



Policy Name: 1098Ts
Origination Date: 3/12/24
Revision Date:
Policy Writer: Cassie Crane

Purpose:

The purpose of this policy is to outline the requirements for United States University to provide the 1098-T to students and to the IRS.

Administrative Responsibility:

Vice President, Student Accounting

Scope:

This policy applies to all eligible students who are enrolled in an eligible degree program.

Policy:

United States University (USU) provides the 1098-T form each year to eligible students who have paid qualified tuition and related expenses. The 1098-T form can assist the student with filing for education tax credits, however, it does not guarantee eligibility of an educational tax credit. Detailed information about claiming education tax credits and eligibility criteria can be found in [IRS Publication 970](#).

Information provided

The IRS requires all colleges and universities to report payments for qualified tuition and related expenses received. Qualified tuition and related expenses are defined as tuition and certain related expenses required for enrollment or attendance at an eligible educational institution. Students' fees and expenses for course-related books, supplies, and equipment are included in qualified related expenses only if the fees and expenses must be paid to USU as a condition of enrollment or attendance.



Unqualified expenses include health insurance, transportation, housing, or other similar personal living, or family expenses.

Procedure:

1. The first week of October, pull a detail transaction register of all students who made a payment in the current calendar year.
 - a. Run Detail Transaction Register from CNS – Reports -> Detail Transaction Register (DTR) -> select current calendar year dates Ex. 1/1/24 to 10/1/24. -> Export to Excel
 - b. Filter report to payments only and remove duplicates students
 - c. Run MSLS from CNS – Reports -> Academic Records -> Student Listing -> Select as of Current Date -> Export to Excel -> Filter Report by Status Date of Newest to Oldest
 - d. Vlookup from the MSLS to the Detail Transaction Register the Student Email Address.
 - e. Sent Student on the list the Student Electronic Opt-In Email Template and ask to review demographic information and SSN.
 - f. Email student if there is not an SSN on file to confirm foreign citizen. If not ask student to complete W-9S form and contact registrar’s office to update SSN on file.
2. The third week of December, pull a detail transaction register of all students who made a payment in the current calendar year.
 - a. Run Detail Transaction Register from CNS – Reports -> Detail Transaction Register -> select current calendar year dates Ex. 1/1/24 to 10/1/24. -> Export to Excel
 - b. Filter report to payments only and remove duplicates students
 - c. Run MSLS from CNS – Reports -> Academic Records -> Student Listing -> Select as of Current Date -> Export to Excel -> Filter Report by Status Date of Newest to Oldest
 - d. Vlookup from the MSLS to the Detail Transaction Register the Student Email Address.
 - e. Sent Student on the list the Student Electronic Opt-In Email Template and ask to review demographic information and SSN.
 - f. Email student if there is not an SSN on file to confirm foreign citizen. If not ask student to complete W-9S form and contact registrar’s office to update SSN on file.
3. Once December month end closes is completed pull all necessary information to compile the 1098T data.
 - a. Pull Detail Transaction Register from CNS – Reports -> Detail Transaction Register -> select current calendar year dates Ex. 1/1/24 to 12/31/24. -> Export
 - b. Filter down to all payments and refunds for the prior calendar year.
 - c. Run MSLS from CNS – Reports -> Academic Records -> Student Listing -> Select as of Current Date -> Export to Excel -> Filter Report by Status Date of Newest to Oldest



- d. Pull AR Balances from end of two previous calendar years ago in CNS – Report -> Account Aging -> Select 12/31/(date from two years ago). Ex. 12/31/23 if you are working on 2024 1098Ts in January of 2025. -> Export to Excel
 - e. Pull AR Balances from end of previous calendar years ago in CNS – Report -> Account Aging -> Select 12/31/(date from two years ago). Ex. 12/31/24 if you are working on 2024 1098Ts in January of 2025. -> Export to Excel
 - f. Run Report for Future Charges in Blue. This would be for charges billed in CNS, but the terms have not yet started as of 12/31/end prior calendar year. Ex. 12/31/24 if you are working on 2024 1098Ts in January of 2025. (There should be two child term billed for which courses have not started year.)
 - I. Reports -> Finance -> Enter Start Date of term -> Search -> Export to excel
 - II. Repeated I. for second term start date
 - III. Finance -> Transaction Management -> Withdrawal Settlement -> Course Start Date -> Search -> Export to excel
 - IV. Repeated III. for second term start date
 - V. Combine all reports into one file.
 - g. Pull from CNS report for all students registered to take classes in Jan to March of current calendar year Reports -> Academic Records -> Student Schedule -> Select all child terms that start between January of the current calendar year to March of the current calendar year -> Export to Excel
 - h. Run customized enroll status report from CNS – Reports -> Academic Records -> First Enrollment Status -> View Report -> Export to Excel -> Filter to all term dates from previous calendar year. Ex. If you are creating 1098Ts in January of 2025 or 2024, select all terms that started in 2024.
4. Build 1098T Master File. Ex.
- https://docs.google.com/spreadsheets/d/1760389Znkqr0i-eE_SfzxA91oVH3vswu/edit?usp=drive_link&oid=103916763530598290885&rtpof=true&sd=true
- a. You need all the data found on the 1098T Statement Data File Requirements as well as additional data points to be able to audit the information.
 - b. Create columns for:
 - I. Record Type
 - II. Tax Year
 - III. Client Code – ACK41
 - IV. Account number – SSN
 - V. Account ID – CNS STUNUM
 - VI. First Name



- VII. Middle Name
- VIII. Last Name
- IX. Address 1
- X. Address 2
- XI. City
- XII. State
- XIII. Zip
- XIV. Country
- XV. AR Balance at 12/31 from two years ago
- XVI. AR Balance at 12/31 from prior year
- XVII. AR Balance at 12/31 from prior year with future charges removed
- XVIII. **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).
- XIX. **Box 4 - Adjustments Made for a Prior Year**
Payments received. Enter reimbursements or refunds of qualified tuition and related expenses made in 2023 that relate to payments received that were reported for any prior year after 2002.
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.
- XX. **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, and such payment is designated as a grant or a scholarship by the payor, or the circumstances make it clear that the payment is a grant or scholarship. A Pell Grant is an example of a grant administered and processed by a college or university in all cases.

- XXI. **Box 6 – Adjustments to Scholarships or Grants for a Prior Year.** Enter the amount of any reduction to the amount of scholarships or grants that were reported for any prior year after 2002.
- XXII. **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.
- XXIII. **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 work load 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 668.2(b).
- XXIV. **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.
- XXV. **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.
- XXVI. IRS SSN Compliance – All should be marked X
- XXVII. No print – only X if you do not want the 1098T sent to the student for some reason



- c. Filter Detail Transaction Register to be payments and refunds only. Do not include non-cash payments or refunds. This is your base list for who needs a 1098T. From this file pull over to the Master file the student Account ID (STUNUM) and Student Name. You will have to text to column the student name to break out the first name, middle name, and last name. You may have to manually adjust some of the name data to get it to align.
 - d. Vlookup from the MSLS file the Account number (SSN), Address 1, Address 2, City, State, Zip, and Country Information.
 - e. Do a Vlookup from the AR balances from two years ago and pull over the AR balance.
 - f. Do a Vlookup from the AR balances from prior year and pull over the AR balance.
 - g. Take the AR balance from prior year and do a SUMIF on the file the future charges and subtract from the prior year AR balances and future charges.
 - h. Box 1 – Do a SUMIF on all DTR charges that have been filtered to payments and refunds only
 - i. Box 4 – If AR balance from two years ago is negative or if Box 1 is a negative, review manually to see if any prior year refunds were made in the prior year. Update Box 1 and 4 as necessary
 - j. Box 5 – From the DTR pull out all grant and scholarship related payments and refunds. SUMIF and add to box 5.
 - k. Box 6 – If AR balance from two years ago is negative or if Box 5 is a negative, review manually to see if any prior year refunds were made in the prior year. Update Box 5 and 6 as necessary
 - l. Box 7 – From the student schedule report for all students registered for classes from Jan to Mar of current calendar year, Vlookup and pull any one with a course. If the AR balance with future charges is negative X box 7. If the AR balance with future charges is positive clear box 7.
 - m. Box 8 – Filter the enroll status report to only students who during the prior calendar year where ½ time greater. Vlookup in box 8.
 - n. Box 9 – Vlookup from MSLS the students most recent program as of 12/31 of prior year. If a master or higher level course, X box 9.
 - o. Box 10 – should be blank
 - p. IRS SSN compliance should be X
 - q. No print should be blank unless you do not want a 1098T printed for some reason
5. Audit Master File



