Stipend Versus Salary

Definitions from Wikipedia:

A **stipend** is a form of salary, such as for an internship or apprenticeship. It is often distinct from a wage or a salary because it does not necessarily represent payment for work performed, instead it represents a payment that enables somebody to be exempt partly or wholly from waged or salaried employment in order to undertake a role that is normally unpaid or which cannot be measured in terms of a task.

Stipends are usually lower than what would be expected as a permanent salary for similar work. This is because the stipend is complemented by other benefits such as accreditation, instruction, food, and/or accommodation. Universities usually refer to money paid to graduate students as a stipend, rather than as wages, to reflect complementary benefits.

A **salary** is a form of periodic payment from an employer to an employee, which may be specified in an employment contract.

Summary of Q&A Discussion:

Stipends are generally paid to an individual for things such as a living allowance (subsistence), travel, supplies, etc. It can be a lump sum payment that covers all or part of the items mentioned above or it may be that some portion such as food is paid for separately. It generally depends on how it was awarded by the sponsoring agency.

Salary is paid where there is an employer / employee relationship. The person is being compensated for duties performed and is expected to perform those duties.

**If you have questions as to whether or not an employer / employee relationship exists that requires a person be paid through University Payroll instead of Accounts Payable you should contact Human Resources for guidance.**

There was also a discussion of the fact that Accounts Payable will not process a voucher for an individual that is in the HR System as an employee even though the money they are being paid is not for duties performed so it does not qualify as salary. Danny will discuss this with the Controller’s Office given the fact that it is possible for a person to be an employee and to receive a stipend for something that is totally unrelated to their job. This is something that may take a while to resolve.