CHANGE IN METHOD OF STIPEND PAYMENT FOR
INDIVIDUAL FELLOWS SUPPORTED BY NIH
AND SPONSORED BY NON-FEDERAL DOMESTIC
INSTITUTIONS

The National Institutes of Health will initiate a change in the method of
stipend payment to NIH individual fellows sponsored by non-Federal
domestic institutions, effective May 1, 1978. Under this improved method
of payment, the NIH will issue one award combining both the stipend and
institutional allowance. The sponsoring institution will be designated as
the organization to make payment of stipends and other allowances which
may be authorized by the award. The sponsoring institutions will be
authorized to draw funds for these awards under their existing DHEW Letter
of Credit or Monthly Cash Request method. A description of the new
procedure has been distributed to all current active fellows and sponsoring
institutional officials.

The new stipend payment procedure will apply to fellows who activate their
new or continuation awards on or after May 1, 1978. The NIH will continue
to make direct stipend payments for the balance of the current annual
award to those fellows who have activated prior to May 1, 1978. NIH will
discontinue direct payments to the latter group of fellows and the sponsoring
institution will begin to make the payments at the time of the next continua-
tion award.

It should be noted that the NIH will continue to issue monthly stipend checks
to fellows sponsored by foreign or Federal institutions.

(over)
The National Institutes of Health policy governing the use of funds provided under an individual fellowship award is highlighted as follows:

a. The stipend is a pre-established level of support set by the NIH to provide for the fellow's living expenses during the period of training. The stipend is not a payment for services performed. Fellows supported under NIH fellowship awards are not considered to be employees either of the NIH or of their sponsoring institution.

b. The institutional allowance is awarded in lieu of other institutional costs to help defray such expenses for the fellow as tuition and fees, research supplies, equipment, faculty salary, appropriate medical insurance, travel to scientific meetings, and other related items. The sponsoring institution will continue to control, by institutional policies, the use of the institutional allowance.

A description of the new payment procedures will be distributed to the fellow and the sponsoring institution as each new or revised fellowship award is issued by the NIH.