



## Student Aid Expenditure Process

- I. Overview
- II. Student Aid Definitions and Taxability (*Page 1*)
- III. Acceptable Student Aid Payments from Foundation Accounts (*Page 4*)
- IV. Awarding Timeline and Requests for Payment of Student Aid Processed Directly Through UHF (*Page 5*)

### I. Overview

- A. The University of Hawaii Foundation (UHF) Scholarship Office will process payments for scholarships, fellowships, grants, awards, and reimbursements.
- B. Scholarships/fellowships/grants/awards may not be given as a substitute for payment of services rendered, or honoraria. Payments for services should be processed through a University of Hawaii (UH) account (Office of Research Services “ORS” agreement). The UH unit may request reimbursement from the appropriate UHF account.
- C. To ensure that UH is in compliance with federal Title IV regulations and Internal Revenue Service (IRS) reporting requirements, all student aid payments are reported to the appropriate UH Financial Aid Office (FAO) by the UHF Scholarship department.
- D. This process is also to assure UHF donors that their funding is being used according to the criteria established for their funds.

### II. Student Aid Definitions and Taxability

#### A. Student Aid Definitions

- 1. Award: Recognition for special achievement, special skill/knowledge, or prize such as winning a contest. Awards are for past accomplishments and are not required to be used for educational purposes.
- 2. Grant: Funding for research, supplies, travel to conduct studies or present student’s research, or other required support to assist



student's academic pursuits, using their special skill/knowledge, proposal, presentation, in a specific area of study.

3. Scholarship: An amount paid to or for the benefit of a student enrolled at an educational institution for cost of attendance (tuition, books, fees, etc.). Payment is disbursed from UHF account, and input directly to students' UH account.
4. Fellowship: An amount paid to or for the benefit of a student enrolled at an educational institution to aid in the pursuit of study or research (e.g. tuition, books, fees, etc. or travel supplies needed to conduct research relative to their degree). Usually for a graduate student. Fellowships can be either Scholarship, Grant, or both: Please specify which (or if both, how much for each payment.)
5. Reimbursement - An amount paid to a UH student to aid in the pursuit of study or research, or to pay for materials, travel, etc. Paid after, as a reimbursement, per proof of original payment/receipt.
6. Stagnant Student Aid Accounts - UHF may close student aid accounts that have balances of \$500 or less AND no recent incoming gifts or expenditures. The UHF Scholarship Office may transfer those remaining funds to a similar purpose or general student aid account. The affected unit will be notified.

## B. Taxability

Recipients of any form of student aid may be subject to IRS rules regarding taxable income. It is the recipient's responsibility to identify if any portion of their aid would be subject to tax.

1. U.S. Citizen Taxability
  - a. Awards/Grants
    1. All awards and grants paid directly to students are taxable and should be reported on the individual's income tax return.
    2. A student who is a U.S. citizen or a resident alien and who receives single or aggregate awards of \$600 or more in a calendar year will receive an IRS Form, "1099 Miscellaneous Income," from UHF at year-end for tax purposes.



3. Each recipient of an award/grant must provide a social security number or an ITIN.
2. International Student Taxability
    - a. Awards/Grants
      1. All awards and grants paid directly to students are taxable and should be reported on the individual's income tax return.
      2. Each recipient of an award/grant must provide a social security number or an ITIN, or complete the P-1 form if student does not have a SSN or ITIN.
      3. Awards/Grants to non-U.S. citizens will require additional accompanying paperwork:
        - a. Please see list of required international student documentation on Page 4, Section III, Part B, No. 3.
      4. Nonresident aliens will be subject to a thirty percent (30%) withholding of tax.
      5. Tax treaty exemptions are not applicable.
      6. UHF will issue an IRS Form 1042-S at the end of the calendar year to all nonresident aliens who have received an award or grant.
  3. Scholarship/Fellowship
    - a. Per the definition on Page 1, Section II, Part A, No. 3, of this document, scholarships are typically used for cost of attendance. A scholarship or fellowship is tax-free only if you are a candidate for a degree at an educational institution and if the payment received is a qualified scholarship or fellowship. A qualified scholarship or fellowship is defined as amounts received for tuition and fees paid to enroll in, or to attend, an educational institution, or fees, books, supplies, and equipment that



are required for the courses at the educational institution.

