

FAQ's

- Q. How do I know if I should apply for an ITIN or SSN?
- A. You will be notified if your scholarship/fellowship amount has exceeded your qualified expenses. At that time you will be assisted in applying for an ITIN. You can not apply for a SSN unless you have employment on campus. If you are employed and receiving a scholarship you only need a SSN.
- Q. What is the difference between a Scholarship/Fellowship and a Prize/Award?
- A. A scholarship/fellowship is defined as any amount given to an individual to aid him in his study, training, or research, which does not constitute compensation for personal services. A prize/award is defined as any amount received primarily in recognition of religious, charitable, scientific, educational, artistic, literary, or civic achievement, or received as the result of entering a contest. Not intended to be spent by the recipient to defray the costs of his study, training, or research.
- Q. Why are the regulations different for nonresident aliens and US citizens?
- A. US citizens are expected to report their nonqualified scholarship income on their tax return. Due to the fact that nonresident aliens do not permanently reside in the US and could leave at any time without settling their tax liability, withholding must occur on all taxable payments at the time of payment.
- Q. What expenses are considered nonqualified and therefore taxable?
- A. Room and board, travel, and other personal expenses are considered non-qualified. The expenses must be required of every student for enrollment in order to be qualified. Also, anytime funds are given directly to a student where expenditure can not be absolutely determined the funds must be considered taxable. If the student actually used the funds to pay qualified expenses a deduction can be taken on the student's income tax return as long as they have documentation to support the claim.