Fellowship Policy

Introduction
This policy states the requirements for paying fellowships to Brown University students and scholars.

Policy Statement
Per the IRS, a fellowship is an amount paid to or allowed for the benefit of an individual to aid in the pursuit of that individual’s own study or research.

Fellowships can help to fund independent travel, research and teaching for both undergraduate and graduate students at the University as well as supplemental payments for research expenses to internal or external researchers. No service is expected in return for a fellowship; it is provided to a student/scholar on a merit or need basis to assist in the pursuit of a degree.

Examples

- UTRAs-Dean of the College
- LINKs-Dean of the College
- Signature Awards-Dean of the College
- Howard Foundation Award-Howard Foundation
- John Carter Brown Fellowships

Fellowships can sometimes be misconstrued as ‘scholarships.’ Brown defines scholarships as financial aid issued through the Financial Aid Office.

Fellowships are not reimbursements. Receipts are not required or expected.

Procedures
Fellowship payments are initiated as a supplier invoice; include the fellowship award letter, if available and either the Brown Student Fellowship Form or, if the recipient is a visiting scholar, the Payments to Visiting Researchers/Scholars form. Use spend categories:

- Undergraduate Fellowship 5360
- UTRA Department Support 5361
- Medical Fellowships 5140
- Graduate Living Allowance 5320
- Other Student Aid 5310
- Visiting Researcher/Scholar 9665
- Grants to Foreign Individuals/Entities 9666
- More information on these spend categories is available on the Controller’s Office/General Accounting website. Click on Spend Categories in the related links box.

Attach the formal fellowship award letter/email, if available, and the completed fellowship form.

Tax Implications
A fellowship is an amount paid or allowed to an individual for the purpose of study or research.

- US Resident Student/Scholars
All or part of the amount paid to a US resident student/scholar may be tax-free. Fellowship payments
are tax-free if the following conditions are met:

- Recipient is a candidate for a degree at an educational institution that maintains a regular faculty and curriculum and normally has a regularly enrolled body of students in attendance at the place where it carries on its educational activities; and
- The amounts receive are used to pay for tuition and fees required for enrollment or attendance at the educational institution, or for fees, books, supplies, and equipment required for courses at the educational institution.

Fellowship grants must be included in the recipient’s gross income when:

- The fellowship is used for incidental expenses, such as room and board, travel, and optional equipment, and
- Amounts received as payments for teaching, research, or other services required as a condition for receiving the scholarship or fellowship grant. However, fellowship payments required by the National Health Service Corps Scholarship Program or the Armed Forces Health Professions Scholarship and Financial Assistance Program are not taxable.

Payments to US residents that are processed through Accounts Payable are not reported to the Internal Revenue Service.

**Foreign National Student/Scholars**

Fellowship payments to foreign national students/scholars are always reportable on a Form 1042s. The payment is taxable unless there is a tax treaty between the United States and the recipient’s country of residence that specifically exempts the fellowship payment from taxation.

Foreign national students/scholars will receive a Form 1042s reporting the fellowship payment and any taxes withheld.

For more information, refer to [Publication 970](https://www.irs.gov/publications/p970), Tax Benefits for Education.

**Forms/Instructions**

- [Brown Student Fellowship Form](https://www.brown.edu/about/administration/policies/node/658)
- [Payments to Visiting Researchers/Scholars](https://www.brown.edu/about/administration/policies/node/658)

**Related Policies**

- [Payments to Researchers/Scholars Unaffiliated with Brown](https://www.brown.edu/about/administration/policies/node/658)

**Policy Owner**

Approved by Vice President for Finance and Chief Financial Officer

**Contact(s)**

Doreen Burgers
Director of Administrative Services and Outreach
Doreen_Burgers@brown.edu
401-863-7579

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