Centralized Disbursement Procedures for Payments to Students at the West Lafayette and Technology Statewide Campuses

Revised 10-13-2014

To comply with the University Policy for Scholarship Awarding and Administration (II.D.2), the Division of Financial Aid (DFA) will administer all scholarships, grants, awards, and prize payments to Purdue University students.

All scholarship, grant, award and prize payment requests should be submitted to DFA, with permanent exceptions listed below. Any other necessary exceptions will be made on a case-by-case basis, with approval by the Executive Director of Financial Aid or designee. Contact DFA at 4-5059 if you have questions regarding these procedures.

Permanent Exceptions

These automatic exceptions are not intended to encourage or discourage the creation of accounts for non-students; however, it recognizes that there will be times when colleges have programs available for people who are prospective students and other individuals who are not students at Purdue University West Lafayette or Purdue Statewide Technology.

The exceptions also recognize that there are situations where a student is given a travel or training grant and it is in the student’s best interest to use the direct invoice process to directly compensate the student instead of distributing the aid through the student’s bursar account.

The following types of payments are processed on direct invoice voucher (DIV) form 56, with a Payee Certification (PC) form 21, and are sent directly to the Tax Department:

1. Payments to non-Purdue University students;

2. Payments of non-education Travel Grants (study abroad is an educational experience) during period of student’s enrollment. An example of this would be when a department pays for a student to accompany a faculty member to a conference. Copy of DIV paperwork will be sent to DFA by the Tax Department.

3. Training grants or “undergraduate fellowships” only during period of enrollment. Copy of DIV paperwork will be sent to Division of Financial Aid by the Tax Area.

4. Payments made during periods of student’s non-enrollment. Example: Student receiving funds to attend a conference/workshop.

In the situation where a school or department directly pays expenses related to #1 or #4 above, it is the responsibility of the department disbursing the funds to retain documentation that these payments can be made. This documentation should be readily available should the payments be randomly audited. If a school or department directly pays expenses related to #2 or #3 above, it is the responsibility of the Tax department to forward a copy of the paperwork to DFA to ensure proper recording.

*Note: Students are officially enrolled during periods of internship and co-op.*
Payment Procedures of Scholarships, Awards, and Prizes to U.S. citizens, Permanent Residents, and Non-Resident Alien students:

Payments of scholarships, awards, and prizes to U.S. citizens, Permanent Residents, and Non-Resident Aliens will be processed and paid through DFA and the Bursar. The payments may be completed on-line through the DFA Scholarship Database (preferred method) or, through the completion of the excel DFA Form 79, found on the Business Services website. Departments utilizing the excel Form 79 should forward it to DFA for processing (include the Glacier document if for a non-resident alien student).

DFA reports award and prize payments to the Tax Department after processing. Awards and prizes are reportable income to the student and must be included for 1099 reporting.

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<th>Form 79 On-Line Payment Process</th>
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| 1 Non-Resident alien scholarship, award or prize recipient- Establish a Glacier record if applicable | Departmental Business Office | • Log into Glacier to set up an account for a student.  
• Instruct non-resident alien to go into Glacier, complete his or her record, and submit Glacier tax summary report and required documents to his or her Business Office.  
• Upload Glacier document to Sharepoint for Tax Department |
| 2 Submit Form 79 for U.S. Citizen, Permanent Resident, and Non-Resident Alien students | Department awarding funds | • Log in to the DFA Scholarship Database with your career account and select “Form 79 Data Entry: Add New”  
• Input requested information  
• If student is non-resident alien (international) ensure Glacier document has been uploaded to Sharepoint  
• Select “New Record” to submit Form 79 |
| 3 Review and Approve Form 79 transaction for U.S. Citizen, Permanent Resident, and Non-Resident Alien students | School/College Scholarship Administrator and Departmental Business Manager | • Log in to the DFA Scholarship Database with your career account and select “Form 79 Data Entry: Edit and Approve”  
• Review Form 79 transaction and make edits as needed by clicking on the number in the “Help” column  
• Scholarship Administrator and Business Manager approve Form 79 transaction |
| 4 Review and Approve Form 79 for Non-Resident Alien students | Tax Department | • Log in to the DFA Scholarship Database with your career account and select “Form 79 INT Report-Tax and Bursar”  
• Audit received Glacier document for accuracy.  
• Calculate Tax Withholding based upon treaty type  
• Approve Form 79 transaction once complete |
| 5 Review scholarship, award, or prize 79 transaction | Division of Financial Aid | • Log in to the DFA Scholarship Database with your career account and select “Form 79 Report”  
• Review and approve Form 79 transaction. |
| 6 Payment of scholarship, award, prize | Bursar Office | • Credit student account with payment  
• Funds remaining after account is paid will be refunded to the student by direct deposit, if on file. Students without direct deposit will be mailed a check  
• Disbursements are made nightly. |
| 7 Verify correct posting | Departmental Business Office | • Review online inquiry (Transaction FB03, Display Document) and/or monthly statements for accurate posting. For information on how to do review transaction FB03, go to the Finance and General Ledger section of the OnePurdue Help. |