intricacies of various MIT business processes into SAP, including Graduate Aid.

**SAP SPEAK!**
MIT is bilingual these days, with many speaking an ancient pre-SAP language, and others the more modern dialect, and still others speak a mix! Please consult the conversion tables below for terms related to Graduate Aid.

<table>
<thead>
<tr>
<th>PRE-SAP</th>
<th>POST-SAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account number</td>
<td>cost collector = cost object</td>
</tr>
<tr>
<td>Object code</td>
<td>general ledger account</td>
</tr>
<tr>
<td>Research account</td>
<td>WBS Element</td>
</tr>
<tr>
<td>Fund account</td>
<td>Internal Order</td>
</tr>
</tbody>
</table>

**PROCESSING AWARDS AND APPOINTMENTS EFFICIENTLY**
Perhaps the most labor intensive and underrated part of the appointment process is actually gathering the data necessary for making the awards. This exercise takes place up to three times per year, depending on the frequency with which a department processes awards and appointments. While methods will vary, the following tasks must be performed in the data gathering process:

1) Identify students on fellowship, and figure out who processes them (departmental or central - GSO), and what, if any supplemental funding they should receive.
2) Allocate and assign teaching assistantships.
3) Obtain information from faculty on cost collectors to use to process RA’s for remaining students. Verify that cost collectors are valid and have funds available.
4) Make sure that students are eligible to register for the given term.

Once the data has been gathered and verified, administrators can input the data into MITSIS/GARP. As of Fall 2001 (2002FA in MITSIS), appointments can be packaged and applied to multiple or individual students using GARP. GARP automatically sends the information on the stipend/salary components to Payroll, and the tuition component to Student Financial Services. Emails are also sent to the student, and can also be sent to any administrators and faculty who should have record of the award or appointment.
OLD MITSIS is still up and running, and is in fact, essential for viewing the student record, and for processing changes, cancellations, and terminations. Appointments can still be processed individually in OLD MITSIS, since it is still running behind the scenes.

Organization of data becomes a primary skill during the data collection and inputting functions. Since there can be several “pieces” of funding for a single student for a term, it is important to organize the material so that the appointment(s) are processed properly. Many academic departments use shadow databases to maintain their non-centralized student data, including financial arrangements.

**TIMING ISSUES**

When appointing students on graduate awards and appointments, it is important to consider the timing of tuition bills and payment deadlines. Student Financial Services bills tuition well in advance of the term, due to the need for tuition revenue to hit the Institute’s books at the earliest possible point. For Fall and Spring terms this means:

<table>
<thead>
<tr>
<th>Term</th>
<th>Bill goes out</th>
<th>Payment Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall</td>
<td>mid-July</td>
<td>mid-August</td>
</tr>
<tr>
<td>Spring</td>
<td>mid-December</td>
<td>mid-January</td>
</tr>
</tbody>
</table>

Awards and appointments that have not been made before the payment due date will be charged late fees. While these are removable by the appropriate account representatives in Student Financial Services, there are two ways to avoid this action and the associated anxiety from the students.

1) Process all appointments prior to the payment due date for a term. This may require beginning the data collection process and inputting process as early as July 1st and November 1st!

2) Enter estimated awards on OLD MITSIS until the information you need to do the actual award (usually the account number or cost collector) is available.

Of greater importance in terms of avoiding hardships for students, is meeting the deadlines for the payment of students on graduate awards and appointments. Consult the chart below for some reminders for generic doctoral students in the School of Engineering for the Fall term. The Payroll Office has its own deadlines for paying students at the start of the term (fellows), or at the end of each month (RA’s and TA’s). Please consult Payroll (Lucy Fernandes, 3-2744, ldfrndes@mit.edu) for a current schedule of monthly Payroll cutoff dates, after which manual checks must be cut.

<table>
<thead>
<tr>
<th>Appointment Type</th>
<th>Type of Payment</th>
<th>Paid When?</th>
<th>How much?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fellowship</td>
<td>stipend</td>
<td>9/1</td>
<td>$8505</td>
</tr>
<tr>
<td>RA</td>
<td>salary</td>
<td>9/30, then End of each Month*</td>
<td>$1890</td>
</tr>
<tr>
<td>TA</td>
<td>salary</td>
<td>9/30, then</td>
<td>$1890</td>
</tr>
</tbody>
</table>
**KEEPING BACKUP**

It seems to be useful to keep some form of backup of the student appointments processed for a department. Some department administrators print out the email hard copies of the awards and appointments, while others transfer them to a separate email folder, which can then be sorted by the student name. Most departments also have shadow databases, where important department specific information is held, as well as data on student financial support.

**TERMINATING AN AWARD OR APPOINTMENT**

It is not uncommon for a 100% graduate appointment to be terminated before the end of the appointment period. A typical reason for this would be a student completing his or her ultimate degree. Presently this transaction must be processed in OLD MITSIS. An end date needs to be chosen; this would be the date that the thesis is accepted by the department. This date must also be submitted to the Registrar (via a Special Grade Report), which triggers (depending on the date used) a reduction of the tuition charge.

