

## UNIVERSITY OF MANITOBA PROCEDURE

<b>Procedure:</b>	<b>PAYMENTS OF SCHOLARSHIPS, BURSARIES, FELLOWSHIPS, RESEARCH GRANTS OR PRIZES</b>
<b>Parent Policy:</b>	Payments of Scholarships, Bursaries, Fellowships, Research Grants or Prizes Policy
<b>Effective Date:</b>	July 3, 2009
<b>Revised Date:</b>	July 2, 2013
<b>Review Date:</b>	July 3, 2019
<b>Approving Body:</b>	Vice-President (Administration)
<b>Authority:</b>	
<b>Responsible Executive Officer:</b>	President, Vice-President (Administration)
<b>Delegate:</b>	Comptroller
<b>Contact:</b>	Comptroller
<b>Application:</b>	Students; All Employees

### Part I Reason for Procedure

- 1.1 To define the process the University uses to classify payments to individuals for scholarships, bursaries, fellowships, research grants and prizes.
- 1.2 To ensure that recipients of scholarships, bursaries, fellowships, research grants and prizes are issued the appropriate documents as required by the Canada Revenue Agency (CRA).

### Part II Procedural Content

#### Definitions

- 2.1 For the purpose of this Procedure the following definitions apply:
  - (a) **Scholarships and bursaries** - are amounts paid or benefits given to individuals as a recognition of excellence or to enable them to continue their education proceeding towards obtaining a certificate of graduation or degree. An individual is not expected to do specific work for the payer in

exchange for such amounts. These payments are normally initiated by the University's Financial Aid and Awards Office.

- (b) **Fellowships** - are similar to scholarships and bursaries in that they are amounts paid or benefits given to individuals to enable them to pursue their education or research. However, the recipient is generally a graduate student or post doctoral.
- (c) **Research Grant** - is an amount paid to an individual to enable them to pay expenses that are necessary to carry out a research project.
- (d) **Prizes** - are amounts paid to individuals in recognition of success in an academic, vocational, or technical area.
- (e) **Prescribed Prizes** - are prizes that are recognized by the general public for meritorious achievement in the Arts, Sciences, or service to the public.

2.2 The University will classify each payment as a scholarship, bursary, fellowship, research grant, or prize based on the letter of offer or any other documentation related to the award, the information provided by the paying unit and the definitions provided in the CRA Interpretation Bulletin 75R4 (IT-75R4). The wording that the sponsoring agency uses to describe the award shall not be taken into consideration in classifying the payments.

2.3 The University will review all available documentation related to the payment to determine whether it qualifies as a scholarship, bursary, fellowship, research grant, or prize. In order to be considered for these categories, the payment must be made to the individual to further their education or research or as recognition of excellence. The individual receiving the payment must not be required to do specific work as a condition of receiving the payment. Specific work would include any duties that would normally be done by a University employee such as teaching, marking examinations or work on an existing research project. In these cases the individual would be considered to be an employee and would be paid on an employment appointment. An individual conducting their own research as a condition of receiving a payment would not be considered to be an employee. In the case of fellowships, including Post Doctoral fellowships, the documentation will also be reviewed to determine the primary purpose for which the fellowship is granted, either for education or research purposes.

2.4 The University will issue the appropriate CRA T4A slip for each payment

(a) **Scholarships, Bursary, Fellowships for Educational Purposes**

Most payments of scholarship, bursary, and fellowship are initiated by the Financial Aid and Awards Office and include Trust and Endowment Awards, NSERC and SSHRC undergraduate and graduate scholarships.

Payment of tuition on behalf of a student would also be included in this category.

Individuals receiving a scholarship, bursary, or fellowship for education purposes will receive a T4A slip indicating the amount received as Other Income (Box 28) and a Footnote Code (Box 38) of "05 Scholarship, Fellowship, and Bursary." Current federal tax treatment results in the payment being tax free, without limit, for individuals who receive a T2202 or T2202A and are eligible for the Education Tax Credit. Individuals who are not eligible for the Education Tax Credit will be taxed on the entire amount of the payment less a \$500 exemption.

**(b) Fellowships for Research Purposes**

Fellowships for research purposes are usually given in the form of post doctoral or graduate student fellowships.

Individuals receiving a fellowship for research purposes will receive a T4A slip indicating the amount received as Other Income (Box 28) and a Footnote Code (Box 38) of "04 Research Grant". Current and federal tax treatment results in the entire payment being taxable with no exemption to the extent that the payment exceeds any allowable expenses. Allowable expenses do not include living expenses or expenses that have been reimbursed through the University or another organization. Eligible expenses must relate directly to the research project and are allowed/disallowed by CRA on a case by case basis. It is strongly recommended that individuals contact a tax professional for advice on the deductibility of expenses.

**(c) Prizes**

Individuals receiving Prizes will be issued a T4A slip indicating the amount received as Other Income (Box 28) and a Footnote Code (Box 38) of "05 Scholarship, Fellowship, Bursary." The entire amount is taxable to the extent that it exceeds a \$500 exemption.

The University of Manitoba does not have any prizes that meet the CRA definition of "Prescribed Prizes."

- 2.5 The University will ensure, through the completion of the Award Certificate Form, that the recipient and the initiating unit are aware of the basic Income Tax consequences resulting from the award.

- 2.6 The Award Certificate Form documents that the parties have agreed to the nature and classification of the payments.
- 2.7 The Award Certificate Form is not required for transactions conducted by the Financial Aid & Awards Office of Enrolment Services.

### **Part III Accountability**

- 3.1 The Office of Legal Counsel is responsible for advising the Vice-President (Administration) that a formal review of this Procedure is required.
- 3.2 The Comptroller is responsible for the implementation, administration and review of this Procedure.
- 3.3 All students and employees are responsible for complying with this Procedure.

### **Part IV Review**

- 4.1 Governing Document reviews shall be conducted every ten (10) years. The next scheduled review date for this Procedure is July 3, 2019.
- 4.2 In the interim, this Procedure may be revised or repealed if:
  - (a) the Vice-President (Administration) or Approving Body deems it necessary or desirable to do so;
  - (b) the Procedure is no longer legislatively or statutorily compliant; and/or
  - (c) the Procedure is now in conflict with another Governing Document.
  - (d) the Parent Policy is revised or repealed.

### **Part V Effect on Previous Statements**

- 5.1 This Procedure supersedes all of the following:
  - (a) all previous Faculty/School Council Procedures stemming from the Faculty/School Council Bylaw and academic and admission Regulations and any resolutions on the subject matter contained herein;
  - (b) Payments to Student and Staff re: Fellowships, Bursaries, or Research Grants Policy;

- (c) all previous Board of Governors/Senate Governing Documents on the subject matter contained herein; and
- (d) all previous Administration Governing Documents on the subject matter contained herein.

## **Part VI Cross References**

- 6.1 This Procedure should be cross referenced to the following relevant Governing Documents, legislation and/or forms:
- (a) [Payments of Scholarships, Bursaries, Fellowships, Research Grants or Prizes Policy](#);
  - (b) [University of Manitoba Award Certificate Form](#);
  - (c) [Income Tax Act of Canada](#);
  - (d) [Income Tax Interpretation Bulletin 75R4 \(IT-75R4\)](#).