
CLASSIFICATIONS FOR SCHOLARSHIPS, PRIZES, AND STIPENDS

Scholarship/Scholastic Award

Scholarship: Financial support based on academic achievement or other criteria that may include financial need. The donor or department funding the scholarship sets the criteria for recipient selection. The grantor specifically intends money be spent to defray the costs of tuition, books, room, board and other expenses directly tied to a student's education cost through the university. Scholarships are paid directly to or on behalf of an individual for the purpose of aiding study, training, or research and do not represent compensation for services. The individual must not be required to work in a lab or other place, directly benefiting the grantor, to retain the funds. Proceeds of the scholarship offset the cost of the student's education for an upcoming or current academic year, depending on when the student receives the funds.

Example: Colleges, Departments, and Schools select recipients based on the criteria of the scholarship agreement (major, grade level, grade point average, financial need, or a combination of other restrictive criteria). Credit for the scholarship is reflected on the student's account for cost of attendance.

Scholastic Award: Recognizes exceptional performance or special achievement, etc., specifically related to a student's academic process or performance. Awards to students are applied to tuition, required fees, books, and equipment.

Summer Undergraduate Internship Programs: Payments for enrichment programs sponsored during the summer months for USA students who participate as an educational experience. Payments of this type must be preapproved prior to launch. Only

no direct or indirect relation to a student's grade, course



Will be made through the university's accounts payable procedures.

US citizens will be required to manage the taxable income on their tax return. A 1099-MISC will be issued for amounts of \$600 or more.

International students will have a 30% tax withholding reported on a 1042-S form, except in cases where an income tax treaty

Stipend Associated with Assistantship

Stipends (sometimes also called compensatory scholarship or compensatory stipends) are payments to employees as a lump sum payment or fixed amount over the contract period as compensation for services. For example: researcher, teaching assistant, or graduate assistant. The individual must be an employee and the payments are made through the payroll system. The income is reported on a Form W-2 and is subject to all applicable income and employment tax withholdings.

An academic job held by a student, which involves pay for services rendered. Either graduate or undergraduate.

The department providing the assistantship determines the nature of the duties – but they specifically benefit the institution.

Graduate Assistantships that are classified as Teaching Assistantships (TA) or Research Assistantships (RA) may also receive a full or partial tuition waiver that is tax exempt.

Graduate Assistantships that are not classified as Teaching and Research Assistantships may receive a full or partial tuition waiver – but these are taxed as benefits and included as income.

A stipend may be paid to Research Assistants for the performance of teaching duties and vice versa – a Teaching Assistant may receive a stipend for Research duties. (research is typically not related to the student's thesis research)