



# Fellowship Memorandum Of Understanding

(updated July 2015)

Name \_\_\_\_\_ UFID \_\_\_\_\_

College \_\_\_\_\_ Department \_\_\_\_\_

Department Phone Number \_\_\_\_\_ Pre-Doc Fellow  Post-Doc Fellow

Appointment Dates (follow academic calendar as applicable; not to exceed 1 year): Start \_\_\_\_\_ End \_\_\_\_\_

UF Contract/Project Number: \_\_\_\_\_ Agency Grant Number \_\_\_\_\_

Federal Funding (e.g. T32) NO  YES

If yes, appointment must be reviewed by Contracts and Grants prior to being submitted to HR-Academic Personnel

Primary Funding Source: Amount \$ \_\_\_\_\_ Fund Code \_\_\_\_\_

Supplementary Funding Source: Amount \$ \_\_\_\_\_ Fund Code \_\_\_\_\_

Total Stipend for Appointment: \$ \_\_\_\_\_

1. First Payment-LSP (if applicable) \$ _____
2. Biweekly Amount: \$ _____
Goal Amount: \$ _____

## Fellow Acknowledgement

- I understand that I must be properly registered for the credit hours needed to be eligible for the fellowship, if required.
- I further understand I am not a University of Florida employee and I am not covered under worker's compensation.
- If I am a U.S. Citizen or permanent resident, my stipend is not subject to any payroll tax withholding requirements.
- I understand I am responsible for determining whether my award, in whole or part, is to be included in gross income, and for paying appropriate taxes, if applicable.
- If I am a foreign national with F-1/J-1 visa status, I understand that because I am not a U.S. citizen, payments to me are governed by my visa status, U.S. tax laws, and/or the tax treaty between the U.S. and my country of residence.
- I understand that the University of Florida, the authorizing agent, will issue a Form IRS 1042S annually. I also understand that it is my responsibility to file IRS Form 1040NR or 1040NR-EZ each calendar year. Furthermore, I understand that failure to file this U.S. tax return may disqualify me for receipt of monies under this or other programs.
- I have received a copy of the second page of this memorandum.

**REQUIRED (Please 'X' the appropriate selection)**  
For tax purposes, I am a: Nonresident Alien (NRA)

U.S. Citizen/Resident Alien

\_\_\_\_\_  
Fellow Signature

\_\_\_\_\_  
Date

## Departmental Acknowledgement

- I have read the above information and I understand and acknowledge that fellowships are awarded to aid the fellow in the pursuit of study or research and that no services are expected.
- I certify the fellowship recipient named above is not expected to perform services as a condition of this award.

\_\_\_\_\_  
Chair, PI, or Graduate Coordinator (no delegate allowed)

\_\_\_\_\_  
Date

Name: \_\_\_\_\_

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Initial: \_\_\_\_\_

**Fellowship Definition:** A fellowship grant generally means an amount paid or allowed to, or for the benefit of, an individual to aid the fellow in the pursuit of study or research. The term includes the value of contributed services and accommodations and the amount of tuition, matriculation, and other fees, which are furnished or remitted to an individual to aid in the pursuit of study or research.

**Registration:** There are registration requirements for pre-doctoral fellows receiving stipends. Post-doctoral fellows are not required to register. Registration requirements are published in the UF Graduate Catalog.

**Taxability of Stipends:** Section 117 of the Internal Revenue Code applies to the tax treatment of scholarships and fellowships. Degree candidates may exclude from gross income (for tax purposes) any amount used for course tuition and related expenses, such as fees, books, supplies, and equipment, required for courses of instruction at a qualified educational organization. The taxability of stipends in no way alters the relationship between fellows and grantee organizations. Fellowship stipends are not considered salaries. Interpretation and implementation of tax law is the domain of the IRS and the courts. The University of Florida and/or the granting agency does not have the authority to dispense tax advice. Individuals should consult their local IRS office about the applicability of the law to their situation and for information on their tax obligations.

If you are a U.S. citizen or a foreign national with lawful permanent resident status and are not required to perform any services for the university or the grantor in return for your fellowship or scholarship award, **the university is not required to withhold taxes on your award.** You are responsible for determining whether your award, in whole or part, is to be included in gross income, and for paying appropriate taxes on it.

**Foreign National Taxability:** Foreign students, F-1 and J-1 visa holders, may be subject to withholding even on amounts which do not represent compensation for services. This is to ensure compliance with U.S. laws on the part of individuals who are not permanent residents of this country. In general, if an amount paid through the payroll system to a nonresident foreign national is taxable, it is subject to withholding. Some foreign students may be exempt from U.S. withholding taxes under one or more provisions of a tax treaty, which their home country has secured with the United States. Your visa status and country of residence requires that payments to you meet certain conditions.

**Form 1098T or Form 1099:** Although stipends are not considered salaries, the payments may be subject to Federal and State taxes. The University of Florida is required to report your fellowship payment on IRS Form 1098-T or 1099 MISC for NIH Training Grant Fellowships. As stated previously, you are responsible for determining whether your award, in whole or part, is to be included in gross income, and for paying appropriate taxes.

**Worker's Compensation:** Since services are not required and no employment relationship exists between you and the University of Florida, you are not covered under worker's compensation (F.S. 440.02).

**Direct Deposit:** Direct deposit is available and encouraged for individuals receiving fellowship stipends. Should you chose not participate in direct deposit, your payment will be forwarded to the office responsible for funding the fellowship.