This guide addresses different types of payments made to undergraduate and graduate students. Eligibility criteria and scholarship/award amount may vary according to individual scholarship/award program restriction and fund availability established by Mason Colleges. A consolidated chart is available at [https://fiscal.gmu.edu/wp-content/uploads/2017/11/Payments-to-Students-Chart.pdf](https://fiscal.gmu.edu/wp-content/uploads/2017/11/Payments-to-Students-Chart.pdf).

**Qualified Scholarship to Enrolled Student**

**Definition:** Qualified educational expenses are limited to tuition and fees required for enrollment, books, supplies, and equipment required for courses taken. Tuition grants/waivers must not be used as a substitute form of compensation; compensation must be paid through Human Resources and Payroll.

**Requirement:** Available to undergraduate or graduate students currently enrolled full-time during the semester of the award. Students must meet the scholarship criteria established by individual Mason departments.

**Taxation and reporting:** Awards for qualified educational expenses are the only amounts that are not taxable to the student. IRS Form 1098-T is issued to the student, if applicable. It is the student’s responsibility to self-report any amounts received which exceed “qualified tuition and related expenses” as income. Rule application is the same for Domestic and Foreign students.

**Payment processing:** These awards go through the Financial Aid workflow and are made available on the student’s account and/or applied directly to their bill. The disbursement will first be applied against any outstanding balance the student may have with Student Accounts. As appropriate, any extra is refunded directly to the student.

**Examples:** Student Athletic Scholarships, PhD Scholarships, Master Scholarships.

**Account Code:**
- 78560 – Undergraduate Tuition and Fees
- 78515 – Doctoral Tuition and Fees Award
- 78510 - Master Tuition and Fees Award

**Non-Qualified Scholarship/Fellowship to Enrolled Student**

**Definition:** Non-qualified scholarships are scholarship payments used for expenses that are not qualified tuition as defined above. These payments typically support educational needs, such as optional fees, room, board, travel, supplies, travel, or living expenses primarily for the benefit of the student’s academic development. The award does not require the student to perform services such as serving as interns, or assisting with teaching, research or other academic work. Compensation for services must be paid through Human Resources and Payroll.

**Requirement:** Available to undergraduate or graduate students currently enrolled during the semester of the award and meet the scholarship eligibility criteria. Most of these scholarship decisions are made by scholarship committees established by individual Mason departments.

**Taxation and reporting:** Awards for non-qualified educational expenses are subject to income tax and are self-reported by the student.

- Foreign Nationals/Non-Resident Aliens (NRA): Taxable/Reportable on 1042-S (any amount) with 30% tax withholding, unless a tax treaty or reduce rate applies.

**Payment processing:** Payments go through the Financial Aid Workflow and are made available on the student’s account and/or applied to their bill. The disbursement will first be applied against any outstanding balance the student may have.
with Student Accounts. As appropriate, any extra is refunded directly to the student. Accounts Payable is responsible for issuing disbursement of remaining funds.

**Examples:** Dissertation Completion Grants, Graduate Student Travel Fund, Undergraduate Travel Fund, Undergraduate Student Research Scholarship, Mercatus Scholarships, STEM Learning Assistant Scholarships, and OSCAR Excellence Awards.

**Account code:** 78520 – Graduate Scholarship/Fellowship
78570 – Undergraduate Scholarship
78525 - Graduate Health Subsidy

**Scholarship/Fellowship for Period of Non-Enrollment**

**Definition:** Scholarship/fellowship given to students, generally in a term of non-enrollment (i.e. summer), for the pursuit of their studies and research. These awards are not considered compensation, and no work requirement may be attached to the offer of a scholarship/fellowship.

**Requirement:** Undergraduate or graduate students participate in research and creative activities. Students submit scholarship application and are selected by individual Mason departments.

**Taxation and reporting:** Awards for non-qualified educational expenses are subject to income tax and self-reported by the student.

- Foreign Nationals/Non-Resident Aliens (NRA): Taxable/Reportable on 1042-S (any amount) with 30% tax withholding, unless a tax treaty or reduce rate applies.

**Payment processing:** Payments are paid through Accounts Payable via check or direct deposit to the student using the Scholarship/Fellowship for Non-Enrolled Students form.

**Examples:** Summer Dissertation Competition Scholarships, Summer Graduate Travel Fund, Summer Undergraduate Student Research Scholarship (OSCAR), and Study Abroad Summer Program.

**Account Code:** 78520 – Graduate Scholarship/Fellowship
78570 - Undergraduate Scholarship

**Participant Support Allowance**

**Definition:** Participant Support Allowance awarded a non-enrolled student or a non-Mason employee who is a recipient of a service or training session associated with a workshop, conference, seminar, symposium or other information sharing activity *funded by a sponsored award*. The payment is provided to help defray personal and/or travel expenses related to a sponsored project, such as meals incidentals and minimal transportation cost incurred by the participant. The travel reimbursement process should be used for significant travel costs. Participants do not perform work or services for the project or program other than for their own benefit, and are not required to deliver anything or provide any service to the university in return for these support costs.

**Requirement:** Students must meet the criteria established by individual sponsors. **Only fund number (start with a 2xxxx) may be charged.**
Taxation and reporting:

- Domestic students. Students receive a 1099-Misc., if applicable.
- Foreign Nationals/Non-Resident Aliens (NRA): Taxable/Reportable on 1042-S (any amount) with 30% tax withholding, unless a tax treaty or reduce rate applies.

