

# Frequently Asked Questions about Form 1098-T

## General Questions

### 1. What is Form 1098-T?

Colleges and universities are required by U.S. law each year to provide each student who is a "US person" for tax purposes with Form 1098-T, to assist the students and their families in computing any tax credit or deduction they may be able to claim, based on amounts they have spent for education. These federal tax benefits may include the American Opportunity Credit and the Lifetime Learning Credit.

Like all colleges and universities, Moody is required to submit the data from your Form 1098-T to the Internal Revenue Service (IRS).

Students from outside the United States should review the *International Students* page for important information. Most international students do not need Form 1098-T for any purpose.

### 2. When will my Form 1098-T be available?

Forms are available online by the end of January. Student Accounts will inform the availability by an email sent to your Moody email address.

### 3. What should I do with my Form 1098-T?

You should give it to whomever is responsible for preparing your tax returns or, if you prepare your own tax returns, you should file it with your other tax documents. The information will be helpful for calculating your tuition and fee related deduction for the tax year. Form 1098-T should remain in your files. You do not need to attach Form 1098-T to your tax returns.

### 4. How can I get a copy of my Form 1098-T for a prior year?

2010 through the most recent calendar year completed forms are available online through Moody student portal. If you are no longer a student and completed at least 15 credit hours with Moody you can access the form online through the Alumni Portal at <https://www.moody.edu/alumni/services/>.

### 5. Where can I go for help in understanding my Form 1098-T?

You may want to review the information available from IRS in Publication 970 (Tax Benefits for Education) or elsewhere on the [IRS web site](#).

If you have questions about the specific transactions reported for your own student account at Moody, please contact Student Accounts by e-mail at [studentbookkeeping@moody.edu](mailto:studentbookkeeping@moody.edu) or by phone at 312-329-4223.

### 6. Should I expect other tax forms from Moody?

Moody student employees will also receive Form W-2, Wage and Tax Statement. Questions about these forms should be directed to the Payroll Department at 312-329-2212 or 312-329-2211.

## Using Form 1098-T

### 1. What is included in Box 1?

Payments received toward allowable charges.

To help you review all payments and other credits applied to your account during the calendar year, you may view your Transaction Details in Nelnet.

### 2. I attended Moody during Spring Semester of last year, but some or all of those amounts are missing from my 1098-T. Why?

Form 1098-T reports only those payments or aid that posted to your student account during the calendar year – January through December.

Payments made for spring semesters in November and December are/were reported in that tax year. Only payments or financial aid posted to your bill from January 1 or later in the year will be on your current 1098-T.

### 3. Does my Form 1098-T tell me everything I need to know for tax purposes?

Probably not. Your Form 1098-T reports all transactions that flowed through your student account during the calendar year. However, students typically incur other expenses that may also qualify for tax credits or deductions. The most common example is textbooks. Other examples of qualified and nonqualified expenses not reported on your Form 1098-T may include class fees for study-abroad classes, off-campus housing expenses, and other fees you paid directly to your academic department or other party instead of to Moody. You should rely on your own financial records and receipts to document those expenses. For further information on "qualified" education expenses, please review IRS Publication 970, Tax Benefits for Education. You may wish to consult with a tax professional.

### 4. I receive "stipends" from Moody. Are they included on my Form 1098-T?

That depends on how Moody classified your "stipends" for tax purposes. If your stipends represent wages you have earned, then you have probably been receiving them in the form of a regular paycheck and may have had taxes and/or other amounts withheld from them. In that case, your wages will be reported fully on Form W-2, Wage and Tax Statement. Those wages are not included anywhere on your Form 1098-T.

If your stipends represent a scholarship or fellowship awarded to you on the basis of academic merit and/or financial need, and not as wages you have earned, then you have probably received them as credits flowing through your Moody student account. In that case, your scholarships and fellowships are reported in box 1 (payments) and box 5 (Scholarships or grants) of your Form 1098-T.

**5. My Form 1098-T reports that I received some scholarships, but I don't recall receiving any. Is this correct?**

Moody Undergraduate Chicago Campus students are officially charged regular tuition rate (shown as Qualified expenses) and are granted scholarships (shown as Scholarships) to cover all or part of their tuition cost, depending on eligibility. In such a case, your Form 1098-T is correct.

For questions about your specific student account, please contact Student Accounts at [studentbookkeeping@moody.edu](mailto:studentbookkeeping@moody.edu) or by phone at (312) 329-4223.

For questions about aid eligibility please contact Financial Aid at [financial.aid@moody.edu](mailto:financial.aid@moody.edu) or by phone at (312) 329-4184.

**6. Do I need to report my scholarships as taxable income?**

Scholarships that pay for qualified tuition and related expenses are not taxable to the student. However, if any portion of your scholarships paid for Non-qualified expenses, then you may be responsible for reporting such portion as taxable income on your tax return. Also note that if you received any outside scholarships, these were not included in box 5, but should be considered when determining the total taxable amount from your scholarships. For further guidance, please review IRS Publication 970, Tax Benefits for Education.

**7. My family used money from a "section 529 account" to pay some of my expenses. Those instructions say that room and board expenses are qualified expenses, but they are not shown on my 1098-T. Is this correct?**

Yes. The requirements of state-sponsored section 529 accounts allow for money to be withdrawn, without negative tax implications on the withdrawal, to pay for education expenses including room and board. So, those expenses are "qualified" for purposes of withdrawals from a section 529 account.

However, room and board expenses are still "nonqualified" for purposes of computing an American Opportunity Credit and Lifetime Learning Credit on your tax return. The IRS only allows us to include the qualified expenses for American Opportunity Credit and Lifetime Learning Credit on the 1098-T so you will have to determine the remainder of your expenses from your online summary of charges and/or your own records.

For further information on section 529 accounts and other education-related tax benefits, please review IRS Publication 970, Tax Benefits for Education.

**8. I received a notice from IRS, stating that I couldn't claim a credit/deduction without having a number in my Form 1098-T box 1. What should I do?**

IRS is trying to verify whether you are entitled to the credit/deduction you claimed on that year's tax return. Read your notice carefully. IRS is probably just requesting that you send them copies of other documentation to support your claim. Copies of cancelled checks, credit card statements, bank statements and student bills are helpful. Copies of student bills including payments made are available to our students by request to [studentbookkeeping@moody.edu](mailto:studentbookkeeping@moody.edu).

**9. Spring Semester ended in April, so I was a student during only 4 calendar months. Does that mean my parents can't claim me as their dependent for that year?**

Parents are entitled to claim dependents on their tax return for any year in which that person satisfies either the Qualifying Child or the Qualifying Relative tests. See IRS Publication 501, specifically the section on Exemptions for Dependents.

While our current academic calendar does affect the 5-month criterion to qualify as a full-time student under the Age test, parents are also advised to review the other tests as well. Specifically, parents should carefully review the Support test under Qualifying Child, and the Gross Income and Support tests under Qualifying Relative.