- b. Scholarships and fellowships to nonresident aliens, from a country without a tax treaty with the United States, are subject to a 14% tax withholding.
- c. UHF is not required to withhold any taxes if the recipient is from a country that has a tax treaty with the United States and if the visa status of the recipient is provided for in the treaty.
- d. UH will issue an IRS Form 1042-S at the end of the calendar year to all nonresident aliens who have received a scholarship/fellowship to be filed with their income tax return.

### III. Acceptable Student Aid Payments from Foundation Accounts

#### A. Requests Processed through Banner

1. Scholarship and fellowship payments specifically intended to cover cost of attendance related items (tuition, fees, books/supplies, meals, housing) will be processed through the students' MyUH account, the UH Student Information System ("Banner").
2. At Manoa campus, UH departments must submit all requests for payment through the STAR Giving Tree electronic system.
3. At all other campuses, UH FAO will input the recipient's scholarship into Banner.

#### B. Requests for Payment of Student Aid Processed Directly Through UHF

1. Awards, grants, and reimbursements will be processed as checks directly to students.
2. UH Departments must submit all requests for payment on the "Payment Request Form for Student Aid Recipients" or in STAR GivingTree if applicable.
3. The following documents are required for processing of award, grant, or fellowship for research (grant portion)



payments to a nonresident alien.

- a. Foreign National Information Form
  - b. IRS Form W-8BEN Certificate of Foreign Status.
  - c. Social security number or ITIN-Individual taxpayer identification number, or P-1 form if student does not have SSN or ITIN
  - d. Copy of I.D. page(s) of passport – non-expired
  - e. Copy of current U.S. visa – non-expired
  - f. Copy of all previous U.S. visas (if applicable) (This is to verify country for tax treaty purposes. It is also to verify how long an individual has been in this country. If the person has been in this country for more than five years plus 183 days in current year, or longer, they will be considered a resident for tax purposes and not taxed.)
  - g. Form I-94 Arrival/Departure Record (front and back copy)
  - h. Form I-20 Immigration and Naturalization Service Certificate of Eligibility for Nonimmigrant Student Status for F-1, M-1 and H-1B status holders (front and back copy) – non-expired
  - i. For J-1 status holders--Form DS-2019 (Formerly IAP-66) Certificate of Eligibility for Exchange Visitor (J-1) Status – non-expired
  - j. Form I-797 Notice of Approval for Q status holders, and those students having changed their nonimmigrant status to one permitting study (if applicable)
4. Before submitting paperwork to UHF, UH departments should confirm that award eligibility/criteria requirements have been met, funds are available in the account, and that two account administrators have approved the request if the award amount is greater than \$3,000.



5. Submit the completed payment request form with all supporting documents that don't contain sensitive information, such as SSN, through Concur Invoice. All other supporting documents containing sensitive information can be sent to the UHF Scholarships Office through ShareFile at <https://www.uhfoundation.org/student-aid-documents-upload> or mailed to the University of Hawaii Foundation Scholarship office, at: 1314 South King Street, Suite B, Honolulu, HI 96814.
    - a. Once UHF Scholarship department approves and processes the payment request, a check will be issued to the student through Concur Invoice.
    - b. Checks are generally issued daily after the form is submitted and processed by the Fiscal Office. The UHF Scholarship Office requires 2 weeks processing time after receipt of all information and documents necessary to process the payment.
- IV. Awarding Timeline and Requests for Payment of Student Aid Processed Directly Through UHF
- A. Awarding Timeline for Awards, Grants, or Reimbursements
    1. Awards, grants, and reimbursements are processed year-round, and do not adhere to deadlines.
  - B. Awarding Timeline for Scholarships or Fellowships (for cost of attendance)
    1. Banner will verify student's eligibility before disbursing funding into student accounts.
      - a. If student aid is recorded in Banner prior to tuition deadlines, aid will be applied directly to charges on the student's account 10 days before the majority of the student's classes begin.
      - b. If recorded after tuition deadlines, UH will refund the student, less any outstanding balances owed to UH.



