

**Tax and Financial Aid Considerations for Research Experience Participants**

Congratulations on your acceptance to the research experience program at The University of Tennessee, Knoxville (UTK)! We look forward to providing the support needed for a productive research experience for you and your mentors.

Participation in a research experience is a traineeship, which is a form of student aid and not a wage for work performed. As a part of your research experience, you will receive stipend payments and reimbursements from UTK. In some cases, UTK may also pay some of your travel expenses directly. It is important that you understand the possible tax and financial aid implications associated with those payments and your obligation to report the amounts to the financial aid office at your home university.

**TAX INFORMATION**

The University of Tennessee is not required to report these non-wage stipend payments and travel reimbursements to the IRS, per Treasury Regulation 1.6041‐3 (n)

However, these payments may be taxable under certain circumstances. It is important that you maintain your own tax records in order to prepare your annual federal income tax return.

For specific tax questions, please consult with your tax professional as UTK is not authorized to provide individual tax advice. You may also find it helpful to read IRS Publication 970, “*Tax Benefits for Education*,” which is available at: [*http://www.irs.gov/publications/p970/index.html*](http://www.irs.gov/publications/p970/index.html)and the IRS’s “*Tax Information for Students*” website at <https://www.irs.gov/individuals/students>*.* All other federal income tax forms and publications may be downloaded from the IRS web site at [*http://www.irs.gov*](http://www.irs.gov)*.*

**FINANCIAL AID INFORMATION**

Please be sure to inform the Financial Aid Office at your home university about the funds you are receiving through the research experience program at UTK. Under federal law, you are required to notify your Financial Aid Office of scholarship or fellowship payments that you receive to defray your educational costs. The payments received from UTK may be taken into consideration when determining your financial aid eligibility at your home institution.

We trust you will find this information helpful. Should you have additional specific questions, please contact the department coordinating your research experience.