Use this decision matrix to assist in handling a scholarship or fellowship grant:

Is the scholarship or fellowship recipient a US citizen or resident alien?

- YES
  - Is the recipient a degree candidate?
    - YES
      - Is any portion of the scholarship or fellowship non-qualified?
        - YES
          - 1. Notify Financial Aid Office of grant
          - 2. Advise the recipient that any amount used for non-qualified expenses must be reported on the recipient’s US and California income tax return
            - The grant is not subject to IRS Form 1099 tax reporting
            - FIS account code
              - Scholarship: 001041
              - Fellowship: 001081

        - NO
          - 1. Notify Financial Aid Office of grant
          - 2. Advise the recipient that any amount used for non-qualified expenses must be reported on the recipient’s US and California income tax return
            - The grant is not subject to IRS Form 1099 tax reporting
            - FIS account code
              - Scholarship: 001040
              - Fellowship: 001080

    - NO
      - 1. Notify Graduate Studies Office of grant
      - 2. Advise the recipient that the full amount of the award must be reported on the recipient’s US and California income tax return
        - The grant is not subject to IRS Form 1099 tax reporting
        - FIS account code
          - Fellowship: 001380

  - NO
    - 1. Notify Graduate Studies Office of grant
    - 2. Advise the recipient that the full amount of the award must be reported on the recipient’s US and California income tax return
      - The grant is not subject to IRS Form 1099 tax reporting
      - FIS account code
        - Fellowship: 001081

Is the recipient a degree candidate?

- YES
  - Is any portion of the fellowship non-qualified?
    - YES
      - 1. Notify Financial Aid Office of grant
      - 2. Advise the recipient that the full amount of the award is subject to income tax withholding and IRS Form 1042-S tax reporting
        - FIS account code
          - Fellowship: 001380

    - NO
      - 1. Notify Graduate Studies Office of grant
      - 2. Advise the recipient that the grant is subject to income tax withholding and IRS Form 1042-S tax reporting
      - 3. Advise the recipient to report any use for non-qualified expenses on his or her US and California income tax return
        - FIS account code
          - Fellowship: 001380

  - NO
    - 1. Notify Financial Aid Office of grant
    - 2. Advise the recipient that the full amount of the award is subject to income tax withholding and IRS Form 1042-S tax reporting
      - FIS account code
        - Fellowship: 001380