Notice to Recipients of Scholarships and Fellowships
(This information applies to U.S. Citizens and Resident Aliens only)

This award is based on the fact that you will not be performing services for SDSU, SDSU Research Foundation (or anyone else) as a condition to receive this award. If services were a requirement to receive funds, SDSU Research Foundation would be required by law to consider you an employee and process all payments through the payroll office. Because there are no service requirements, the funds may or may not be taxable based on your personal situation. A clear understanding of the commonly used terms will help you to understand the tax implications in order to avoid a tax liability surprise at year-end. Check http://www.foundation.sdsu.edu/doc/ap_fa_notice_schol_fellow.docx for latest version.

Definition of Scholarship (as stated in IRS Publication 520): "A scholarship is generally an amount paid for the benefit of a student at an educational institution to aid in the pursuit of studies. The student may be either an undergraduate or graduate."

Definition of Fellowship (as stated in IRS Publication 520): "A fellowship is generally an amount paid for the benefit of an individual to aid in the pursuit of study or research."

- Graduate Fellow: a graduate student who is performing independent research as part of his/her educational pursuits or, probably, in pursuit of his/her thesis. This student is not required to perform any specific research on any specific research project or under the direct supervision of any individual. It is common for the Graduate Fellow to collaborate with others who are working on similar research or to discuss the possibilities or alternatives concerning the research with his/her thesis and faculty advisors to receive assistance. The important issue here is that the student is performing independently and not under direct supervision.

- Post Doctoral (Trainee) Fellow: an individual who has received his/her doctoral degree and who is being supported to further his/her research or education. All of the fellowship money is usually taxable.

Definition of Qualified Scholarship or Fellowship (as stated in IRS Publication 520): "A qualified scholarship or fellowship is any amount you receive as a scholarship or fellowship grant that is used under the terms of the grant for:

1. Tuition and fees required to enroll in, or to attend, an educational institution, or
2. Fees, books, supplies, and equipment that is required for the courses at the educational institution. These items must be required by all students in your course of instruction."

Your scholarship or fellowship grant can still qualify as tax free even if the terms do not provide that it be used only for tuition and course-related expenses. It will qualify if you actually use the grant proceeds for tuition and course-related expenses. However, if the terms of the grant require it be used for other purposes, such as room and board, or specify that the grant cannot be used for tuition or course-related expenses, the amounts received under the scholarship or fellowship grant are not tax-free.

The Internal Revenue Services does not require SDSU Research Foundation to report taxable fellowship and scholarship income to either the individual or the IRS. It is entirely the responsibility of the US citizen or resident alien to report any taxable income on his/her tax return. If you have any questions, we recommend that you engage a tax professional.

The Effect of Scholarships or Fellowships on Receipt of Financial Aid: If you are student who has applied for, or who has been awarded financial aid, receiving additional financial resources like scholarships, fellowships, stipends, etc. can affect your financial aid eligibility. Federal and state law requires that resources be counted when determining financial aid eligibility. It is your responsibility to report any additional financial resources to the SDSU Office of Financial Aid and Scholarships. Failure to report resources may result in the reduction or cancellation of financial aid received and you being required to return funds.

I hereby certify that I have read the above information and understand that I am responsible for reporting taxable income to the IRS.

Print Legal Name of Recipient:

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<tr>
<th>Have you applied for or been awarded financial aid (including student loans)?</th>
<th>Yes</th>
<th>No</th>
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<td>(If “Yes” SDSU Office of Financial Aid approval is required)</td>
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Address:  
City:  
State:  
Zip: