

Graduate Research Assistants – Overview of Changes to Method of Payment **May 18, 2005**

Background:

New Fair Labor Standards Act (FLSA) regulations went into effect August 24, 2004. The FLSA is the federal act that dictates who is eligible for overtime pay as well as a number of other related items. One change that impacts OHSU is an increase in the minimum salary requirement for employees to be exempt from overtime pay and, therefore, salaried. The new minimum salary is \$23,660 regardless of the employee's FTE.

Many universities expressed concern over this requirement, especially as it related to Graduate Research Assistants (GRAs). The College and University Professional Association for Human Resources (CUPA) requested clarification from the Department of Labor as to whether GRAs were employees and therefore covered under the new regulations, or were trainees and not under the regulations. The Department of Labor clarified that it would not assert an employee-employer relationship between GRAs and higher education institutions and that the new FLSA regulations do not apply to GRAs.

Recommendation:

As a result of research performed by OHSU Human Resources, Corporate Financial Services, and Sponsored Projects Administration, it was recommended and approved by the Provost that all Graduate Research Assistants (GRAs) now receive support payments for their services via Accounts Payable rather than via Payroll as they have in the past. This change is necessary to ensure that a distinction is made between GRAs and OHSU employees as it relates to the new FLSA regulations. This change will be effective July 1, 2005. A new OGA expenditure type and a new GL object code have been created to account for GRAs who are supported by federal grants. A focus group, consisting of representatives from HR, CFS, SPA, SOM/Graduate Studies Program, and various OHSU departments has been assembled to work through any issues that may arise as a result of this change.

Changes for GRAs:

GRAs will receive their payments monthly rather than biweekly. GRA support payments are made 5 business days prior to the end of each month. The payments will be issued by Accounts Payable via check and will be mailed to their homes. At this time, direct deposit of these payments is not available, however, steps are being taken to allow for direct deposit at a future date. Taxes will not be withheld from these payments and departments will not pay OPE on these payments.

Timeline:

May 17, 2005 – GRA Meeting on the West Campus to explain changes and answer questions
May 19, 2005 – GRA Meeting on the Main Campus to explain changes and answer questions
June 6, 2005 – HR will notify Computer Access to ensure email accounts are not terminated
July 1, 2005 – Final payment issued to GRAs via Payroll system
July 25, 2005 – GRA support payment for July issued via Accounts Payable

Related Forms & Policies

Monthly GRA Support Form – to be used to establish or make changes to GRA funding.
<http://ozone.ohsu.edu/financial/ap/pdf/GRASupportForm.xls>

OHSU Adjustment Form – to be used to make retroactive funding changes to sponsored or GL accounts
<http://ozone.ohsu.edu/ais/docs/adjustmentForm.xls>

OHSU Policy – Student Hire – No. 03-10-040
http://ozone.ohsu.edu/policy/pac/chapt_3/3-10-040.htm

OHSU Policy – Graduate Student Appointments – No. 03-10-060
http://ozone.ohsu.edu/policy/pac/chapt_3/3-10-060.htm

Related Issues:

Submission Deadlines – forms for new GRA payment recipients or changes for existing recipients are due in Accounts Payable by the 15th of the month. If these payments are funded by a grant account, please allow adequate time for your SPA Analyst to review and approve the form before submission to AP for processing.

Expired or Overspent Accounts – GRA payments from sponsored accounts that are expired or overspent cannot be processed via AP. These transactions will be rejected automatically by the Oracle AP module. Accounts Payable will notify SPA of any transactions that are about to be rejected, however, the window of opportunity to address these issues is very small (typically only 1-2 days). It is imperative that AP, SPA, and all department representatives are diligent in their efforts to correct any funding problems so as to avoid depriving a GRA of their support for that month.

Effort Reporting – GRA support payments shall be subject to the reporting requirements stipulated in section J.10 of OMB Circular A-21, "Compensation for Personal Services." As OHSU's Effort Database is currently populated using data collected from the Oracle Payroll module, some modification to the current system will be necessary to collect the required information and populate the effort certification statements. SPA anticipates that these changes will be in place prior to the end of the effort reporting period beginning July 2005. GRA effort reports are intended only to capture their effort related to sponsored research (not sponsored training) activity. The sponsored research activity that they perform becomes the basis for their 100% effort. Effort/time spent on classroom activities (i.e. studying, time spent in class) is not included. NRSA Training Grant or Individual Fellowship activities are also not included.

