



Student Payments and GradStar Policies Guide and FAQs

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Why Does It Matter How We Pay Students?

When paying a student, it is important to ensure the payment has been classified correctly to remain compliant with federal and state regulations, tax policies, University policies and donor intent. Classifying the payment correctly also ensures accurate reporting on forms of student support.

Every effort is made to maximize a student's funding opportunities. However, there will be situations when a department wants to provide funds or cover expenses but doing so will necessitate reducing another resource due to limitations prescribed in regulations for federal aid recipients.

Please note that all amounts paid to students by the University or outside entities are considered financial resources for aid purposes by law, unless they are:

- compensation for work,
- reimbursement for a University expense, or
- an exception noted below.

These regulations apply even in periods such as summer when a continuing student may not be actively enrolled in coursework.

The University strives to comply with the intent of donors when administering funds to students and others on their behalf. However, donor intent, no matter how specific or strongly-worded, may not supersede the University's obligation to meet:

- federal and state financial aid rules,
- non-discrimination laws,
- IRS regulations,
- Fair Labor Standards Act,
- Affordable Care Act, or
- other regulations.

When requirements conflict with each other, the most stringent of applicable rules prevail, regardless of the funding source for payments to students.

Acceptable Ways to Pay Students

It is important to understand which payment method is correct for providing funds to students for each set of circumstances. Paying correctly facilitates accurate treatment and reporting for both the student and the University. The methods are:

1. **GradStar/ConnectCarolina Financial Aid Module**

GradStar is the official ConnectCarolina Student Administration application that collects and reports all non-service, tuition, and fee awards given by departments to a student in support of their attendance at the University. The system interfaces with the Financial Aid, Finance and Human Resources components of ConnectCarolina. Use GradStar to:

- Report funding to support the student's direct education and education-related expenses.
- Pay emergency or one-time grants to students.
- Pay graduate student training grants
- Record virtually any payment made to or on behalf of a student.
- Reimburse or pre-pay a student who travels for their own educational or developmental benefit, alone or as part of a group (see below for travel on behalf of the University).
- Pay cash or in-kind prizes related to a student's education or open only to students.

2. Human Resources Payroll System

Provide compensation for services performed.

3. Accounts Payable – Voucher System

Use only to pay students for these circumstances:

- Pay a cash prize in a contest open to the public.
- Reimburse expenses or pre-pay (honorarium) for work on behalf of the University.
- Reimburse travel on behalf of the University (primarily benefiting the University, not the student).

This document helps you determine the nature of a payment and how to make the payment correctly to ensure compliance with all applicable rules. Work with your manager to request access to the ConnectCarolina systems needed to process student awards. You may also visit this [site](#) and follow the link Get Access.

Understanding the Types of Student Payments

Refer to the UNC Graduate School website for a table that illustrates basic rules for characterizing payments, recipients and intent in a way that leads you to the correct payment method: [Types of Student Payments](#).

Definitions Related to Student Payments

The definitions below include detailed information about funding and may consist of an introduction, reporting or regulatory requirements, processing instructions, and information for students.

Student

A student is a person seeking a degree or other educational credential at UNC-Chapel Hill. A student ceases to be a student upon graduation or official separation from the University. A student who is not enrolled in the summer, but has not graduated is still a student.

Awards

Generic term for funds for students. All financial aid falls into the definition of awards. Emergency funds, food vouchers or items such as books bought on students' behalf are also considered financial aid awards and must be reported. Also, drawings and contests specifically limited to students are considered awards, as are competitions resulting in cash, cash equivalents or electronic devices or other items of significant value or that can be used for educational purposes.

Attributes of Awards

- Most payments to students are considered awards regardless of intent.
- Not compensation for employment or work done for the primary benefit of the University employee or independent contractor basis.
- Some product (i.e., research, paper, community service) may be required for the award but does not constitute employment. School does not provide direct oversight of research or study, but faculty may guide and provide feedback.

Assistantships

Assistantships are considered compensation for services and are paid by the University Payroll Services Office. Examples include Graduate Teaching Assistant (TA) or Graduate Research Assistant (RA). These payments are sometimes referred to as "stipends" but should not be confused with non-service payments.

Attributes of Compensation:

- For teaching, research, peer counseling, etc. the work supports the school's mission
- The school has direction or supervision over the individual. Faculty guidance for research is not considered supervision.
- The individual has a defined workweek and/or schedule.

