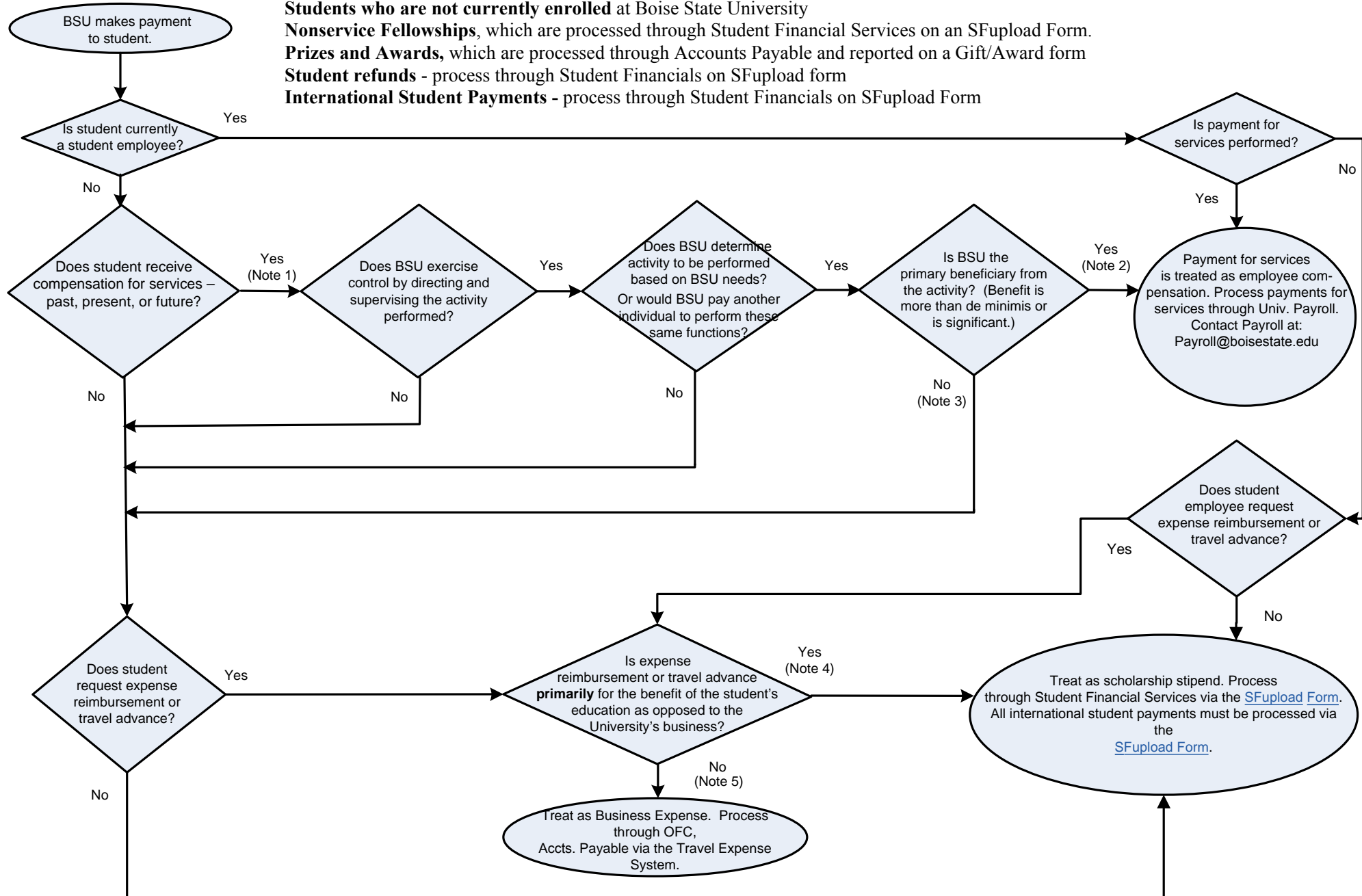


Student Payment Determination: Payroll, Scholarship Stipend, or Reimbursement

This Determination Flowchart is not all inclusive. Determination is facts and circumstances specific. Each instance must be determined individually.

