

DIVERSIFYING HIGHER EDUCATION FACULTY IN ILLINOIS

(DFI)

TAX REPORTING GUIDELINES

1. IRS PUBLICATION 970 CONTAINS THE APPLICABLE INFORMATION AND FORM TO REPORT FELLOWSHIP FUNDING.
2. STUDENTS ARE RESPONSIBLE FOR REPORTING DFI INCOME ON THEIR TAX RETURNS - *whether they receive documentation (1099) from their institution or not.*
3. STUDENTS SHOULD KEEP A RECORD OF HOW THEIR DFI FUNDS ARE USED THROUGHOUT THE CALENDAR YEAR. According to Pub. 970, fellowship dollars applied to tuition, fees, books, and supplies are tax free; any other use of these funds is taxable.
4. STUDENTS ARE ENCOURAGED TO DISCUSS FELLOWSHIP STIPEND AND TERMS WITH A CERTIFIED PUBLIC ACCOUNTANT.
5. LINK TO IRS PUBLICATION 970:

<http://www.irs.gov/pub/irs-pdf/p970.pdf>

Please direct any questions to the Internal Revenue Service.