

## **GUIDELINES FOR PAYING SCHOLARSHIPS, FELLOWSHIPS, GRANTS, PRIZES AND AWARDS ENROLLED STUDENTS**

**SCHOLARSHIPS, FELLOWSHIPS AND GRANTS** — funds to be applied toward the student's cost of attendance (COA)\* at Rice. Complete a Financial Aid Award Request form online at <https://faoscholarship.wufoo.com/forms/financial-aid-award-request/>

These funds are applied against the student's COA (cost of attendance) charges and are disbursed to the student's account in the Cashier's Office. In general, scholarship information is sent in advance of the start of an academic year. If the student is eligible for financial aid, the scholarship is considered a financial aid resource to the student and may reduce other aid eligibility.

Exception: If the scholarship, fellowship or grant is to be applied exclusively towards travel costs see the next section.

### **OFFICE OF FINANCIAL AID**

[fina@rice.edu](mailto: fina@rice.edu)

Phone: 713.348.4958 Fax: 713.348.2139

**PRIZES, AWARDS AND AWARD TRAVEL COSTS** — payments directly to a student in recognition of an achievement, performance, competition, contest or other competitive criteria. This also includes scholarship, fellowship, and grants designated exclusively for travel costs.

\*Includes graduating students or students not enrolled.

Prepare a check request using the AP Director tool. Include a description of the award and appropriate backup. Prizes and awards, such as end of the year awards, are paid directly to the student.

NOTE: All scholarships, fellowships, or grants not applied to COA and all prize or award payments to foreign nationals require tax withholding. Please see Tax Disclosure section below.

### **PAYMENT SOLUTIONS**

[payment@rice.edu](mailto: payment@rice.edu)

Phone: 713.348.6700 Fax: 713.348.6701

**TAX DISCLOSURE** - Payments to a student might be considered taxable by the IRS. Students may be able to exempt scholarships, fellowships and grants that are applied toward the COA\* up to the amount used for tuition and required fees, books, supplies and equipment. This category is reported on IRS Form 1098-T. Payments not applied against the student's COA may be reported on Form 1099-MISC.

Payments to foreign nationals are reported on Form 1042-S. Withholding is required for all prizes and awards and also for scholarships, fellowships and grants. The required withholding rate is generally 30%. However, individuals who are temporarily present in the U.S. in F-1, J-1, M-1, Q-1 or Q-2 nonimmigrant status may qualify for a withholding rate of 14% on payments for scholarships, fellowships and grants.

The recipient should consult their tax adviser to assist them, as the University does not provide individual tax advice. If you have questions regarding the tax forms, email the following applicable areas:

1098-T [cashier@rice.edu](mailto: cashier@rice.edu); 1099-MISC [disbmtf@rice.edu](mailto: disbmtf@rice.edu); 1042-S [payroll@rice.edu](mailto: payroll@rice.edu)