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- Receipt of the funding is contingent on performance of services.
 - Student is engaged as an independent contractor or employee.

Cost of Attendance

The cost of attendance (COA) for a student is an estimate of educational expenses for the period of enrollment for which the student has applied for aid. Expenses included in the COA are tuition and fees, books and supplies, transportation, room and board, and personal expenses as required by federal financial aid regulations. Total financial aid eligibility is capped at the COA for federal aid recipients and may be capped for other students by the campus under institutional policy. Students with additional academically-related expenses (such as travel for research or childcare) may appeal for a higher cost of attendance budget.

Departmental Aid

Institutional Financial Aid that is administered and awarded by an individual department, usually refers to an academic unit.

Fellowship or Scholarship and Educational Assistance Grants or Awards

As defined in IRS Publication 970 Tax Benefits for Education, scholarships, fellowships and educational assistance grants are amounts paid for the benefit of an individual (generally a student) to aid in the pursuit of study or research. These payments typically support educational needs (such as tuition, fees, room, board, supplies and travel) or primarily benefit the student's academic development.

All scholarships, fellowships and grants are reported in GradStar (or directly in ConnectCarolina's financial aid module) and considered Estimated Financial Assistance (EFA) when determining a student's eligibility for federal and institutional aid.

GradStar

GradStar is a Connect Carolina Student Administration application that is used to process all non-service awards, fellowships, tuition, and fee awards given to a student in support of their attendance at the University. The system also interfaces with the Finance and Human Resources components of Connect Carolina.

<https://gradschool.unc.edu/policies/faculty-staff/gradstar/>

U.S. Department of Education (ED) Compliance

The University's reporting responsibility with respect to Federal Student Aid (FSA) and any other financial assistance received by students is outlined in the [FSA Administrative & Related Requirements \(Chapter 3\)](#), specifically page 4, "Coordinating Official".

Estimated Financial Assistance (EFA)

Any educational benefits paid because of enrollment in postsecondary education. Estimated Financial Assistance is defined by the US Department of Education and must be considered in determining a student's eligibility for federal and institutional financial aid.

Institutional Aid

Institutional Aid refers to any funds awarded by UNC-Chapel Hill or through a UNC-Chapel Hill Foundation to a student, regardless of the timing of the award. Institutional Aid includes scholarships, fellowships, tuition and fee waivers, grants, loans and all other University monetary benefits administered through ConnectCarolina GradStar. Institutional Aid does not include wages for service to the University (employment) or prizes for contests and awards open to the public.

PeopleSoft

The software that powers ConnectCarolina, and which the University uses to process, display and store student registrar, finance, admissions and financial aid data.

Prize/Contest/Recognition

A prize is a reward for winning a competition or in recognition of an outstanding achievement.

Research Studies and Internships

Participating in activities related to a student's academic course of study. Internships typically provide practical work experience to prepare the student for a future career path.

Stipend

A stipend is a fixed amount of money that has the role to support training or learning experiences, like internships and traineeships. A stipend does not represent compensation for work performed. However, at UNC-CH, you may still hear the word stipend used to define service (assistantships like TAs or RAs) as well as non-service payments.

Scholarship, Fellowship and Educational Assistance Grants or Awards

See the Fellowship definition: *Fellowship or Scholarship and Educational Assistance Grants or Awards*, page 5.

Training Grant

An agreement that provides a coordinated training program for students, postdoctoral researchers, staff, teachers and/or faculty who are selected by the institution to be a part of the training program. Payments provided to trainees from training grants are intended to defray living and/or training related expenses while the trainee participates in the training program.

Travel

For students, travel generally involves either 1) attending or presenting at a professional conference; conducting fieldwork; and other research activities, or 2) traveling on behalf of the university, such as attending an admissions recruitment event for their department.

Tuition Remission, In-state and Fee Awards Policies

Tuition Remission

A tuition remission award may be provided to a non-resident student to pay the difference between the resident and non-resident rate of tuition. Students who receive a tuition remission must also receive an in-state tuition award. Department use their remission budget allocation to provide these awards to state funded students.

In-state Tuition Award

An in-state tuition award pays the cost of the resident rate of tuition. Either the funding source of the student's stipend or The Graduate School (if the student is state-funded) is charged for this award type. Department use their in-state budget allocation to provide these awards to state funded students.

