



IRS Form 1098-T – Tuition Payments Tax Year 2023

It's time again to begin preparing for your annual 1098-T filing. Basically, 1098-T forms report tuition and fee payments made by students that qualify for certain educational tax credits. As with most IRS requirements, these tax credits can be somewhat difficult for many tax filers. **Schools should instruct their students to consult with a tax advisor regarding the proper deductions that may be taken.**

Who must file?

You must file Form 1098-T if you are an **eligible educational institution**. An eligible educational institution is a college, university, vocational school, or other post-secondary educational institution that is described in section 481 of the Higher Education Act of 1965; and that is eligible to participate in the Department of Education's student aid programs. This includes most accredited public, nonprofit, and private post-secondary institutions. You must file a 1098-T report for each student you enroll and for whom a reportable transaction is made.

When must you file?

Filers of Form 1098-T (institutions) must furnish 1098-Ts to its students by January 31, 2024. A complete filing of all 1098-Ts with the IRS is due electronically by March 31, 2024. The IRS no longer accepts any form of magnetic media. Electronic filing is the only method to report information returns to the IRS.

Exceptions

You do not have to file Form 1098-T or furnish a statement for:

- Courses for which no academic credit is offered, even if the student is otherwise enrolled in a degree program;
- Nonresident alien students, unless requested by the student;
- Students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships and grants; and
- Students whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student's employer or a governmental entity, such as the Department of Veterans Affairs or the Department of Defense.

Qualified tuition and related expenses

Qualified tuition and related expenses are tuition and fees a student must pay to be enrolled at or attend an eligible educational institution. The following are **not** qualified tuition and related expenses:

- Amounts paid for any course or other education involving sports, games, or hobbies unless the course or other education is part of the student's degree program or is taken to acquire or improve job skills.
- Charges and fees for room, board, insurance, transportation, and similar personal, living, or family expenses.

The following is a detailed description of the required elements on a 1098-T form

Box 1. Payments Received for Qualified Tuition and Related Expenses

Enter the total amount of payments received for qualified tuition and related expenses from all sources during the calendar year. The amount reported is the total amount of payments received less any reimbursements or refunds made during the calendar year that relate to the payments received for qualified tuition and related expenses during the same calendar year. The amount reported is not reduced by scholarships and grants reported in box 5. Include in this box the receipt of a payment of past-due qualified tuition or related expenses from a previous calendar year, but only if the educational institution previously billed the student for such amount(s).

Box 4. Adjustments Made for a Prior Year

Payments received. Enter reimbursements or refunds of qualified tuition and related expenses made during the calendar year that relate to payments received that were reported for any prior year after 2002. Example, a student receives a \$3500 Stafford loan payment for tuition in December 2022. This payment is reported on last year's 1098-T Form. During 2023, a refund of \$1000 was made on the loan. This refund must be reported in Box 4 to adjust the student's tax records reflecting a lesser loan amount applied to tuition.

Amounts billed. Enter any reductions in charges made for qualified tuition and related expenses made during the calendar year that relate to amounts billed that were reported for any prior year after 2002. These requirements also apply to an adjustment made in connection with a nonresident alien for which the educational institution filed and furnished a Form 1098-T for the prior year.

Box 5. Scholarships or Grants

Enter the total amount of any scholarships or grants that you administered and processed during the calendar year for the payment of the student's costs of attendance. Scholarships and grants generally include all payments received from third parties (excluding family members and loan proceeds). This includes payments received from governmental and private entities such as the Department of Veterans Affairs, the Department of Defense, civic and religious organizations, and nonprofit entities. However, see *Exceptions*, earlier.

A scholarship or grant is administered and processed by you if you receive payment of an amount, whether by check, cash, electronic transfer, or other means, which you know or reasonably should know is a scholarship or grant, regardless of whether the educational institution is named as payee or co-payee of the amount and (if a non-cash payment) regardless of whether the student endorses the check or other means of payment for the benefit of the institution. A Pell Grant is an example of a grant administered and processed by a college or university in all cases.

Box 6. Adjustments to Scholarships or Grants for a Prior Year

Enter the amount of any reduction to the total amount of scholarships or grants that were reported for any prior year after 2002.

Box 7. Checkbox for Amounts for an Academic Period Beginning in January through March of 2024

Check this box if any payments received for qualified tuition and related expenses reported for 2023 relate to an academic period that begins in January through March of 2024. This only affects students who make payments in 2023 for charges that will not be incurred until the first quarter of 2024.