This flowchart does **not** apply to:

- Students who are not currently enrolled** at Boise State University
- Nonservice Fellowships**, which are processed through Student Financial Services on an SFupload Form.
- Prizes and Awards**, which are processed through Accounts Payable and reported on a Gift/Award form
- Student refunds** - process through Student Financials on SFupload form
- International Student Payments** - process through Student Financials on SFupload Form



**Overview and Notes for
Student Payment Treatment Determination:
Payroll, Stipends, and Reimbursements**

The determination flowchart is not all inclusive. Determination is based on facts and circumstances of each situation. Each instance must be determined individually.

The flowchart does **not** apply to:

- Students who are **not** currently enrolled at Boise State University - process through A/P
- Nonservice Fellowships - process through Student Financial Services on an SFupload Form
- Prizes and Awards - dependent on nature of prize (A/P or Payroll)
- Student Refunds which are processed through Student Financial Services on the SFupload form
- International Student Payments, which are processed through Student Financial Services on an [SFupload Form](#).

OVERVIEW:

To determine if payments should be classified as a scholarship stipend or compensation use the following criteria to determine the primary beneficiary:

- (1) Primarily to further the student's education and training and provided by the University for such purpose does not represent compensation or payment for services. Payments are relatively disinterested, "no-strings" educational grants, with no requirement of any substantial services from the recipients. Payments are intended to cover students' "cost of attendance" such as tuition, fees, room, board, living, travel, and incidentals. Merely requiring the recipient to provide periodic progress reports to the University or the fact that the research or study results may provide an incidental benefit to the University is not enough to treat the payment as compensation for services. Such amounts are treated as scholarship stipends, which are not subject to tax withholdings (exceptions for international students), but are reported as scholarships on IRS Form 1098-T. OR
- (2) Primarily for the benefit of the University is considered to be for services performed and deemed taxable compensation (or depending upon the circumstances, treated as a **University business expense reimbursement**). Compensation for services is treated as taxable wages, which are subject to the appropriate tax withholding and are reported on IRS Form W-2. In general, University business expense reimbursements are not subject to tax withholdings and are not reported as taxable income.

Note: Not all of the following statements within the Notes below may be relevant in each situation.

NOTE 1: Is there a service requirement?

Yes if:

- Substantial conditions are attached to the payment, which exceed the incidental duties as a student
- Student receives payment that enables him/her to pursue research (or studies) primarily for the benefit of the University. See Note 2 for additional information.

**Continued Overview and Notes for
Student Payment Treatment Determination:
Payroll, Stipends, and Reimbursements**

NOTE 2: Is the University the primary beneficiary?

Yes if:

- The University's primary purpose and original intent is for the University to obtain useful results from the activity
- Results or research will be used by University
- University determines activities
- Services are performed to fulfill University's obligations to outside funding entity
- University would otherwise need to hire an employee or contractor to complete the same results
- Student is selected based on his/her experience
- Amount of payment is based on amount of compensation to employees performing similar activities

NOTE 3: Is the University the primary beneficiary?

No if:

- The payment is for an activity or area in which the University is relatively disinterested, no strings are attached, and no substantial service requirements are imposed on the student
- The activity's primary purpose and original intent is to further the student's education or training
- University obtains no or, at most, only an incidental benefit
- Tasks are performed to contribute to the development of skills needed in the student's studies
- Student determines activities to be performed
- Student is selected to further his/her education or training

NOTE 4: Is the expense reimbursement or travel advance related to Education?

Yes if:

- Activities performed primarily to further student's education
- Activity is an integral part of student's degree work
- Activity is supported by student's scholarship/grant
- Activity or course is required for degree or credit
- Activity impacts student's grade
- Student merely listens and learns to further his/her education

NOTE 5: Is the expense reimbursement or travel advance related to Education?

No if:

- Directly supports faculty member's project or research program
- Is related to presenting or actively participating at a conference or scholastic competition on behalf of the University
- Is official University business (i.e., performed primarily for University purposes, such as job training, University Athletics, or University band performances)