Fee Award

A fee award pays the cost of mandatory fees for the student. Individual program or school-specific fees are not included (example: orientation fees). For students supported by state funds, the amount will be charged in this proportion: 50% department, 25% Provost, and 25% Graduate School. GradStar will automatically prorate fee amounts based on the student's stipend source(s). For students paid by non-state funds, the department is responsible for paying the amount from their funds, including any amount not allowed on federal grants.

Eligibility Requirements

Students must meet the following eligibility requirements to receive In-State Tuition, Tuition Remission and Fee Awards:

Eligibility Qualification	Eligibility Requirements
Degree Intent	The student must be enrolled full-time, degree-seeking doctoral or master's/doctoral sequence students in a program administered by the Graduate School
Stipend Level	The student must earn the minimum stipend for the academic year

Eligibility Qualification	Eligibility Requirements
Appointment	The student must be appointed as one of the following: ◦ Senior Teaching Fellow ◦ Teaching Fellow ◦ Teaching Assistant ◦ Instructional Assistant ◦ Research Assistant ◦ Fellow/Trainee
Non-service fellowship recipients	Students must receive non-service fellowships of at least the minimum stipend amount

Awards using funds from The Graduate School in-state tuition and remission allocation, and fee awards provided by the Provost and The Graduate School are available during the fall and spring semesters only. During the summer terms, departments may provide tuition and fee awards from their own funds.

For more detailed information, visit [Tuition Remission and In-State Tuition Awards](#).

Graduate School In-State and Tuition Remission Allocations

Tuition remission and In-state tuition funds are allocated to academic programs to support their students. Each program receives a budgeted amount to disburse to their eligible students. A memo is sent to program Chairs, Directors of Graduate Studies, and Student Services managers each year, usually in mid-December or early January with the allocation amounts for your program.

If the remission allocation is not sufficient to cover all non-resident students, departments must prioritize remission awards. The Graduate School recommends academic programs be responsible for covering remission awards for students in their programs, but negotiations may occur to adjust funding models to best fit the business need.

Partial in-state/remission awards are allowed only for Terminal or Professional Master's Degree programs. See a list on The Graduate School website at [Professional/Terminal Master's Programs](#).

Departments are encouraged to remind students to apply for North Carolina residency for tuition purposes. See [The Graduate School website](#) for more information.

Tuition Awards

If the student does not meet the eligibility requirements stated above, or the department does not have sufficient budget from the amounts allocated by The Graduate School, the department may enter a Tuition Award.

Note: In-state/Remission Awards differ from Tuition Awards in GradStar because they are linked to the student's funding source, are based on the minimum eligibility requirements, and state fund budget availability.

Credit Hours, Registration and Billing

The University Cashier is responsible for generating bills for tuition, fees, and other campus-based charges to students. Enrolled students and authorized users receive an email notification when bills are available in the ConnectCarolina Student Center. Past-due accounts are subject to service indicators that prevent registration and transcript/diploma release, as well as collection activity.

Students are billed monthly on approximately the sixteenth day of the month. The due date is usually the second Tuesday of the following month.

Students who receive departmental funding must **defer** their bill in ConnectCarolina Student Center to avoid cancellation of classes. If students are not registered by the registration deadline, the prepayment period begins and the department, or the student, will be required to prepay for courses.

If a student's credit hours or residency status changes after the GradStar payment is done, you'll need to go back into GradStar to make the adjustment manually.

Account Codes and Budget Balances

GradStar is automated to choose the correct account code for awards; you cannot change the account code.

Important: You should check with finance staff in your department to verify chartfields are correct and budget is sufficient.

At the time of journal creation, any chartfield string with a combo edit or budget error will use a "default" chartfield string. Budget errors include but not limited to:

- No Budget Exists
- Budget Date Out of Bounds
- Insufficient Budget

The default chartfield string for both GradStar and GSHIP has been provided in CBM as your department default for each area (Business Unit: UNCCH-Fund:27110-Source:14104).

Once the journal is valid and posted, you will be able to see the charges in Bill Presentation and review the CFS Changed column for any transactions that utilized the default, and this field will contain the error. To prevent future charges for GSHIP using the default chartfield string, please correct the string in Payroll. For GSHIP charges, you may also change the CFS on the GSHIP Premium Admin Page.

GradStar Frequently Asked Questions

Access, Training and Help

How do I obtain access to GradStar?