<b>October</b>	1 <sup>st</sup>	All Campuses	FAFSA & UH System Common Scholarship Application available for the following academic year
	15 <sup>th</sup>	All Campuses	Priority deadline for re-awarding UHF Scholarships from prior application cycle due to student withdrawal or change in eligibility at Fall Census
<b>November</b>		UHM Only	Mid-November: STAR Application opens for following academic year
<b>February</b>	1 <sup>st</sup>	UHM & UHH only	FAFSA Priority Deadline
		UHM Only	Mid-February: STAR application closes for the following academic year & Giving Tree closes for current year awards
		All Campuses	Late February: UHF provides UH System FA Office with scholarship expenditure amounts for the following academic year using a February 20th snapshot of fund balances [Note: campus FAOs may subsequently adjust fund balances in Scholarship Manager due to current year cancellations and re-awarding]
		UHM Only	Late-February: Giving Tree opens for departments to award students for the following academic year
<b>March</b>	1 <sup>st</sup>	All Campuses	UH System Common Scholarship Application closes for the following academic year
		All CC campuses (except WCC) & UHWO	FAFSA Priority Deadline



	15 <sup>th</sup>	All Campuses	Priority deadline for re-awarding UHF Scholarships from prior application cycle due to student withdrawal or change in eligibility at Spring Census
	20 <sup>th</sup>	Not UHM	UH Campus Scholarship Committees begin awarding scholarships for the following academic year
<b>April</b>	1st	UHM Only	Priority deadline for academic department scholarship determinations to be included in initial student financial aid disbursement for the following academic year
		WCC	FAFSA Priority Deadline
<b>May</b>	1st	All Campuses	National College Enrollment Deposit Day
	15 <sup>th</sup>	All Campuses	Target date for returning students to have scholarship award notices before leaving for summer break
<b>June</b>	1 <sup>st</sup>	UHM Only	Final deadline for academic department scholarship determinations to be included in initial student financial aid disbursement for the following academic year
<b>August</b>	1 <sup>st</sup>	Not UHM	Priority deadline for packaging scholarships to be included in initial student financial aid disbursement for Fall semester
		All Campuses	Deadline for new scholarship criteria to be submitted in order to be added to the UH System Common Scholarship Application and STAR





		All Campuses	Early August: Students financial aid is disbursed 10 days prior to the start of classes and purge process occurs for all campuses. Registration held for students that have been awarded scholarships or financial aid (students must be awarded for the term in Banner)
<b>September</b>		All Campuses	Mid-September: Fall Enrollment Freeze Date – Lock in enrollment levels and last day to receive 50% refund of tuition for complete withdrawals
<b>November</b>	1 <sup>st</sup>	UHM Only	Final deadline for academic department scholarship determinations to be included in initial student financial aid disbursement for the following for spring semester
<b>December</b>	1 <sup>st</sup>	Not UHM	Priority deadline for packaging scholarships to be included in initial student financial aid disbursement for spring semester (UH System & all other campuses)
<b>January</b>		All Campuses	Early January: Students financial aid is disbursed 10 days prior to the start of classes and purge process occurs for all campuses. Registration held for students that have been awarded scholarships or financial aid (students must be awarded for the term in Banner)
		All Campuses	Late January: Spring Enrollment Freeze Date - Lock in enrollment levels and last day to receive 50% refund of tuition for complete withdrawals