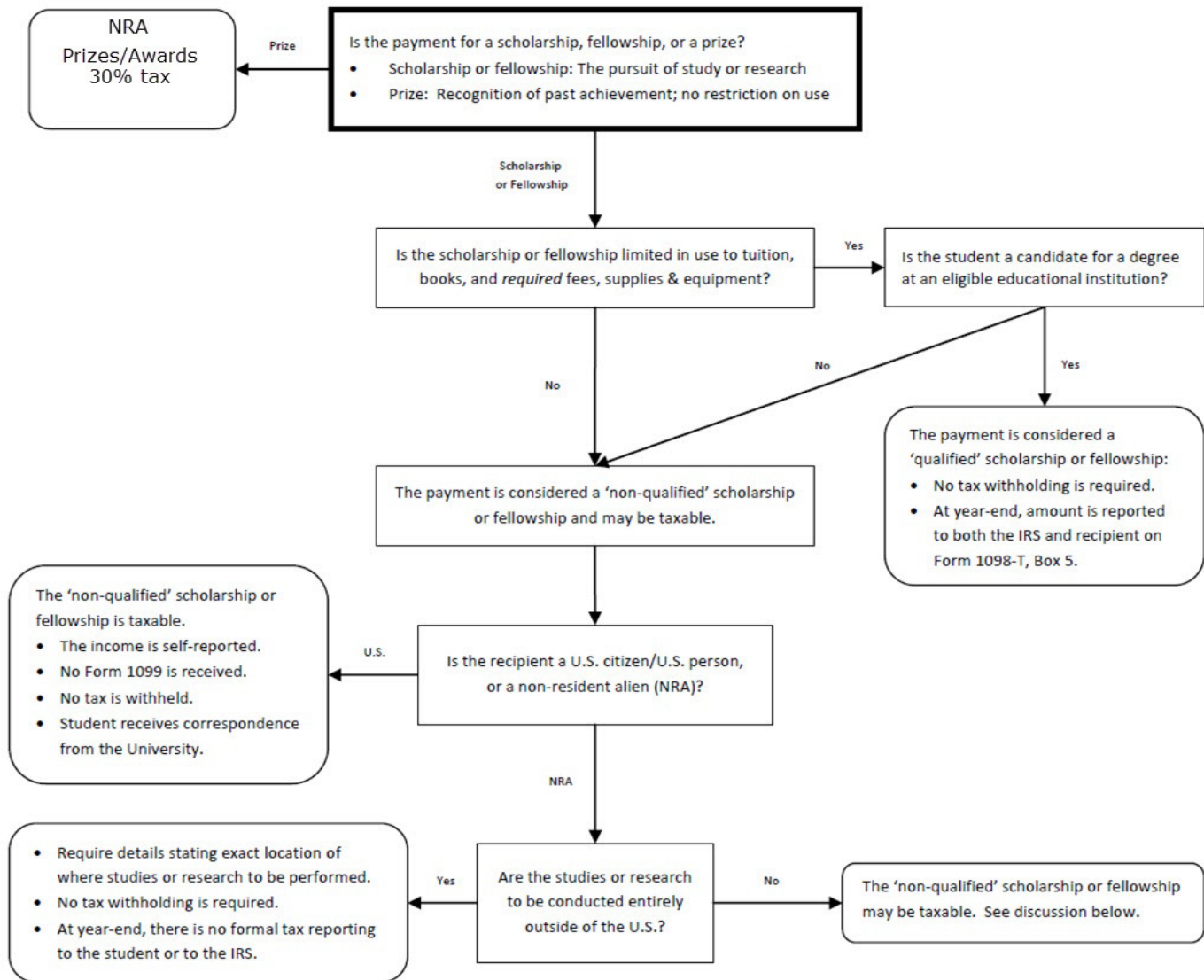


Taxation of Scholarships & Fellowships



Non-Qualified Scholarship & Fellowship Payments to NRAs

Examples: 'Non-qualified' scholarships/fellowships may include payments for room/housing, board/meals, stipends, thesis support, travel, cash, as well as gift cards, airfare, clothing allowance

Visas: All NRA student visa information is on file via the Glacier system. This documentation is required to determine if the student's visa allows for payment.

For application of tax treaty benefits: Require IRS Form 8233 which is completed through Glacier. Texas Christian University students are required to complete this information via the Glacier system within 10 days after the student's arrival. If no treaty benefits are available, and the student does not have a F1, J1, M1, or Q Visa, then 30% taxes will be withheld. Also, if the student does not, or will not, complete these forms, then no treaty benefits are available.

For F1, J1, M1, & Q Visas only: Tax withholding will not exceed 14%. **Except prizes, awards or other income will be taxed at 30%**

Sourcing Rules: Tax withholding only applies to U.S. source income.

IRS Form 1042-S: Will be provided through Glacier each year to NRA students who receive a taxable scholarship or fellowship.