Payment is to be made to (or on behalf of) a student. Is the payment for/to:

- A student that is a foreign national? NO
- (a) Past, present, or future employment services? NO
- A prize? NOTE 3 NO
- Bona fide Independent Contractor services? See IC Policy FI NO
- Reimburse student for expenses? NOTE 4 NO
- Support a student’s educational pursuits or paid because of enrollment in post-secondary education? NO

Please contact Controller’s Office to discuss nature of the payment being made and how it should be processed.

See System Payroll website: http://payroll.tennessee.edu/nra.htm

Refer to Guide for the Treatment of Student Payments for Notes 1, 2 & 3

Process through Payroll and payments will be reported on W-2.

Payroll reports on W-2

Treat as Miscellaneous Income, complete Vendor Request transaction (if vendor does not exist) & T-27 and send to Accounts Payable for processing

A/P reports on 1099-MISC, if total payments are $600+

OFA reports on 1098-T

Dept. sends student tax letter; UWA Payroll sends year-end reminder

Non-service fellowship, treat as reportable to OFA as Financial Aid but payment should be processed by Payroll Office

Dept. sends student tax letter; self reported by student

Treat as non-reportable Scholarship/Grant and issue tax letter to student. Complete W-9 & T-27 and send to Accounts Payable for processing

Treat as Financial Aid and payment must be processed by Office of Financial Aid (OFA)

- Is the student employed by UT? NO
- Is the prize considered a scholarship as defined in the Student Payment Policy sections 10 and 17C? NO
- Was expense on behalf of department (e.g. travel as conference rep.)? NO
- Was expense for student’s degree completion (e.g. dissertation research) or personal in nature? NO
- Support a student’s educational pursuits or paid because of enrollment in post-secondary education?

Non-reportable; non-taxable

UNLESS

- Was payment made after the student’s graduation (i.e. the student is no longer enrolled)? NO
- Is the individual a UT student (currently enrolled at UT or will be enrolled in the upcoming semester/term)? NO
- Treat as University Business Expense. Process reimbursement thru Accounts Payable

Non-reportable; non-taxable

NOTE 1

NOTE 2

NOTE 3

NOTE 4