

Southwestern University

1098-T Frequently Asked Questions

The information provided here is NOT tax advice. It is offered only as general information for Southwestern students and their families. Please consult a qualified tax expert for advice on computing, claiming, or determining qualification for any tax benefit mentioned in this document.

What does the amount in Box 1 (Amounts paid for qualified tuition and related expenses) mean?

Qualified tuition and related expenses on your 1098-T is the amount you paid for those qualified expenses during the calendar year (January through December). This amount paid is also limited by the amount of qualified tuition and related expenses that were billed in the calendar year.

Which educational expenses are considered qualified tuition and related expenses?

Qualified Tuition and Related Expenses	Unqualified Expenses
Tuition/Registration	Room and Board fees
Lab Fees	EIIA Student Health Insurance
Course fees	Dewar Tuition Refund Plan
	Vehicle Registration
	Traffic Tickets

Why does it seem like there is information missing for one or more semesters I attended during the year?

Box 1 (payments received) is limited by the amount of qualified tuition and related expenses you were billed within the same calendar year. Therefore, your personal financial records may not reflect the same paid amount. This often happens when a student registers for a term during one calendar year and pays within the next year. For example, when a student registers for the Spring semester in November and pays in January.

Please be advised that amounts paid do not represent amounts billed by the University during the calendar year. The amount in Box 1 represents the amount paid and posted to your student account in the 2020 calendar year that does not exceed your qualified tuition expenses. There is no consideration given to when classes are attended. For example, the 2020 Spring semester tuition bills were generally posted to students' accounts in November 2019 and, if paid prior to December 31, 2019, the amounts paid for that semester would have been part of the 1098-T calculations for tax year 2019, in Box 1.

When claiming educational credits and deductions on your income tax return, you will need to report amounts paid and not rely solely on the 1098-T form. **Your prior e-bills will be the best and most helpful resource for purposes of determining your allowable education tax credits or deductions.**

Please note that due to the change in the IRS regulations for 1098-T reporting requirements Box 1 on your 1098-T may be blank or zero for the following reason:

If your Spring 2020 qualified tuition and related expenses were billed in late 2019, these expenses were reported on your 2019 Form 1098-T.

Since the qualified tuition was reported in 2019, payment for these items were not included in Box 1 to avoid duplicate reporting to the IRS.

What does the amount in Box 5 (Scholarships or Grants) mean?

Box 5 on the 1098-T shows the total of all scholarships or grants administered and processed by Southwestern University. The amount of scholarships or grants for the calendar year (including those not reported by Southwestern) may reduce the amount of any allowable tuition and fees deduction or the education credit you may claim for the year.

Box 5 may include scholarships and grants posted to the student's account for the following terms: Spring 2020, Summer 2020, and Fall 2020. Tuition waivers (if applicable) are not included in Box 5. The calendar IRS reporting year for 1098-T purposes does not coincide with the Southwestern academic year. Consequently, scholarship and grant amounts reported in Box 5 of the 1098-T may not coincide with semester statements that you previously received.

Because federal and state regulations dictate the timing of some financial aid disbursements, your 1098-T will typically include scholarships and grants for Spring 2020 (if applicable), but will exclude financial aid for Spring 2021 (if applicable) depending on when the funds were received. Thus, the reporting of information on the 1098-T differs based on the dates of the actual transactions on the system. Note: This is typical for many private institutions.

What if the amount in Box 5 exceeds Box 1 and my tax software considers it income?

The 1098-T is not meant to be an indicator of income earned. It is an informational form for your personal records, and is not required to be submitted with your tax return. The form contains information to assist you and the IRS in determining if you are eligible to claim any educational tax credits like the American Opportunity Credit and Lifetime Learning Tax Credit.

Form 1098-T does not indicate whether you received a taxable scholarship. It is the sole responsibility of the student to report and pay taxes on the taxable portion of any scholarship or grant that is received. This is not the responsibility of the University. For example, you may need to report taxable income if the total amount of your grants or scholarships received during the year exceeded the amount you paid for qualified education expenses in that year. Please refer to [IRS Publication 970](#) and consult with your tax preparer if you have additional questions regarding how the 1098-T relates to your specific tax preparation.

Please direct any questions regarding transactions to Southwestern University Student Accounts during normal business hours by emailing studentaccounts@southwestern.edu or calling Student Accounts at (512) 863-1928. We hope you find this information helpful.

Are the 2020 HEERF Grants included on the 1098-T form?

No. In accordance with IRS regulations, Higher Education Emergency Relief Fund (HEERF) grants are NOT reported on Form 1098-T. The IRS considers the HEERF grants to be qualified disaster relief payments, and they are not taxable to the students.