**IRS Form 1098-T Preparation and FSS/PPS 03.26**

**Distribution Issue No. 3**

**Effective Date: 11/19/2019**

**Next Review Date: 03/01/2024 (E5Y)**

 **Senior Reviewer: Director, Student Business Services**

**01. POLICY STATEMENTS**

01.01 The purpose of this policy is to establish the responsibility and procedures for the preparation and distribution of [IRS Form 1098-T](https://www.irs.gov/pub/irs-pdf/f1098t.pdf), and to ensure the policy and procedures conform to the Internal Revenue Code.

01.02 [26 CFR Section 1.6050S-1](https://www.govinfo.gov/content/pkg/CFR-2012-title26-vol13/pdf/CFR-2012-title26-vol13-sec1-6050S-1.pdf) requires any eligible educational institution to file an information return with the IRS and issue a statement ([Form 1098-T](https://www.irs.gov/pub/irs-pdf/f1098t.pdf)) to each individual for whom the educational institution is required to file a return.

01.03 Student Business Services (SBS) is responsible for the production and distribution of [IRS Form 1098-T](https://www.irs.gov/pub/irs-pdf/f1098t.pdf) by January 31 of the following tax year.

01.04 The university reports 1098-T information based on qualified tuition and related expenses paid during the tax year.

01.05 Texas State University and its 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.

**02. RESPONSIBILITIES ASSOCIATED WITH THE PREPARATION AND DISTRIBUTION OF IRS FORM 1098-T**

02.01 SBS responsibilities include:

1. ensuring the 1098-T is prepared and distributed in accordance with IRS regulations;
2. providing the Office of Payroll and Tax Compliance with a list of newly added and updated detail codes for review by no later than December 1 of each year;
3. ensuring the actual 1098-T is electronically available by no later than January 31;
4. reviewing and auditing the 1098-T file during testing to ensure compliance with the list of detail codes;
5. communicating with students, reminding them to update addresses if they are leaving campus after fall, providing missing social security numbers, and providing information on access to the website and when the forms will be available;
6. communicating with students of when and where they may access the [1098-T form](https://www.irs.gov/pub/irs-pdf/f1098t.pdf) 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*;*
7. providing generalized 1098-T guidance and answering questions requiring detailed information as it relates to general billing and fee payment issues;
8. shredding all returned [1098-T forms](https://www.irs.gov/pub/irs-pdf/f1098t.pdf); and
9. reviewing and updating the electronic authorization via student terms and conditions annually.

02.02 Office of Payroll and Tax Compliance responsibilities include:

1. reviewing the list of detail codes for compliance with the IRS tax codes as they may pertain to 1098-T, and reporting and responding to SBS with recommendations by December 15 of each year;
2. coordinating any known changes pertaining to gift eligibility for reporting purposes with Financial Aid; and
3. collaborating with SBS in the review of data for 1098-T reporting through January 15;

Upon request, the director will provide generalized 1098-T guidance for tax questions requiring detailed answers as it relates to IRS and university policy.

02.03 Financial Aid and Scholarships responsibilities include:

1. conducting an initial review of data to determine gift aid eligibility by no later than December 1. This information comes directly from the Financial Aid fund dataset and links to the accounts receivable detail codes in Banner;
2. assisting, as needed, in the review and testing of the 1098-T data through January 15; and
3. providing generalized 1098-T guidance and answering questions requiring detailed information specifically related to gift aid and financial aid disbursements.

**03. REVIEWERS OF THIS PPS**

03.01 Reviewers of this PPS include the following:

Position Date

Director, Student Business Services March 1 E5Y

Senior Reviewer

Director, Payroll and Tax Compliance March 1 E5Y

Director, Financial Aid and March 1 E5Y

Scholarships

**04. CERTIFICATION STATEMENT**

This PPS has been approved by the following individuals in their official capacities and represents Texas State Finance and Support Services policy and procedure from the date of this document until superseded.

Director, Student Business Services; senior reviewer of this PPS

Treasurer

Vice President for Finance and Support Services