Remember that Payroll has a cutoff date each month, so if the termination of a RA or TA is done at the end of a month, Payroll should be contacted to make sure that the student does not get his or her check for the full month. Special arrangements will need to be made so that the student’s check gets re-cut and distributed.

The Registrar’s Tuition Proration Tables should be consulted at:
http://web.mit.edu/acadinfo/tuition/

Similarly, 100% Fellowships can also be terminated, with the only difference being the stipend repayment. Since the student is paid in advance, he or she will have to repay some portion of the stipend. It is best to coordinate this repayment with Payroll. If you know in advance that a fellowship student is planning to finish up during the term, it might be desirable to select the monthly payment option for stipend disbursement.

A separate worksheet with additional details on Terminating Awards and Appointments is available from Janet Fischer.

**BEST PRACTICES**

**Backup (same term/other meaning)**

Get help! It is far too common for only one person in each department to have the responsibility, knowledge and authorization to process graduate aid. A team approach is highly recommended for data gathering and data entry. At minimum, develop a backup plan in case the primary contact is not able to handle the workload for a period.
One Term at a Time
Within one aid year, one student could be a fellow in the Summer, RA in the Fall, and TA in the Spring. In this case, processing awards and appointments one term at a time is preferable.

Home Department Processes the Appointment
It is fairly common for a student from, say, Chemistry, to be financially supported by a faculty member from say, Chemical Engineering. In this case it is imperative that the home department (in this case, Chemistry) seeks an account number and processes the appointment for the student. This has to do partly with fairness (everybody cleans up their own toys!), and partly to do who has the best knowledge of the student’s situation (academic status, degree level, stipend and salary rates, etc.)

Talk to Your TA’s
Students assigned as Teaching Assistants should be notified of this assignment well in advance of the term. Advance notice gives the student and his/her research advisor time to prepare for the teaching assignment, and possible disruption to the research program, and funding stream.

Getting it Right the First Time
While the current Graduate Aid process was built here at MIT and developed in accordance with our many unique features, we find that it doesn’t react well to change! Who does?! It is more or less disastrous to enter a Fall term RA in August, change it to a Fellowship (retroactive to September 1st) in November, and then ultimately decide in December that the student was a TA all along! This scenario is downright impossible. It is always best to gather the best data early on, verify that the account number is valid and credit worthy, and then input the award or appointment correctly. Taking the time to get things right in the beginning will save headaches down the line.

MITSIS REPORTING CAPABILITIES
OLD MITSIS allows users to run several useful reports, some of which are described below. In addition, users familiar with Brioquery can use this application to run several of the canned reports on student financial data through the Data Warehouse. The MIT Data Warehouse combines financial, general, personnel and student data in one location. It is a read-only database, which guarantees its stability over time. Data is loaded nightly from the data providers (including MITSIS). The Data Warehouse tables are specifically designed for a quick response time.

To navigate through some useful OLD MITSIS screens from the MITSIS Main Menu:

Select Option 7/Student Information System
Select Option C/Graduate Awards Menu
To view students on a specific account number or cost object, select Option F.
Graduate Aid Inquiry by Account (by term)
Enter account number (ex – 2362500) page down
This provides a listing of names and ID numbers of all students with awards processed on this account number for the term selected.

To view students by department, select Option G.
Graduate Aid Inquiry by Department
Enter a term and department (ex – 2002FA, Department 3) page down
This provides the total tuition, stipend and insurance amounts processed for each student in the department for the given term.

Both of these reports can be emailed by hitting PRINT (F9), and then COMMIT (Shift F6).

Fun Fact - A student’s social security number can be found on screen M

The Payroll Comparison Report provides a vehicle for allowing departments to actively manage and correct discrepancies between MITSIS and the Payroll system.

To get there from the MITSIS Main Menu:
Select Option 7/Student Information System
Select Option C/Graduate Awards Menu (*GAWARDS AND *GAWARDSA)
Select Option N/Graduate Awards Payroll Menu (*GPAYROLL)
Select Option B/Run Payroll Comparison (RARGAPAY)

HELP RESOURCES
In addition to the MIT staff mentioned at the beginning of this document, there are other key staff members available to help when problems arise. Below, please find of few of these people, and their specific specialties:

Student Financial Services
This office merges financial aid and bursary functions, including the billing of student tuition. Awards and appointments hit the student account to offset the tuition charges. A team of customer service and student account representatives report to:
Sandra Chauncey, Associate Director, 3-3850, mailto:chauncey@mit.edu

Registrar’s Office
This office assesses tuition for all eligible students each semester, based on degree program and status of registration. The following staff member could be consulted:
Elizabeth Bradley, Associate Registrar, 8-6422, mailto:ebradley@mit.edu

Payroll Office
This office is responsible for paying all MIT employees including students. The following staff members can be consulted:
Kathleen Lalor, Assistant to the Controller, 3-3869, mailto:kathie@mit.edu
Lucy Fernandes, Accounting Officer, 3-2744, ldfrndes@mit.edu