IRS Form 1098-T Preparation and Distribution

Revised Date: 08/21/14
FSS/PPS 07.01.01
Issue No. 1
Reviewer: Director, Student Business Services
Effective Date: 06/16/10 (E5Y)
Review Date: 06/15

01. Purpose

01.01 To establish the responsibility and procedures for the preparation and distribution of IRS Form 1098-T.

01.02 To ensure the policy and procedures conform to the Internal Revenue Code.

02. Policy

02.01 IRS Section 1.65050S-1 requires universities to provide Form 1098-T to United States resident students who paid qualified tuition and fees during the calendar year.

02.02 Student Business Services (SBS) is responsible for the production and distribution of Form 1098-T by January 31st of the following tax year.

02.03 The University reports 1098-T information using the amount billed method for the tax year.

02.04 The University and representatives will not provide individualized tax advice or guidance. Tax advice or guidance should be provided by the individual’s tax consultant, preparer, or counselor.

03. Responsibilities Associated with this PPS

03.01 Student Business Services responsibilities

a. SBS has the responsibility to ensure the 1098-T is prepared and distributed in accordance with the regulations.

b. SBS will provide a list of new or changed detail codes for the tax year to the Director, Office of Payroll and Tax Compliance by each December 1, to be reviewed and approved by December 15th.

c. The actual 1098-T must be electronically available no later than January 31.

d. SBS has primary responsibility for review and audit of the 1098-T file during testing and the final review to ensure compliance with the approved list of detail codes from the Director, Office of Payroll and Tax Compliance.

e. Communicate with students reminding them to update addresses if they are leaving campus after fall, provide missing SSN’s, and also to provide
information on access to the website and when the forms will be available.

f. Students will be communicated of when and where they may access the 1098-T form via their Texas State email address, for current students, or their personal email address, if provided, for students not enrolled. Non-enrolled students, without an alternate email address, will be sent written communications.

g. Provide generalized 1098-T guidance and answer questions requiring detailed information as it relates to general billing and fee payment issues.

h. Responsible for shredding all returned 1098-T forms.

i. SBS will review and update the electronic authorization form annually.

03.02 Director, Office of Payroll and Tax Compliance responsibilities

a. The Director, Office of Payroll and Tax Compliance will review and approve data on any new or changed detail codes for the current calendar year, including tuition adjustment and financial aid gift aid, to determine the tax credit eligibility throughout the year, but no later than December 15th of each year.

b. Provide the director of SBS any changes to the IRS tax code during the calendar year that may affect detail codes’ tax credit eligibility and to provide updated information for inclusion on the SBS website.

c. Provide the Director of Financial Aid and Scholarships any changes to the IRS tax code during the calendar year that may affect gift aid eligibility.

d. The Director, Office of Payroll and Tax Compliance will review the FAQ on the SBS website and Office of Payroll and Tax Compliance website and update as needed.

e. Assist as needed in the review and testing of the 1098-T data through January 15.

f. Provide generalized 1098-T guidance for tax questions requiring detailed answers as it relates to IRS and University policy.

03.03 Financial Aid and Scholarships responsibilities

a. The Financial Aid and Scholarships office has the responsibility to do an initial review of data to determine gift aid eligibility no later than December 1. This information comes directly from the FA fund dataset and links to the accounts receivable detail codes in Banner.

b. Assist as needed in the review and testing of the 1098-T data through January 15th.
c. Provide generalized 1098-T guidance and answer questions requiring detailed information specifically related to gift aid and FA disbursements.

04. MAJOR RESPONSIBILITIES ASSOCIATED WITH THIS FSS/PPS

Major responsibilities for routine assignments associated with this PPS include the following:

<table>
<thead>
<tr>
<th>Positions</th>
<th>Section</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director, Student Business Services, Senior Reviewer</td>
<td>Review</td>
<td>March (E5Y-10)</td>
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<tr>
<td>Director, Payroll and Tax Compliance</td>
<td>Review</td>
<td>March (E5Y-10)</td>
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<tr>
<td>Director, Financial Aid and Scholarships</td>
<td>Review</td>
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05. Certification of Statement

This FSS/PPS has been approved by the following individuals in their official capacities, and represents FSS policy and procedure from the date of this document until superseded.

Approved: ____________________________
Reviewer

Approved: ____________________________
Reviewer

Approved: ____________________________
Reviewer

Approved: ____________________________
Vice President for Finance and Support Services