Box 8. Check if at Least Half-Time Student

Check this box if the student was at least a half-time student during any academic period that began in 2023. A half-time student is a student enrolled for at least half the full-time academic workload for the course of study the student is pursuing. Your institution's standard for a half-time student workload must equal or exceed the standards established by the Department of Education under the Higher Education Act and set forth in 34 C.F.R. section 674.2(b).

Box 9. Check if a graduate student

Check this box if the student was a graduate student. The student is a graduate student if the student was enrolled in a program or programs leading to a graduate-level degree, graduate-level certificate, or other recognized graduate-level educational credential. This does not mean that the student is graduating or has graduated from a program at your school unless the program is a graduate-level degree, graduate-level certificate, or other recognized graduate-level educational credential. Examples of typical graduate students are those pursuing Master's Degrees or Doctorate Degrees.

Box 10. Insurance Contract Reimbursements or Refunds

If you are an insurer, enter the total amount of reimbursements or refunds of qualified tuition and related expenses that you made to the student during 2023.

Student's TIN checkbox

If you solicited the student's TIN in writing (Form W-9S or other form) for the current year, check the box. Also check the box if you obtained the student's TIN in a prior year by making a solicitation in writing (Form W-9S or other form) or you obtained the student's TIN in a prior year from his or her financial aid application or other form and in either case have no reason to believe the TIN previously obtained is incorrect.

Need Help with your 1098-T Filing?

GEMCOR offers 1098-T preparation and filing services for those who need assistance. We are an approved electronic filer of information returns with the IRS. The IRS no longer accepts any form of magnetic media. Electronic filing is the only method to report information returns to the IRS if your institution has 250 or more returns. Keep in mind that students must still receive their 1098-T forms by January 31, 2024 regardless of how you file with the IRS.

Basic 1098-T Services

Starting on January 1, 2024, with data provided by the school, GEMCOR will prepare individual 1098-T forms and mail them to your students by the end of January 2024 (Provided they are received via ShareFile and verified complete by GEMCOR staff prior to January 22, 2024). We will also complete your IRS filing electronically and will furnish a complete report of all 1098-T forms prepared for your school along with a copy of each of the 1098-T forms for each student. The cost for this service is \$4 per student with a minimum charge of \$100. **Data must be provided by January 22nd 2024 via ShareFile** in the following ordered specification: either ASCII fixed file format, delimited file format, EXCEL spreadsheet, or Microsoft Access database format. (See attached Excel Spreadsheet for an example of the data we expect to receive) Additional fees will apply for data provided in paper format or a format that requires data manipulation. Data fields required include: (**each bullet item must be a **separate data field** using the column names below only or additional fees may apply**)

Column Header	Description of Data
SSN	Student 9-digit Social Security (Number without dashes)
FIRST	Student First Name (Must be in a separate field from last name and must not include the middle initial)
LAST	Student Last Name (Must be a separate field from first name)
STREET	Student Street Address
CITY	Student City
STATE	Student State
ZIP	Student 5-digit Zip Code
BOX1	Payments Received for qualified tuition and related expenses
BOX4	Adjustments made for a prior year
BOX5	Scholarships and Grants
BOX6	Adjustments to Scholarships and Grants for a prior year
BOX7	Checkbox for amounts for an academic period beginning in January-March 2024
BOX8	Check if at least half-time student
BOX9	Check if a Graduate Student (Seeking Graduate-Level Degree/Certificate/Credential)
BOX10	Contract Reimbursements or Refunds
TIN	TIN Checkbox - certify compliance with applicable TIN solicitation requirements regarding individual student

We can extract data from our internal systems for Pell, SEOG, and Direct Loan awards made to your students on request via email. However, we do not have cash payments, alternative/non-federal student loans, or non-federal grants and scholarships for your students. Also, our records would include **all** Pell, SEOG and Direct Loan amounts. If any portion of these awards were given to students for living expenses, those would need to be backed out of the amount for Box 1, which must include only amounts received for tuition and fees. A fair amount of communication must occur between our offices to produce accurate 1098-Ts for 2023. Please contact us as soon as possible to schedule your 1098-T preparation services.

For our TRAX Clients, TRAX 1098-T Software Module will be available January 1st 2024 via ShareFile download. This module will allow you to print 1098-T forms for your students directly from your TRAX System. You will not incur any per student fees if you print and distribute your 1098-Ts to your students. There is a \$100.00 electronic filing fee for any TRAX client that would like their data electronically filed to the IRS by the March 31, 2024 deadline. Please contact us by March 15, 2024 if you would like GEMCOR to electronically file your 1098-T data.

Note for TRAX users: 32-bit OS or Office 32 bit clients will not be able to use the 1098T program for 2023. Only the 64 bit version of the TRAX 1098t program will be provided.

Sincerely,

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