

# *People Payments Essentials*

Higher Education Taxation Essentials

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## *Agenda*

<b>Grant essentials</b>	Scholarships, fellowships, prizes, and awards
<b>Worker classification</b>	Employee vs. independent contractor
<b>Nonqualified deferred compensation</b>	IRC §457(f) arrangements unique to tax-exempt employers
<b>Fringe benefits</b>	Overview of statutory rules and common examples
<b>Business and travel expenses</b>	Accountable plans for business expenses, travel away from home, and spousal/dependent travel
<b>Payroll withholding</b>	Tax reform changes impact to wage withholding
<b>Appendix</b>	Resources and contact information

# *Grant essentials*

## Scholarships, fellowships, prizes, and awards

### *What is a grant?*

**A sum of money given by the government, a university, or a private organization to another organization or person for a special purpose**

- Grant from business entity to university (PI)
- Grant from government to university (PI)
- Grant from university to student
- Grant from university to non-student
- Grant from business entity to student



## ***Preliminary questions***

### **Who is making the payment?**

- University
- Outside entity

### **Who is receiving the payment?**

- Student
- Professor or researcher

### **What is the payment?**

- Wages or other payment for services
- Scholarship or fellowship
- Prize or award

### **Is it taxable?**

### **Is it reportable?**

## ***Rules refresher and examples***

### **What is a scholarship?**

A sum of money given to someone to help pay for that person's education

### **What is a fellowship?**

Money for teaching or study given to a student studying for an advanced degree or a position at a university paid for in this way

### **What is a prize and award?**

Something valuable such as money given to someone who succeeds in a competition/game or given as a reward for good work

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