FAQ's:

1. *How do I set up or change monthly payments for a GRA in my department?*

Complete the Monthly GRA Support form located on the AP website. For payments with more than one funding source, please be sure to complete both pages of the form. Once completed, forward to your SPA Analyst at mail code AD 220 for review and approval. The form is then forwarded to the Accounts Payable department for processing.

2. *I accidentally paid my GRA from the wrong account – what do I do now?*

For all retroactive adjustments, you must complete the OHSU Adjustment form located on the AIS Website. For adjustments on grant accounts, please mail completed forms to SPA, AD 220. For adjustments on GL accounts, please mail completed forms to CFS JE Desk, AD 201. You should also verify that the current funding for your GRA that is on file with Accounts Payable is correct. If it's not, you should complete a revised Monthly GRA Support form as soon as possible.

3. *My GRA is being paid from a grant that is about to expire and the next year's account has not been set up yet. What do I do?*

You should contact your SPA Analyst as soon as possible – they may be able to help expedite the account set up process. If the account is not established by the time your GRA needs to be paid, you will need to complete a new Monthly GRA Support form and provide an alternative funding source until your new account can be set up (in most cases, this will be a GL account.) After the new grant account has been established, you may complete an OHSU Adjustment form to move the expense from your GL account to the grant account.

4. *A GRA in my department is asking about tax reporting for GRA Support Payments – what should I tell him/her?*

OHSU does not give tax or legal advice. It is the student's responsibility to determine whether or not they have a tax liability as a result of receiving GRA Support Payments. OHSU does not issue W-2 or 1099 forms for payments made to students through Accounts Payable. Students who are uncertain about their tax liability should consult relevant IRS publications (such as IRS Publication 970) or a qualified tax advisor.

OHSU STUDENT DEFINITIONS MATRIX

OHSU Student Worker	OHSU Graduate Research Assistant
<p>*Definition: A person at least 16 years of age who is enrolled in or on vacation from or is otherwise registered in a high school, college undergraduate program (minimum 6 credit hours) or college or university graduate program (minimum 4.5 credit hours)</p>	<p>*Definition: A fully admitted graduate student appointed to an assistantship while working toward a degree and employed at least 0.15 FTE at duties related to research is a Graduate Research Assistant. Appointment to this position allows for waiver of the instruction fee.</p>
<p>Means of Compensation: Biweekly payments via the OHSU Payroll system.</p>	<p>Means of Compensation: Monthly support payments via OHSU Accounts Payable.</p>
<p>OHSU Employee? Yes</p> <p>Defined by OHSU Human Resources as Student Worker. Earns an hourly wage but may be compensated via research grants. If so, subject to effort reporting requirements.</p>	<p>OHSU Employee? No</p> <p>Receives compensation in lieu of salary or wages. Compensation is allowable on research grants provided the GRA is performing activities necessary to the grant. Must comply with effort reporting requirements.</p>
OHSU Graduate Teaching Assistant	OHSU Trainee
<p>*Definition: A fully admitted graduate student appointed to an assistantship while working toward a degree and employed at least 0.15 FTE at duties related to teaching or instruction is a Graduate Teaching Assistant. Appointment to this position allows for waiver of the instruction fee.</p>	<p>Definition:</p> <p>Predocctoral: An individual who would otherwise qualify as a GRA who is appointed to an NRSA institutional training grant (T Award) or individual fellowship (F Award).</p> <p>Postdoctoral: An individual who would otherwise qualify to be a Fellow who is appointed to an NRSA institutional training grant (T Award) or individual fellowship (F Award).</p>
<p>Means of Compensation: Biweekly payments via the OHSU Payroll system.</p>	<p>Means of Compensation: Monthly stipend payments via OHSU Accounts Payable.</p>
<p>OHSU Employee? Yes</p> <p>According to the Fair Labor Standards Act (FLSA), teachers are not subject to the new regulations that went into effect August 24, 2004. Therefore, GTAs will continue to be compensated via OHSU Payroll.</p>	<p>OHSU Employee? No</p> <p>Receives payment from training grants as cost-of-living allowance. Stipend is not a "for-service" payment and is not allowable on research grants. Not subject to effort reporting.</p>

*Definitions are according to OHSU Policies 03-10-040 (Student Hire) and 03-10-060 (Graduate Student Appointments)

Contact Information:

If you have questions about any of these changes, please contact the following individuals:

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Additional information can also be obtained on the SOM Graduate Studies Website

<http://www.ohsu.edu/som/graduate/council/index.shtml> or Email to somgrad@ohsu.edu