Payment processing: Payments are paid through Accounts Payable via check or direct deposit to the student using the Participant Support Allowance Payment Request Form.

Examples: Stipend for StarTalk Workshop Participants, IREX Grant Stipends, or Travel Support to the WSRD workshop.

Account code: 78583 – Participant Allowance stipend Excl from F&A
78584 – Participant Allowance Incl from F&A

Externally Funded Fellowship

Definition: Externally funded fellowships awarded to students as a result of competitive application process that provide support to masters and doctoral students for research, writing, fieldwork, language study, professional development, or independent projects undertaken in conjunction with a degree program. There is no work component or employment relationship with the university associated with an externally funded fellowship. Funds are transferred from external sponsor to be paid directly to students by Mason.

Requirement: Payments must be charged to a grant fund (start with a 2xxxxx). Students apply for fellowships and, when granted, these awards are distributed directly to the student, either by the organization awarding the fellowship or through the university.

Taxation and reporting:

- Domestic students will receive a 1099-Misc, if applicable.
- Foreign Nationals/Non-Resident Aliens (NRA): Taxable/Reportable on 1042-S (any amount) with 30% tax withholding, unless a tax treaty or reduce rate applies.

Payment processing: Payments are paid through Accounts Payable via check or direct deposit to the student using form Externally Funded Fellowship Payment request.

Examples: National Science Foundation Graduate Research Fellowship Program, National Institute of Health Fellowships, etc.

Account code: 78522 – Externally Funded Fellowships

Academic Award

Definition: Awards are given to students in recognition of academic achievement.

Requirement: Students must be enrolled full-time for the semester of award.

Taxation and reporting:

- Domestic students. Self-reported by student.
- Foreign Nationals/Non-Resident Aliens (NRA): Taxable/Reportable on 1042-S (any amount) with 30% tax withholding, unless a tax treaty or reduce rate applies.

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Payments processing: Payments go through the Financial Aid Workflow and are made available on the student’s account and/or applied to their bill. The disbursement will first be applied against any outstanding balance the student may have with Student Accounts. As appropriate, any extra is refunded directly to the student.

Examples: Award to a student who has the highest GPA in their area.

Account code: 78566 – Undergraduate Academic Scholarship
78520 – Graduate Scholarship/Fellowship

Graduate Assistantship

Definition: Payment to any student who is required to perform services in order to receive compensation, and are subject to the control of and supervised by an employee of the university.

Requirement: Graduate students must be enrolled full-time per University Catalog for semester of award. Studies and research in which the primary beneficiary is the university or grantor (benefit is more than incidental).

Taxation and reporting: Subject to tax withholding. An IRS Form such as W-2 and/or 1042-S is issued.

Payment processing: These payments are processed through Payroll and not included when calculating a student’s eligibility for financial aid.

Examples: An academic job held by a graduate student, which involves paying for services rendered. Graduate Assistants can be classified as Graduate Teaching Assistants (GTA’s), Graduate Research Assistants (GRA’s), and Graduate Professional Assistants (GPA’s).

Account code: 61190 – Graduate Assistants

Prize

Definition: Prizes are given to students who participate in Mason contests.

Requirement: Students must be enrolled for the semester of award. Winners are selected by judging contest committees.

Taxation and reporting:

- Domestic students. If total payments are equal to or in excess of $600 in a given calendar year, Accounts Payable reports on 1099-Misc.
- Foreign Nationals/Non-Resident Aliens (NRA): Taxable/Reportable on 1042-S (any amount) with 30% tax withholding, unless a tax treaty or reduce rate applies.

Payment processing: Payments are paid through Accounts Payable via check or direct deposit to the student using the Payment Request form

Examples: Best essay writing, Best Short Story, or Best Poster Competitions.

Account code: 78131 – Awards and Prizes

Honorarium

Definition: Honoraria are typically paid to students with the intent of showing appreciation for participation in Mason activities for which no payment is required. There is no contract, the fee is not set or negotiated by the recipient.
**Taxation and reporting:**
- Domestic students. If total payments are equal to or in excess of $600 for a calendar year, AP reports on 1099-Misc.
- Foreign nationals/Non-Resident Aliens. Depending on the type of immigration status that student holds, honorarium payment might be prohibited by law. If allowed, Foreign Nationals/Non-Resident Aliens (NRA): Taxable/Reportable on 1042-S (any amount) with 30% tax withholding, unless a tax treaty or reduce rate applies.

**Payment processing:** Payments are paid through Accounts Payable via check or direct deposit to the student using the Honorarium Payment Request Form

**Examples:** A volunteer judge for Patriot Games, a cooperating teacher for a Mason college research, or a student assisting housing by allowing prospective students to visit his/her dorm room.

**Account code:** 78130 - Honoraria

**Reimbursement**

**Definition:** Student payments for expenditures incurred for activities that primarily benefit the University can be fully reimbursed. Departments must indicate that the expenditure for the activity primarily benefits the University and/or describe the business purpose for the University.

**Taxation and reporting:** These payments are not considered reportable as taxable income to IRS.

**Payment processing:** Payments are paid through Accounts Payable via check or direct deposit to the student using the Payment Request Form

**Examples:** Student purchases emergency office supplies while traveling on university business. Student is asked to travel to Chicago, IL to represent the university in a National Forensic Competition.

**Account code:** Various (Refer to http://fiscal.gmu.edu/expenditure-account-codes/)