



Student Payments	Financial Services Department	Tax withholding	Reporting
<b>US Citizens, Permanent Residents and Resident Aliens for Tax Purposes</b>			
Payment for services - including compensation for services rendered as part of a scholarship, fellowship, or grant	Payroll	Standard Tables	W2
Qualified scholarships and fellowships include amounts paid to student used for tuition and required fees. The IRS classifies amounts received for room, board, travel and incidental living expenses to be Non-qualified and taxable income. There are additional personal expenses - required books and supplies to be qualified and may be deductible on the student's tax return.	Student Accounts	None	1098T
Non-Qualified Scholarship, fellowship payments (room, board, travel - ACCT 7133, non-required fees, living stipends, per diem for subsistence ACCT 7132, other research expenses acct 7134) paid to student or on behalf of a student while studying or conducting research designed to aid an individual in the pursuit of study or research.	Student Accounts	No withholding is required by Clark. May be taxable income to student - consult IRS or tax professional.	1098T
Reimbursements to students or direct pay for travel related expenses (airline tickets, hotels, etc.) - In most cases the IRS has deemed students to be ineligible to receive tax exempt reimbursements for business related expenses. However, there is one exception when a student can be classified as an employee and payments made on their behalf or reimbursements approved. To qualify the source of funding must be an external Grant and all four of the following would need to be met: 1. The Grant must be paying the student's payroll, 2. The Grant must require the travel of the person(s) working on the grant, 3. The Grant must have budget for the travel and pay for it.	Smart Buy Plus - employee travel ACCT codes.	No withholding, no reporting	None
Prizes - are given to students who have submitted entries to receive a prize—for example, the best short story, or music competitions. Prizes generally require the recipient to enter into a judged competition and are reportable income for the student.	Accounts Payable - ACCT 7712	No withholding	1099

Student Payments	Financial Services Department	Tax withholding	Reporting
<b>Foreign Students who are Non-Resident Aliens for Tax purposes</b>			
<b>Payment for services - including compensation for services rendered as part of a scholarship, fellowship, or grant</b>	Payroll	NRA Tables unless treaty benefit. Form 8233 required to request benefits.	W2 - or 1042S if paid under treaty
<b>Qualified scholarships and fellowships include amounts paid to student used for tuition and required fees. The IRS classifies amounts received for room, board, travel and incidental living expenses to be Non-qualified and taxable income. There are additional personal expenses - required books and supplies to be qualified and may be deductible on the student's tax return.</b>	Student Accounts	None	None
<b>Non-Qualified Scholarship, fellowship payments (room, board, travel - ACCT 7133, non-required fees, living stipends, per diem for subsistence ACCT 7132, other research expenses acct 7134) paid to student or on behalf of a student while studying or conducting research designed to aid an individual in the pursuit of study or research. <i>Different treatment is allowed by the IRS for payments to non-resident aliens if training or research is conducted outside the US. See below.</i></b>	Student Accounts	14% federal income tax unless treaty benefits. Form W8-BEN required to request benefits. Personal exemption may be applicable - determination made by Controller.	1042S
<b>Non-Qualified Scholarship, fellowship support for <i>activity conducted outside the US is classified by the IRS as "Foreign Sourced"</i> (room, board, travel - ACCT 7133, non-required fees, living stipends, per diem for subsistence ACCT 7132, other research expenses acct 7134) paid to student or on behalf of a student while studying or conducting research designed to aid an individual in the pursuit of study or research outside the US.</b>	Student Accounts - Request must include information on dates and location of foreign activity	Not US taxable to NONRESIDENT ALIENS	Not reportable to the Internal Revenue Service
<b>Foreign Students who are Non-Resident Aliens for Tax purposes</b>			
<b>Reimbursements to students or direct pay for travel related expenses (airline tickets, hotels, etc.)- In most cases the IRS has deemed students to be ineligible to receive tax exempt reimbursements for business related expenses. However, there is one exception when a student can be classified as an employee and payments made on their behalf or reimbursements approved. To qualify the source of funding must be from an external Grant and all four of the following would need to be met: 1. The Grant must be paying the student's payroll, 2. The Grant must require the travel of the person(s) working on the grant, 3. The Grant must have budget for the travel and pay for it.</b>	Smart Buy Plus - employee travel ACCT codes.	No withholding, no reporting	None
<b>Prizes - are given to students who have submitted entries to receive a prize—for example, the best short story, or music competitions. Prizes generally require the recipient to enter into a judged competition and are reportable income for the student.</b>	Accounts Payable - ACCT 7712	30% withholding unless treaty benefits. <i>Does not qualify as Section 117 scholarship or fellowship.</i>	1042S