Ask your school or department's Access Request Coordinator (ARC) to submit an access request form for you. You can find the form on the Graduate School's GradStar page. For more information on access to ConnectCarolina, see <http://ccinfo.unc.edu/access/>.

How do I receive training for GradStar?

When you are granted access to GradStar, you are added to the GradStar email listserv. Through these emails, you'll be notified about deadlines, dates, training opportunities, and award entry reminders.

How do I submit a help ticket for a GradStar issue I'm having?

1. Go to <http://help.unc.edu/>, click Help Request, and log in with your Onyen and password.
2. Click the **New Request** link.
3. From the options in the list box, choose ConnectCarolina.
4. Under Type of Help Needed, in the first list box, choose ConnectCarolina Student Administration.
5. In the second list box, choose GradStar issues or questions.
6. Enter problem information, including related PIDs. Attach screen shots if helpful.
7. Click **Submit**.

Resolving Problems

Why doesn't my student display on the Maintenance page?

Make sure that:

- You marked them eligible for awards on the GradStar Eligibility page.
- The student is term-activated for the term you are processing awards for.
- You entered the PID correctly.
- You searched for the student by the correct name.

If the student still doesn't display on the Maintenance page, submit a [help ticket](#).

What should I consider before I enter awards for a student?

- Has the student enrolled in classes?
- Has the student deferred their bill?
- Do you need to follow up on residency status?
- Has the student dropped or added classes after you entered the tuition award?

What do I do if a student tells me they have a past due balance on their account?

Log into GradStar and check the awards you have entered. Run and review reports to look up the student's current awards or award activity.

Contact the Cashier's Office via email: funded@unc.edu. They can verify inquiries on student account information, including past due balances.

How do I enter awards for a student who did not register before the pre-payment period?

Enter the tuition payment in GradStar first, and then email the Cashiers Office at funded@unc.edu to remove the pre-payment hold. You will need to estimate the number of credit hours to pay the Est Bill Units box at the top of the GradStar Maintenance page. If there are other charges due not relating to tuition, the Cashiers Office may require the student to pay those charges before lifting the hold.

What do I do if a student has a hold on their account and cannot register?

- Check the Student Center in [ConnectCarolina](#) to determine the type of hold on the account.
- If there is a financial hold, check to see if the student has a past due balance in Student Center.
- Log in to GradStar and check the accuracy of awards you have entered.
- Ensure you have paid the intended amount for the credit hours the student is enrolled for.
- If you need to pay an additional amount of tuition and the in-state/remission page is closed, send an email to gradstar@unc.edu to ask for the page to be opened for your department. Otherwise, just pay the additional amount of tuition.

Why is the stipend from the HR/Payroll not showing up in GradStar?

GradStar loads the electronic personnel action requests (ePAR) from HR/Payroll after they are fully approved or executed in the HR/Payroll system. The ePARs show as “view only” on the GradStar Maintenance Page. Check with your HR Manager for the status of the ePAR if it is not visible on the GradStar page.

Will GradStar pick up changes to HR/Payroll actions?

Yes.

Award Entry

What should I consider before I enter awards for a student?

- Has the student enrolled in classes?
- Has the student deferred their bill?
- Do you need to follow up on residency status?
- Has the student dropped or added classes after you entered the tuition award?

How do I pay tuition if the in-state/remission window is closed for the term?

Send an email to gradstar@unc.edu and ask for the in-state/remission page to be opened for your department. In the email, explain why you are requesting this exception.

How do I pay tuition for a prior term?

The only prior term adjustments allowed are to correct an error, such as a tuition billing error. You may not provide new awards retroactively if the semester ended more than 120 days prior. Instead, you may provide the award to the student during the current term if needed. Keep in mind that all late awards will cause a recalculation of financial aid eligibility for those students who have received aid.

What should I do after I enter awards in GradStar?

- Run reports in GradStar to verify awards are entered correctly. Distribute reports to accounting managers or others in your department to assist with verifying that chartfields are correct.
- Ensure students' billed credit hours and the credit hours paid in GradStar match.
- Follow up on students who have pending residency decisions. If you have paid tuition for a non-resident student and the student obtains residency later in the semester, you will need to adjust the GradStar award.
- Follow up on outstanding problems from prior terms. Keep in mind the 120 rule – awards for a particular term cannot be adjusted more than 120 days after the end of the term, per federal guidelines.

How do I enter an instate only award?

