



**Policy Chapter:** Chapter 10 Fiscal Management

**Policy Number and Title:** 10.008 Stipends

---

## **I. Policy Statement**

Under the guidelines established in this policy, the University of North Texas can provide stipends to students to assist with the payment of tuition, fees, and other educational expenses.

## **II. Application of Policy**

Students

## **III. Policy Definitions**

### ***A. Stipend***

“Stipend,” in this policy, means a fixed sum amount paid to a student to assist with educational expenses.

## **IV. Policy Responsibilities**

### ***A. Stipend Guidelines***

Stipends are paid to some students for tuition, fees, and/or educational expenses. The payment cannot be tied to any obligation for past, present, or future services. There can be no employee/employer relationship associated with this type of stipend payment and there are no fringe benefits associated with this type of stipend payment. Payments must be submitted to the Financial Aid and Scholarships department on a Stipend Authorization form. These forms are available online at the [Financial Aid web site](#).

### ***B. Taxation***

Student recipients are responsible for reporting their taxable stipend amounts to the Internal Revenue Service (IRS). IRS regulations require that nonresident aliens who receive stipends will have federal income tax withheld on any taxable portion (for example, travel, research, or living expenses) of the stipend. An IRS Form 1042-S is sent to all nonresident alien stipend recipients by March 15 of each tax-filing year. See **Foreign National Students – Additional Requirements** section below.

### ***C. Payroll Payments***

A payment requiring some past, present, or future obligation is “compensation” and will be processed through UNT System Payroll as a taxable stipend. Such payments are subject to FICA and FIT withholding. Some granting agencies may use the term “stipend” in their guidelines and budget information, but this does not necessarily mean that the payment will be processed as a “stipend” at UNT if services or some obligation is required of the stipend recipient. Contact [Grants & Contract Administration](#) in the UNT Office of Research and Innovation if you have questions concerning these types of payments from grant funds.

#### **D. Foreign National Students - Additional Requirements**

##### **1. Social Security Number or ITIN**

The Internal Revenue Service (IRS) requires that all foreign national students receiving any payments from a U.S. source, including stipend payments, must have a valid social security number (SSN) or individual taxpayer identification number (ITIN). If the Social Security Administration (SSA) determines that the student is not eligible for a SSN, the student must apply for an ITIN from the IRS. Students should check with the local SSA office to determine if they are eligible for a SSN. The application forms and instructions for an ITIN (Form W-7) are available in the International Academic and Advising Center (IAAC) and UNT System Finance Office. Questions should be directed to the [UNT System Tax Accountant in the UNT System Office of Finance](#).

##### **2. Foreign National Information (FNI) Form**

All foreign national students receiving any payments from the University must complete and sign a Foreign National Information (FNI) form and submit the required copies of immigration documents to the UNT System Tax Office before a stipend payment will be released from Student Accounting. These forms are available in the IAAC, Student Accounting, and UNT System Tax Office. Incomplete forms or forms submitted without the required copies of immigration documents will not be accepted. Questions concerning the FNI form should be directed to the [UNT System Tax Office web site](#) or [tax@untsystem.edu](mailto:tax@untsystem.edu).

##### **3. Tax Treaty Exemptions**

Foreign national students from countries that have a current tax treaty with the U.S. and who wish to claim a treaty exemption from withholding taxes on any taxable portion of stipend payments must file an IRS Form W-8BEN at the time the stipend authorization form is submitted. Students claiming tax treaty exemptions on both compensation and taxable stipend payments may file one IRS Form 8233 to claim exemption from withholding taxes on both types of income. These forms are available in UNT System Payroll. Questions concerning these forms should be directed to the [UNT System Tax Office web site](#) or [tax@untsystem.edu](mailto:tax@untsystem.edu).

#### **V. Resources/Forms/Tools**

IRS Form 1042-S

IRS Form 8233

**VI. Revision History**

Policy Contact:	Assistant VP for Student Accounting
Approved Date:	08/01/1985
Effective Date:	08/01/1985
Revisions:	08/1997, 08/1998, 07/2002, 11/2005, 10/06/2022