- a. If AR balance from two years is negative or box 1 or 5 is negative, review for prior year refunds. Adjust box 4 and 6 accordingly. Box 1 and Box 5 should never be negative.
 - b. Box 1 should never be less than box 5. If it is review for error and correct.
 - c. Box 4 should never be less than box 6. If it is review for error and correct.
 - d. If the prior year AR balance after future charges are removed is not a negative number, Box 7 should not be X. If it is, remove X.
 - e. If a student has a blank or invalid SSN, remove from the list. Verify student is a non-citizen from MSLS. If they are marked as a US citizen, please follow up with student to get a valid SSN. Refer to procedure on step 1 and 2. This should at a minimum be our second or third attempt to obtain the information. If the information is obtained after 1098Ts are submitted to the processor, we can manually create a 1098T with the processor. If it is obtained before we submit to the processor, we can update the spreadsheet as needed.
6. Create final file the only has the information and format as outlined in the 1098T Statement Data File Requirements.
 7. Follow EasyPath Instructions to submit the file to the processor prior to their deadline. A calendar of events will be sent out prior to year end that outlines when the file is due. The processor will process the file usually in 24 to 48 hours.
 8. Review files sent back by processor to look for any corrections that needs to be made. If corrections are needed, make the corrections, and resubmit the file. If corrections are not needed, you can approve the file to be processed and the 1098Ts released to the students. Note: There is a deadline to approve the files with incurring a rush fee with the processor. The date is outlined in the event calendar.
 9. Once the file is approved by 1/31 of the current calendar year, the 1098Ts will be electronically emailed via a link to those students who opted in to receive their 1098T electronically or emailed to this that did not opt in.
 10. If 1098Ts need to be edit, we can begin editing once the files are published. See instructions in the Managing your 1098Ts document.

Reference(s):

1. Related Documentation



- a. W-9s Form –
chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.irs.gov/pub/irs-pdf/fw9s.pdf
- b. 1098T Procedures
- c. W-9w Client Guide -
https://drive.google.com/file/d/1DJv-kXoMiW4rmwNJLMeJPfd17YMbY130/view?usp=drive_link
- d. TaxSelect SSN Validation Import File Requirements -
https://drive.google.com/file/d/1DPL9cDIhq-2GSJwGqKhyZZbV1dNQXII9/view?usp=drive_link
- e. Student Electronic Opt-In Email Template -
https://docs.google.com/document/d/1DMSNzjzPKIQ0a7bxCO-yzx7UNIBFpO21/edit?usp=drive_link&oid=103916763530598290885&rtpof=true&sd=true
- f. Managing your 1098Ts -
https://drive.google.com/file/d/1DOfPU1K-lvVZ2l8cV_p3Sjcpbr0kHuG2/view?usp=drive_link
- g. EasyPath Instructions -
https://drive.google.com/file/d/18XYw0wZguQQGcbOYU3tL9WBF_rB-wcYg/view?usp=drive_link
- h. 1098T Statement Data File Requirements -
https://drive.google.com/file/d/18Yq4YuuEy5ACGQ4JIBBikPLL9ZoDVoCB/view?usp=drive_link
- i. 1098T FAQs -
https://drive.google.com/file/d/1DN6zTzefxmZnDx-xoByYhKZZy8kOvR3X/view?usp=drive_link
- j. 1098T Master File Example -
https://docs.google.com/spreadsheets/d/1760389ZNkqr0i-eE_SfXzA91oVH3vswu/edit?usp=drive_link&oid=103916763530598290885&rtpof=true&sd=true
- k. IRS 1098T Instructions - <https://www.irs.gov/instructions/i1098et>
- l. IRS 1098T Form -
chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.irs.gov/pub/irs-pdf/f1098t.pdf
- m. 1098T Timeline of Events to be sent by processor in Q4 any calendar year



2. Training guides or job aids:
3. Exceptions: None unless approved by Vice President, Student Accounting