When you click the **Create Instate/Remission Award** button in GradStar, the system creates both awards: Instate for resident students and instate/remission for nonresident

students. If you wish to pay only instate for a nonresident student, use the minus (-) sign to remove the remission award row. Be sure to click Save.

If the award has already exported, you must make the remission award inactive by choosing "inactive" from the drop-down menu on the remission row and clicking Save. This action will remove the remission award from the student's account and will return the budget to your departmental remission budget.

Chartfields and Account Codes

Can I change the chartfield string for an award?

Changing the chartfield string for an award is acceptable, but you should only do so in cases where there is an allowable exception, and the new chart field string is an appropriate source.

- If the award has not been exported to Financial Aid, click the minus sign (-) to remove the row, then click the plus sign (+) to add a new row with the correct chartfield values.
- If the award has been exported, change the status for the incorrect row to "inactive", click the plus sign (+), and add a new active row with the correct chart field string.

What account codes are used for GradStar Awards?

See [GradStar Account Codes](#).

Timing of Awards

What is "Census Date" and how does it affect GradStar information?

Census Date is the last day for a student to add or drop a course for tuition and fee credit. If a student adds or drops a class after the Census Date, and you have paid tuition for this student, check your GradStar award to ensure the credit hours you intended to pay for are correct. You can adjust the credit hours in the Est Billing Units section on the Maintenance page to match the student's billing units.

When are GradStar awards posted to student accounts?

- For the current semester, awards are posted on Mondays, Wednesdays, and Fridays.
- For a previous semester and summer terms, awards are posted on Tuesdays and Thursdays.

Why has the award not posted to the Student's Account yet?

When it is the beginning of the semester, awards are not disbursed until the first week of classes. You should first check the Export Tab in GradStar to make sure the award you

entered was loaded to Financial Aid (FA). If you see a date in the “FA Export” field, then it has loaded to Financial Aid. If the award was loaded to FA but has not been disbursed, there could be a financial aid hold. Note, it can take up to 3 business days for awards to disburse after they are entered in GradStar. Students can check with the [Student Aid Office](#) to see if there is a problem with disbursement or if they need additional information before disbursing the award.

When are charges posted to the chartfields?

The GradStar Journal Export process generates journals to be posted to the Finance General Ledger (GL). When the Export Data tab has a date in the Journal Export Date field for your student, the student's funding has been selected for batch posting.

GradStar uses Customer Billing Management (CBM) to create journals. This process allows any chartfield strings with errors to use a default chartfield string to process the journal. Once the journal is valid and posted, you can see the charges in Bill Presentation and review the CFS Changed column for any transactions that utilized the default. The cell in the CFS Changed column will also contain any error.

General

What if I need additional instate or remission funds?

Prioritize the students who are to receive tuition awards. Ensure you have followed up on outstanding residency decisions to recover any tuition remission award funding for your department, and ensure students are not enrolling in credit hours that are not required. If you find you still need additional funds, contact The Graduate School. There is no guarantee additional funds will be provided.

How do I translate a term if it is not written out?

First digit = Century

Middle digits = Last 2 digits of the year.

Last digit = Term (9=fall, 2=spring, 3 = summer I, 4=summer II)

For example:

Fall 2021 = 2219

Spring 2022 = 2222

How do I run reports?

To request access to run reports, submit a request to the ARC (Access Request Coordinator) for your department. Ask for access to the role of PS Query in ConnectCarolina. The ARC will submit the access request form through InfoPorte.

You can access reports from ConnectCarolina:

Menu Path: Main Menu > Student Admin Menu > Reporting Tools > Query > Query Viewer.

In the search tab, type: NC_GSTAR

What is the difference between a training grant and a research grant?

The primary purpose of a training grant is to train individuals (students, postdocs, etc). Although research may be part of the training, it is performed for the purpose of training the individuals.

The primary purpose of a research grant is to perform research. Although student, postdocs and other trainees may be involved in the research, they are working as researchers and the primary purpose is not to train them.

What should a student do if they think their financial aid will be impacted by receiving an award in GradStar?

Students should contact the [Office of Scholarship and Student Aid](#) if they have questions about their financial aid package and how funding they accept from University sources may impact their aid eligibility.

What are the tax liabilities to the student associated with payments distributed via GradStar?

Payments processed from GradStar are reported on a 1098-T. More information can be found on [The Graduate School website](#) and on the [University Cashier's Office](#) website.