



New York University

A private university in the public service

Office of the Controller

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MEMO TO: GSAS Recipients of Scholarships, Fellowships, Grants, and Cash Stipends (Excluding Research Assistants)

SUBJECT: Tax Status of Scholarship and Fellowship Awards

If you are the recipient of a scholarship, fellowship or grant through New York University, the following is the general treatment of these amounts for tax purposes.

Under Internal Revenue Service regulations, the University is not required to report scholarship or fellowship awards as income, except for foreign students who are covered under separate tax regulations. It is the student's responsibility to report any taxable amounts on his or her tax return and maintains records to support expenditures for tuition, fees, books, and other course-related equipment or supplies.

Generally, under the tax laws, you should not have to pay taxes on a scholarship, fellowship or grant to the extent you use the funds for tuition, fees, books and equipment required for classes or enrollment. In other words, to the extent you use the funds for these types of expenses, the scholarship, fellowship, or grant amount should be excluded from your income for tax purposes.

However, any portion of a scholarship, fellowship or grant payment you spend on incidental expenses, including room and board, should be included in your taxable income for the year. Therefore, you may have to pay income taxes on the portion of a scholarship, fellowship or grant spent on items such as travel, research and medical insurance.

You should make the determination regarding whether a given scholarship, fellowship, or grant is taxable based upon your individual facts and accounting for all the scholarship, fellowships, private grants that you may have received. To the extent that you determine that a portion or all of the funds are not subject to tax, you should retain receipts, cancelled checks, and other documents (specifically a copy of your financial aid award letter) that could show the total amount of your qualifying expenses.

Please note that this notice is intended to introduce you to the possible consequences of scholarship, fellowship or grant amounts. Since individual tax liability depends on each individual's circumstances, you should contact your personal tax advisor with any questions or concerns.