



University Scholarship Policy
Scholarship Tax Responsibility
Last Revision: 01/2024

Scholarship reporting and taxation are governed by the Internal Revenue Code and Treasury Regulations and enforced by the Internal Revenue Service (IRS). Scholarships are not taxable to the extent they do not exceed the cost of tuition and fees, or course-required expenses (fees, books, supplies, equipment). Scholarships used to offset nonqualified educational expenses (room/board, travel, research, living allowance, etc.) are taxable to the student. However, for students who are U.S. citizens, residents, or other eligible non-citizens, there is no tax withholding or reporting required by the University. The University is responsible for issuing tuition statements to the student and to the IRS, which may take into account scholarship awards. For scholarship payments given to U.S. nonresident students, there is tax withholding and reporting to the IRS.

Payment for winning a competition or being a top performer is **not** a scholarship. This form of award is a prize. Prizes and awards are taxable to the recipient, and may be reportable to the IRS, depending on the amount and/or whether the recipient is a nonresident for U.S. tax purposes.

It is the responsibility of the individual receiving the academic, departmental/performance, other, restricted, or international scholarship to determine whether it is taxable and to report such payments as required on their personal income tax return.

If an international student receiving scholarships is assessed taxes, those taxes are not covered by scholarships and will not be paid by the University. Scholarships include departmental/performance, other, restricted, and international. The student is responsible for payment of any and all taxes, including international taxes.

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For additional policy information regarding taxes, please see the Scholarship Tax Responsibility policy located at <http://uca.edu/scholarships/policies/>.